

Substitute for HOUSE BILL No. 2642

By Committee on Commerce, Labor and Economic Development

3-18

1 AN ACT concerning employment security law; relating to lessor
2 employment units and lessee clients; restrictions on leasing certain
3 employees; amending K.S.A. 44-758 and repealing the existing section.
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 44-758 is hereby amended to read as follows: 44-
7 758. (a) Any employer or any individual, organization, partnership,
8 corporation or other legal entity ~~which~~ *that* is a lessor employing unit, as
9 defined by ~~subsection (ff) of K.S.A. 44-703(ff)~~, and amendments thereto,
10 shall be liable for contributions on wages paid by the lessor employing
11 unit to individuals performing services for client lessees. ~~For the purposes~~
12 ~~of the employment security law, no client lessee shall lease an individual~~
13 ~~proprietor, partner or corporate officer, who is a shareholder or a member~~
14 ~~of the board of directors of the corporation, from any lessor employing~~
15 ~~unit.~~ Any client lessee shall be jointly and severally liable for any unpaid
16 contributions, interest and penalties due under this law from any lessor
17 employing unit attributable to wages for services performed for the client
18 lessee by employees leased to the client lessee. The lessor employing unit
19 shall keep separate records and submit separate quarterly contributions and
20 wage reports for each client lessee.

21 (b) Any lessor employing unit ~~which~~ *that* is currently engaged in the
22 business of leasing employees to client lessees shall comply with the
23 provisions of subsection (a) prior to October 1, 1990.

24 (c) The provisions of this section shall not be applicable to private
25 employment agencies ~~which~~ *that* provide temporary workers to employers
26 on a temporary help basis, provided the private employment agencies are
27 liable as employers for the payment of contributions on wages paid to
28 temporary workers so employed.

29 (d) This section shall be construed as part of the employment security
30 law.

31 Sec. 2. K.S.A. 44-758 is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after its
33 publication in the statute book.