

## MINUTES OF THE HOUSE COMMERCE & ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairman Anthony R. Brown, at 1:30 p.m. on February 18, 2011, in Room 785 of the Docking State Office Building.

All members were present except:

Bruchman Absent  
Schwab Absent

Committee staff present:

Renae Jefferies, Office of the Revisor of Statutes  
Ken Wilke, Office of the Revisor of Statutes  
Reed Holwegner, Kansas Legislative Research Department  
Raney Gilliland, Kansas Legislative Research Department  
Joyce Bishop, Committee Assistant

Conferees appearing before the Committee:

Karl Hansen, Chief Legal Counsel, Department of Labor

Others attending:

See attached list.

Chairperson Brown reopened the hearing on HB 2135, Eliminating penalty for misclassification of employees as independent contractors to avoid tax withholding, contribution and reporting requirements.

Ken Wilke gave the Revisor's overview of an amendment (Attachment 1).

Karl Hansen, Chief Legal Counsel, Department of Labor, answered questions regarding the amendment from committee members.

Chairperson Brown closed the hearing on the bill.

Chairperson Brown opened the floor for discussion and action on HB 2135, Eliminating penalty for misclassification of employees as independent contractors to avoid tax withholding, contribution and reporting requirements.

Representative Sullentrop moved, seconded by Representative Garber, to amend HB 2135 with the amendment contained in Attachment 1. The motion passed on a voice vote.

Representative Sullentrop moved, seconded by Representative Slattery, that the committee recommend to the House a Substitute for HB 2135 be passed.

Representative Slattery moved, seconded by Representative Ruiz, a substitute motion to further amend HB 2135 by striking new section 2 found in Attachment 1 and all related provisions. The motion failed on a voice vote.

Representative Slattery moved, seconded by Representative Finney, a substitute motion to further amend HB 2135 by striking subparagraph (a) (A)(v) found in new section 2 in Attachment 1, regarding a business's reliance upon the advice given by attorneys or accountants. The motion passed on a voice vote.

Representative Slattery moved, seconded by Representative Ruiz, to further amend HB 2135 by striking subparagraph (a) (A)(iv) found in new section 2 in Attachment 1, regarding a business's reliance upon customary worker classifications. The motion failed on a voice vote.

Representative Sullentrop moved, seconded by Representative Mesa, that the Committee recommend to the House a Substitute for HB 2135 be passed. The motion passed on a voice vote.

The meeting adjourned at 4:05 p.m.