

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 519
H.D. 1
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 519, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION,"

begs leave to report as follows:

The purpose and intent of this measure is to exclude certain individuals from coverage under the State's workers' compensation law.

Specifically, the measure changes the definition of "employment" under the workers' compensation law to exclude services performed by the following individuals:

- (1) A member of a limited liability company who has a distributional interest in the company of not less than fifty per cent;
- (2) A partner of a limited liability partnership who has a transferable interest in the partnership of not less than fifty per cent;
- (3) A partner of a partnership; and
- (4) A sole proprietor.

Your Committee received comments in support of this measure from The Chamber of Commerce of Hawaii; Melissa Pavlicek, National



Federation of Independent Business; and Carol Pregill, President, Retail Merchants of Hawaii.

Your Committee finds that measure will help small business employers reduce overhead costs by eliminating mandated coverage for these individuals under chapter 386, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Making a technical, nonsubstantive amendment to accurately reflect existing statutory provisions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 519, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

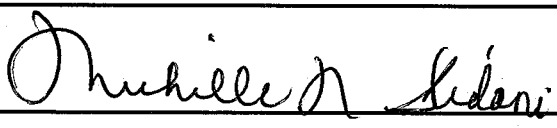


DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 519, HD1, SD1	JDL, WAM	4/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310	<input type="checkbox"/> Recommit 2313	
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne				
DELA CRUZ, Donovan M.				/
ENGLISH, J. Kalani				/
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.				/
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	11	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes