

Honolulu, Hawaii

March 23, 2016

RE: S.B. No. 2544
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Consumer Protection & Commerce, to which was referred S.B. No. 2544, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to ensure sufficient revenues to fund the costs to regulate professional employer organizations.

Specifically, this measure:

- (1) Requires every professional employer organization to report the total number of covered employees to the Department of Labor and Industrial Relations; and
- (2) Establishes a tiered scale for the biennial renewal fees for professional employer organizations based on the number of covered employees reported.

The Department of Labor and Industrial Relations; the Chamber of Commerce Hawaii; ALTRES, Inc.; ProService Hawaii; and Hawaii Human Resources, Inc. provided comments on this measure.



Your Committees have amended this measure by changing:

- (1) The biennial renewal fees from:
 - (a) \$4,000 to \$5,000 for 251-500 covered employees; and
 - (b) \$5,000 to \$7,000 for 501 or more covered employees; and
- (2) The effective date to July 1, 2091, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2544, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2544, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Labor & Public
Employment and Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 1184-16

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB2544 SD2	Committee Referral: LAB/CPC, FIN	Date: 3/21/16		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.				/
4. HAR, Sharon E.				/
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling				/
7. LoPRESTI, Matthew S.				/
8. SAN BUENAVENTURA, Joy A.	/			
9. TAKUMI, Roy M.				/
10. YAMASHITA, Kyle T.	/			
11. TUPOLA, Andria P.L.	/			
TOTAL (11)	6			5
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
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