

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 144
H.D. 2
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 144, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to consolidate and clarify the laws relating to professional employer organizations.

More specifically, this measure:

- (1) Repeals chapter 373K, Hawaii Revised Statutes, on professional employment organizations; and
- (2) Adds provisions to chapter 373L, Hawaii Revised Statutes, on professional employer organizations, addressing, among other things, the assignment of responsibilities between the professional employer organization and the client company, definitions, registration, notifications, fees, loss of the general excise tax exemption, and letter of credit equivalents.

Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Maui Chamber of Commerce, Hawaii Association of Professional Employer Organizations, Hawaii Human Resources, Inc., and Tax Foundation of Hawaii.

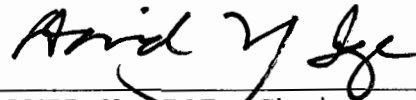


Your Committee finds that consolidation and clarification of the statutory provisions in these chapters is necessary because effective implementation of each of them separately has been hampered by incompatible language, obscure objectives, and the lack of a common appreciation of the benefits intended or results to be realized under either of them.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

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. 144, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 144, H.D. 2, S.D. 2.

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



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
H3 144, HD2, SD1	CPN, WAM	3-27-13		
<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	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
TOTAL	11	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kelani</div>				
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*Only one measure per Record of Votes