

February 23, 2017

The Honorable Les Mason, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Mason:

SUBJECT: Fiscal Note for HB 2326 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2326 is respectfully submitted to your committee.

HB 2326 would clarify circumstances in which an employer may withhold, deduct or divert an employee's wages. An employer may withhold, deduct or divert an employee's wages if required by court order. Deductions may be made to correct or recover wage overpayments without the employee's signed authorization, provided that the deduction rate does not exceed the overpayment rate. For loan or wage advances, a written request from the employee requesting the loan or wage advance would satisfy the requirement of signed authorization.

The Department of Administration indicates that the bill would have no fiscal effect on state payroll processes; the state has existing practices regarding the recovery of wage overpayments. The Department would need to formalize the provision in the bill requiring an employee's signed authorization allowing the deduction rate to exceed the overpayment rate; however, this could be accomplished within existing agency resources. The Department of Labor states the bill would have no fiscal effect on its operations.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Colleen Becker, Department of Administration
Dawn Palmberg, Department of Labor