

UPDATED
SESSION OF 2019

SUPPLEMENTAL NOTE ON SENATE BILL NO. 27

As Recommended by Senate Committee on
Commerce

Brief*

SB 27 would amend a provision of the Kansas Employment Security Law, commonly referred to as Unemployment Insurance (UI), pertaining to the quarterly reporting of tax and wage data to the Department of Labor (Department). Under current law, professional employer organizations (PEOs), which provide human resource and other administrative services to businesses, are prohibited from including a client company's owners and officers in the same UI quarterly report as that company's employees. Those companies must file two reports with the Department. The bill would repeal the prohibition.

Background

The bill was introduced by the Senate Committee on Commerce at the request of the National Association of PEOs (National Association).

During the Senate Committee hearing, representatives of the National Association and two PEOs operating in Kansas spoke in favor of the bill, stating the bill would alleviate an administrative burden placed on client companies.

A representative of the Department of Labor provided neutral testimony, stating there was no record with the

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

agency as to the reason for the prohibition. The conferee stated the bill would facilitate filing and would not affect limitations placed on business owners' eligibility for UI benefits

No opponent testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

Upon the bill being re-referred to the Senate Committee, a representative of the Department of Labor reconfirmed previous testimony and indicated the Department had no opposition to the bill. The Senate Committee again recommended the bill be passed.

According to the fiscal note prepared by the Division of the Budget, the bill would not have a fiscal effect.