

Approved \_\_\_\_\_ February 5, 1992  
Date

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business

The meeting was called to order by Alicia L. Salisbury at  
Chairperson

1:30 ~~xx~~ p.m. on January 23, 1992 in room 254-E of the Capitol.

All members were present except:  
Senators Ehrlich, Feleciano and Martin

Committee staff present:  
Jerry Donaldson, Legislative Research Department  
Gordon Self, Revisor of Statutes Office  
Mary Jane Holt, Committee Secretary

Conferees appearing before the committee:  
Sid Snider, Chief of Policy, Planning and Analysis, Department of Human Resources  
Nancy Lindberg, Assistant to Attorney General Robert T. Stephan

The Chairman announced the Committee would receive requests for introduction of bills.

**BILL REQUESTS:**

Sid Snider, Chief of Policy Planning and Analysis, Department of Human Resources, appeared on behalf of the Secretary of Human Resources to present the Department of Human Resources' requests for unemployment insurance legislation see Attachment I. The five proposals which have received approval of the Employment Security Advisory Council are:

1. Amend the employment security law in regard to the shared work compensation program. The amendment would include nonprofit organizations and governmental entities previously excluded from the shared work compensation program. The current Kansas law does not meet federal requirements.
2. A technical amendment which deletes a reference to a section of a federal immigration and nationality act that is no longer applicable.
3. Revise the definition of a controlled substance. Currently the law defines a controlled substance as provided in KSA 65-4101. The proposed amendment would add to the definition alcoholic beverage and a cereal malt beverage.
4. Amend the employment security law in regard to the passage of the Kansas Limited Liability Company Act. The amendment adds one limited liability company to the definition of an employment unit and adds any active member or manager of a limited liability company to the definition of employment, and clarifies the law by stating that a member or manager who has charge of the affairs of a limited liability company would be subject to possible personal liability for willfully failing to pay contributions.
5. A technical amendment caused by a change in federal statutes. Public law 101-508 deletes the 35 year limitation on obligation of Reed Act Funds for administrative purposes. The proposed amendment would delete the 35 year limitation in the Kansas Employment Security Law bringing it into conformity with federal law.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Labor, Industry and Small Business,  
room 254-E, Statehouse, at 1:30~~xx~~ p.m. on January 23, 1992

A motion was made by Senator Oleen and seconded by Senator Petty to introduce, as Committee bills, legislation proposed by the Department of Human Resources. The motion passed.

Nancy Lindberg, Assistant to Attorney General Robert T. Stephan, requested, on behalf of the Attorney General and the Consumer Protection Advisory Council, the Committee introduce Construction Fund Fraud legislation, see Attachment II.

Senator Morris moved and Sen Strick seconded to introduce the legislation requested by the Attorney General. The motion passed.

Senator Petty requested the Committee introduce legislation to put state buildings and state employees under OSHA standards. She explained twenty-three other states have OSHA standards for state employees.

Senator Petty moved the Committee introduce a bill putting the state of Kansas under OSHA standards. Senator Daniels seconded the motion. The motion failed.

Senator Morris requested the Employment Security Advisory Panel consider requesting a bill to increase the salaries of the three member hearing board.

The Chairman announced on Monday, January 27, 1992 there will be a joint meeting of the Senate Labor, Industry and Small Business, Senate Financial Institutions and Insurance, House Labor and Industry and House Insurance committees at 1:30 p.m. to 5:00 p.m. in room 313-S on Workers Compensation. There will be a 15 minute break at 2:30. N.C.S.L. has agreed to provide technical assistance to this effort, and Dr. Peter Barth and John Lewis will lead a discussion on issues in the workers compensation system. They are currently working with the Kansas Legislative staff reviewing the history of the system in Kansas, the issues in Kansas and the current legislation in Kansas.

The Committee meeting was adjourned at 2:00 p.m. The next meeting will be Monday, January 27, 1992 at 1:30 p.m in room 313-S.



Presentation to the Senate Labor, Industry and  
Small Business Committee  
on  
Thursday, January 23, 1992

My name is Sid Snider. I am Chief of Policy, Planning and Analysis at the Department of Human Resources.

The Secretary of Human Resources has asked me to inform the Committee of Unemployment Insurance legislation that is being proposed for introduction during this session.

There are five proposals that have been reviewed and approved by the Employment Security Advisory Council.

The first proposal would amend the Employment Security Law in regard to the Shared Work Compensation Program. The law currently excludes non-profit organizations and governmental entities. Because of this exclusion the Kansas law does not meet federal requirements. The proposed amendment would include non-profit organizations and governmental entities previously excluded from the Shared Work Compensation Program.

The second proposal is a technical amendment needed because of a change in Federal Statutes. The proposed amendment deletes a reference to a section of the Federal Immigration and Nationality Act that is no longer applicable.

*S. L. G. & L. B.  
1/23/92*

*Attachment 1-1*

The third proposal revises the definition of a "controlled substance." Currently the law defines a controlled substance as provided in K.S.A. 65-4101. The proposed amendment would add to this definition an alcoholic beverage and cereal malt beverage.

The fourth proposal amends the Employment Security Law in regard to the passage of the Kansas Limited Liability Company Act. The proposed amendment would (1) add "limited liability companies" to the definition of "employing unit" (2) it would add any active member or manager of a "limited liability company" to the definition of "employment" and (3) it clarifies the law by stating that a member or manager who has charge of the affairs of a "limited liability company" to be subject to possible personal liability for willfully failing to pay contributions.

The fifth proposal is a technical amendment needed because of a change in Federal Statutes. Public Law 101-508 as signed by the President deletes the 35 year limitation on the obligation of Reed Act Funds for administrative purposes. The proposed amendment would delete the 35 year limitation in the Kansas Employment Security Law to bring it into conformity with Federal law.

This concludes my presentation. I thank you for your time and if there are any questions I would be happy to try to answer them.

*L. L. & B.*  
*1/23/92*

*Att # 1-2*



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January 23, 1992

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TO: Senator Alicia Salisbury, Chairperson  
Members of Labor, Industry and Small Business

FROM: Attorney General Bob Stephan *RTS*

RE: Legislative Recommendation

Construction Fund Fraud - Amend K.S.A. 21-4403 by creating a new crime, construction fund fraud, as the failure with intent to defraud by an owner, contractor, owner-contractor or subcontractor to pay invoices or contractual obligations within 30 days of final receipt of all construction funds, exposing the property under construction or improvement to the filing of a mechanic's lien. It is recommended that it be a class B misdemeanor if under \$5,000 but a class D felony if over \$5,000.

*S29 + S.B.  
1/23/92*

*Attachment 2-1*