

SESSION OF 2019

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2076**

As Recommended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

HB 2076 would amend a provision of the Kansas Employment Security Law, commonly referred to as Unemployment Insurance (UI), pertaining to the quarterly reporting of tax and wage data to the Department of Labor (Department). Under current law, professional employer organizations (PEOs), which provide human resource services to businesses, are prohibited from including a company's owners and officers in the same UI quarterly report as that company's employees. Those companies must file two reports with the Department. The bill would repeal the prohibition.

**Background**

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of Representative Tarwater on the behalf of the National Association of PEOs (National Association).

During the House Committee hearing, representatives of the National Association and two PEOs operating in Kansas spoke in favor of the bill, stating the bill would alleviate an administrative burden placed on client companies.

No opponent testimony was provided.

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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>

After the hearing, responding to House Committee questions, a representative of the Department provided written-only neutral testimony, saying there was no record with the agency as to the reason for the prohibition. No negative impact was discernible to the Department.

According to the fiscal note prepared by the Division of the Budget, the bill would not have a fiscal effect.