

STAND. COM. REP. NO.

714

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 510
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 S.B. No. 510, 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 clarify the responsibilities of professional employer organizations and resolve conflicts with existing laws.

The Department of Labor and Industrial Relations submitted written comments in support of this measure. Your Committee received written comments on this measure from the Tax Foundation of Hawaii and Pro Service Hawaii.

Your Committee finds that although there are eleven registered professional employer organizations in Hawaii, most could not meet various requirements under the law due to incompatible language in chapters 373K and 373L, Hawaii Revised Statutes. This measure will reconcile statutory conflicts and balance the interests of the professional employer organizations with the need for regulatory oversight by establishing a process to qualify for tax exemptions while protecting the rights and benefits of employees.

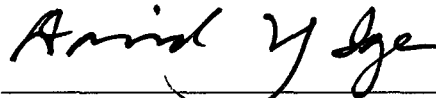
Your Committee has amended this measure by:



- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 510, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 510, 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.:* SBS 10, SD1	Committee Referral: CPN, WAM	Date: 2-22-13		
<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	10	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:right; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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*Only one measure per Record of Votes