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**STATEMENT OF KANSAS BUILDING INDUSTRY ASSOCIATION
TO THE SENATE COMMERCE COMMITTEE
SENATOR KARIN BROWNLEE, CO-CHAIR
SENATOR NICK JORDAN, CO-CHAIR**

REGARDING S.B. 292

FEBRUARY 13, 2007

Chairmen and Members of the Committee, I am Chris Wilson, Executive Director of the Kansas Building Industry Association (KBIA). KBIA is the statewide trade association of the home building industry, with approximately 2500 member companies.

Thank you for the opportunity to support S.B. 292, deleting the liability of general contractors for subcontractors' unemployment contributions. While we have learned that this law has been in the statutes for the better part of a half century, our membership was unaware of it until the Department of Labor issued a notice regarding it a few months ago. We philosophically do not believe this provision should remain in the statutes. A company should be liable for their own unemployment contributions, and another company should not be liable for them.

It would be impossible for a general contractor to be knowledgeable about what employees a subcontractor had on his job, what hours they had worked,



what the liability for unemployment taxes were for that company. The Department of Labor would be buried in paper if each general contractor contacted them to determine if all the subs on all their jobs were current on their unemployment contributions. And they would have to do this on a monthly basis.

In the residential construction industry, the subcontractors are often larger than the general contractor. Also, the subcontractors are often doing a majority of the work. This is different than when the law was originally passed.

The Legislature has passed legislation which states that it is against public policy to require another party to indemnify the first party against his/her own negligence. We believe that this is another case where the customer may be held liable, regardless of his own actions.

We ask that you report S.B. 292 favorable for passage.