Honolulu, Hawaii

APR 0 7 2015

RE: H.B. No. 1497
       H.D. 1
       S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

    Your Committee on Commerce and Consumer Protection, to which
was referred H.B. No. 1497, H.D. 1, S.D. 1, entitled:

    "A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

    The purpose and intent of this measure is to require:

    (1)   Client companies of a professional employer organization
           to report and update their physical address and North
           American Industry Classification System code to the
           professional employer organization;

    (2)   Employers to keep a record of the physical addresses of
           the employer and the North American Industry
           Classification System code applicable to the employer;
           and

    (3)   Professional employer organizations to provide the
           physical address, North American Industry Classification
           System code, and number of covered employees of each
           client company to the Department of Labor and Industrial
           Relations.

    Your Committee received testimony in support of this measure
from the Department of Labor and Industrial Relations. Your
Committee received testimony in opposition to this measure from
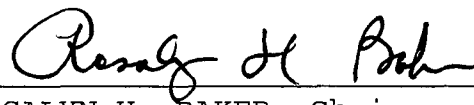ALTRES, Inc.

2015-2365 SSCR SMA.doc

Your Committee finds that federal funding levels for the Department of Labor and Industrial Relations (Department) are in jeopardy because the federal Bureau of Labor Statistics ties funding to the number of employing units reported and an increasing number of employers are not responding to surveys unless required to do so. Your Committee further finds that existing Hawaii law is limited regarding the amount of information required to be collected. The growth of professional employer organizations in the State has also affected the quality of data compiled and reported by the Department's Division of Research and Statistics.

Your Committee additionally finds that this measure allows the Department to gather information necessary for preparing accurate industrial and geographical summaries of economic conditions within the State. The additional information collected under this measure will greatly improve the data that the Division of Research and Statistics provides to other state agencies, many of which depend on federal funding.

Your Committee has amended this measure by clarifying that an employer, regardless of whether the employer contracts with a professional employer organization, is required to keep a record of the physical addresses of the employer and the North American Industry Classification System code applicable to the employer.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1497, 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. 1497, H.D. 1, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Commerce and Consumer Protection,

ROSALYN H. BAKER, Chair

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1497 HD1 SD1	JDL, CPN	4-1-15

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended
2312

☑ Pass, with amendments
2311

☐ Hold
2310

☐ Recommit
2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)				✓
KAHELE, Gilbert	✓			
KIDANI, Michelle N.	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	5			2

Recommendation:

☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature: _Michelle N. Kidani_

*Only underline one measure per Record of Votes

Revised: 11/12/14