

**SENATE BILL No. 134**

By Committee on Federal and State Affairs

2-1

1 AN ACT concerning employment security law; misclassification of  
2 employees; relating to the penalty for violations; amending K.S.A.  
3 2016 Supp. 44-766 and repealing the existing section.  
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2016 Supp. 44-766 is hereby amended to read as  
7 follows: 44-766. (a) No person shall knowingly and intentionally  
8 misclassify an employee as an independent contractor for the sole or  
9 primary purpose of avoiding either state income tax withholding and  
10 reporting requirements or state unemployment insurance contributions  
11 reporting requirements.

12 (b) (1) Any person violating subsection (a) shall upon first violation  
13 be subject to a civil penalty in an amount computed in the manner  
14 prescribed in K.S.A. 79-3228, and amendments thereto.

15 (2) Any person violating subsection (a) upon a second *or subsequent*  
16 violation shall be subject to a civil penalty computed as prescribed in  
17 paragraph (1) and in addition, upon conviction, shall be guilty of a ~~class C~~  
18 ~~nonperson misdemeanor~~ *severity level 10, nonperson felony.*

19 ~~(3) Any person violating subsection (a) upon a third or subsequent~~  
20 ~~violation shall be subject to a civil penalty computed as prescribed in~~  
21 ~~paragraph (1) and in addition, upon conviction, shall be guilty of a class A~~  
22 ~~nonperson misdemeanor.~~

23 (c) Criminal violations of subsection (a) may be prosecuted by the  
24 attorney general or the district or county attorney for the county in which  
25 the violation occurred.

26 (d) Any civil penalty assessed hereunder shall be remitted to the  
27 secretary and deposited in the state treasury.

28 (e) Any penalty provided in this section shall be in addition to any  
29 other penalty and remedy that may otherwise be imposed under the  
30 employment security act and such remedies shall be cumulative.

31 (f) This section shall be part of and supplemental to the employment  
32 security law.

33 Sec. 2. K.S.A. 2016 Supp. 44-766 is hereby repealed.

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