SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2069

As Amended by Senate Committee on Commerce

Brief*

HB 2069, as amended, would prohibit cities, counties, and local government units from using ordinances, resolutions, or law to require private employers to provide compensation, leave (with or without pay), or other benefit to their employees at a higher rate than required by state or federal law. Existing policies enacted by cities and counties would become void.

Cities, counties, or local government units also would be prohibited from requiring, showing preference (either for or against), or basing any policy on the provision of benefits by an employer on any construction, infrastructure, or redevelopment projects.

Background

At the Senate Committee on Commerce hearing on the bill, representatives of the Heart of America Chapter of the Associated Builders and Contractors, the Kansas Chamber, the Kansas Restaurant and Hospitality Association, the National Federation of Independent Businesses, and business executives spoke in favor of the bill. Proponents stated wage and benefit levels, if imposed on private employers, should be decided at the state level to avoid the potential for disparate, inflexible policies between communities.

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*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

A representative of the Unified Government of Wyandotte County and Kansas City spoke in opposition to the bill, explaining the Unified Government requires its contractors on publicly funded projects to pay a prevailing wage to their employees. The Unified Government's testimony showed that over the past year, the Kansas City Metro Area has exhibited greater economic growth than other parts of the state. A representative of the League of Kansas Municipalities (LKM) also spoke in opposition, questioning how the bill would be applied to various employer-employee relations. Opponents also expressed concern that the bill could erode local policy-making control.

The House Committee on Commerce, Labor, and Economic Development amended the bill to delete reference to economic development initiatives, programs, or grants as a prohibited means to require compensation or benefits higher than state or federal levels.

The Senate Committee amended the bill to prohibit cities, counties, and local government units from administering any policy based upon on the employee benefits offered by employers on certain projects.

According to the fiscal note provided by the Division of the Budget on the original bill, in consultation with LKM and the Kansas Association of Counties, the bill would have no fiscal effect on state government, but there could be a fiscal effect on cities and counties.