

Honolulu, Hawaii

A-204 , 2008

RE: H.R. No. 215

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Labor & Public Employment, to which was referred H.R. No. 215 entitled:

"HOUSE RESOLUTION REQUESTING A STUDY RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS,"

beg leave to report as follows:

The purpose of this resolution is to request that the Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives chair a working group to study the possible creation of a statutory and regulatory framework for professional employer organizations operating in Hawaii. The work group is requested to consider the following principles:

- (1) The creation of a comprehensive statutory framework for professional employer organizations based on, as appropriate, the statutory and regulatory requirements, including registration of professional employer organizations, of other states;
- (2) The preservation of ensuring the integrity of the workers' compensation system;
- (3) Recognition that workers' compensation coverage in professional employer organization arrangements should be subject to exclusive remedy protection for both the client and the professional employer organization; and



- (4) Recognition that workers' compensation coverage in professional employer organization arrangements should be addressed by state law that ensures maximum flexibility in the voluntary market as to the types of coverage permitted.

The Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives is also requested to form the working group to include a minimum of nine members, , besides the Chairperson, as follows:

- (1) One representative from Department of Commerce and Consumer Affairs, Insurance Division;
- (2) One representative from the Hawaii workers' compensation insurance community;
- (3) Two representatives from the Hawaii professional employer organization community with at least ten years of individual operating history;
- (4) One representative from a national trade association representing the professional employer organization industry; and
- (5) Four members of the legislature.

Altres, Inc., Zero Emissions Leasing LLC, and National Association of Professional Employer Organizations (NAPEO) submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 215 and recommend its adoption.



Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and Labor
& Public Employment,



ALEX M. SONSON, Chair



ROBERT N. HERKES, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HSCR 1729-08

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HR 215	Committee Referral: CPC/LAB	Date: March 24/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. SONSON, Alex M. (C)	✓			
2. NAKASONE, Bob (VC)				✓
3. EVANS, Cindy				✓
4. HAR, Sharon E.				✓
5. LEE, Marilyn B.	✓			
6. LUKE, Sylvia	✓			
7. McKELVEY, Angus L.K.	✓			
8. NISHIMOTO, Scott Y.	✓			
9. SOUKI, Joseph M.	✓			
10. TAKAMINE, Dwight Y.				✓
11. TAKUMI, Roy M.				✓
12. MEYER, Colleen Rose	✓			
13. PINE, Kymberly Marcos	✓			
TOTAL (13)	8	0	0	5
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				