

STAND. COM. REP. NO.

823

Honolulu, Hawaii

March

, 2013

RE: H.B. No. 144

H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 144, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify professional employer organization (PEO) responsibilities and related matters by, among other things:

- (1) Adding definitions and registration and fee requirements to Chapter 373K, Hawaii Revised Statutes (HRS), which relates to PEOs;
- (2) Requiring notification to the Department of Taxation of PEO violations for general excise tax exemption purposes;
- (3) Allowing PEOs to be successor employers to client companies;
- (4) Establishing a sliding scale bond requirement for PEOs based upon annual payrolls; and
- (5) Repealing Chapter 373L, HRS, which relates to PEOs.



Hawaii Human Resources, Inc.; Hawaii Association of Professional Employer Organizations; Talent HR Solutions; Maui Chamber of Commerce; and Exceptional, Inc., dba Employers Options supported this measure. The Department of Labor and Industrial Relations, Department of Taxation, Tax Foundation of Hawaii, and ProService Hawaii provided comments

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 144, H.D. 2, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
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SYLVIA LUKE, Chair



