

SESSION OF 2007

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2316

As Amended by Senate Committee on
Commerce

Brief*

HB 2316 would amend the law governing the payment of compensation by an employer to do the following:

- Institute the use of a payroll card as an option for employees that fail to designate a financial institution;
- Allow for employees to have one free withdrawal, from the payroll card, of funds up to the amount of total wages as stated on the employee's earnings statement;
- Require not less than 30 days before implementing a payroll program using an electronic fund transfer or a payroll card, to conduct forums to educate employees regarding the use of electronic fund transfers or payroll card or distribute educational information regarding these two programs;
- Retain no interest in wages paid to employees by electronic transfer of funds, other than the right to correct inadvertent overpayments;
- Require no charges or fees to the employee for the electronic fund transfer except for the cost required to replace a lost, stolen, or damaged payroll card; and
- Provide definitions of payroll card, payroll card issuer, and payroll card account.

*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>

- Allow the Kansas Department of Labor to make unemployment benefit payments by commercially accepted means approved by the Secretary.
- Allow the Kansas Department of Administration to use cash, checks, drafts, or electronic deposit to an employee's account at a financial institution for payment of wages to state employees.

Background

Those conferees who appeared in support of the bill included Phillip Hayes, the Kansas Society for Human Resource Management; Patrick Salmans, Sunflower Bank; Bill Goodlatte, Senior Vice President, Human Resources, the LDF Companies; William Schmitz, CAP, Business Manager, Greater Wichita YMCA; Doug Robinson, Finance Director, City of Lenexa; Sandy Jacquot, League of Kansas Municipalities; William Hutton, Chair, Board of Directors, YMCA of Greater Kansas City; and Kathy Olsen, Kansas Bankers Association.

Written letters in support of the bill were received from Margaret Kunner, President, Kansas Hospital Human Resources Association; Cathy Beyda, Chair, Pay Card Subcommittee, American Payroll Association; Ron Hein, Kansas Restaurant and Hospitality Association; Marlee Carpenter, Vice President of Government Affairs, the Kansas Chamber; and Kenneth L. Daniel, Midway Wholesale.

The Senate Committee on Commerce adopted all of the House provisions and added the following to the bill:

- Allow the Kansas Department of Labor to make unemployment benefit payments by commercially accepted means approved by the Secretary.
- Allow the Kansas Department of Administration to use cash, checks, drafts, or electronic deposit to an employee's account at a financial institution for payment of wages to state employees.

The fiscal note on the bill, as drafted, indicates that according to the Department of Administration, the State of Kansas is subject to other state laws with regard to payment of wages to state employees. Because HB 2316 does not amend these laws, the Department of Administration states that passage of the bill would not affect the State of Kansas as an employer. Other employers may incur additional costs with the passage of HB 2316, if the employers exclusively offer direct deposits for employee pay. However, the fiscal effect for these employers cannot be estimated.