STAND. COM. REP. NO. 1730 -08

Honolulu, Hawaii

A 14 , 2008

RE: H.C.R. No. 254

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Labor & Public Employment, to which was referred H.C.R. No. 254 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING A STUDY RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS,"

beg leave to report as follows:

The purpose of this resolution is to request that the Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives chair a working group to study the possible creation of a statutory and regulatory framework for professional employer organizations operating in Hawaii. The work group is requested to consider the following principles:

- (1) The creation of a comprehensive statutory framework for professional employer organizations based on, as appropriate, the statutory and regulatory requirements, including registration of professional employer organizations, of other states;
- (2) The preservation of ensuring the integrity of the workers' compensation system;
- (3) Recognition that workers' compensation coverage in professional employer organization arrangements should be subject to exclusive remedy protection for both the client and the professional employer organization; and

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(4) Recognition that workers' compensation coverage in professional employer organization arrangements should be addressed by state law that ensures maximum flexibility in the voluntary market as to the types of coverage permitted.

The Chairperson of the Consumer Protection and Commerce Committee of the House of Representatives is also requested to form the working group to include a minimum of nine members, besides the Chairperson, as follows:

- (1) One representative from Department of Commerce and Consumer Affairs, Insurance Division;
- (2) One representative from the Hawaii workers' compensation insurance community;
- (3) Two representatives from the Hawaii professional employer organization community with at least ten years of individual operating history;
- (4) One representative from a national trade association representing the professional employer organization industry; and
- (5) Four members of the legislature.

Altres, Inc., Zero Emissions Leasing LLC, and National Association of Professional Employer Organizations (NAPEO) submitted testimony in support of the measure. The Department of Commerce and Consumer Affairs submitted comments.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Labor & Public Employment that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 254 and recommend its adoption.

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

ALEX M. SONSON, Chair

ROBERT N. HERKES, Chair

## State of Hawaii House of Representatives The Twenty-fourth Legislature

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## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: Committee	ee Referral: CPC / L/	AB Date	: )Z-24-0f				
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. HERKES, Robert N. (C)				X			
2. McKELVEY, Angus L.K. (VC)	×						
3. EVANS, Cindy	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2			\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\			
4. GREEN, Josh, M.D.	ス			<u> </u>			
5. ITO, Ken				مر			
6. LUKE, Sylvia	B						
7. MORITA, Hermina M.				人			
8. SONSON, Alex M.	X						
9. SOUKI, Joseph M.	×						
10. TSUJI, Clift	X						
11. YAMANE, Ryan I.	k						
12. YAMASHITA, Kyle T.	عر ا						
13. MARUMOTO, Barbara C.	- الح						
14. THIELEN, Cynthia	と						
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7							
TOTAL (14)	10			4			
The recommendation is:  Adopted  If joint referral,  committee acronym(s)  Adopted  did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							

## State of Hawaii House of Representatives The Twenty-fourth Legislature

## Record of Votes of the Committee on Labor & Public Employment

HCR 254	CPC/LAB	Dat	e: March	24/08			
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)							
LAB Members	Ayes	Ayes (WR)	Nays	Excused			
1. SONSON, Alex M. (C)	/						
A NAMA CONT. D. L. (MC)							
2. NAKASONE, Bob (VC)							
3. EVANS, Cindy	(元·2008年) 17年(2月21日) (1850年) 1850年 (1850年) 1850年 (1850年)						
4. HAR, Sharon E.				V			
5. LEE, Marilyn B.							
6. LUKE, Sylvia							
7. McKELVEY, Angus L.K.	- V						
A NICHAMOTO C. H. V.							
8. NISHIMOTO, Scott Y.							
9. SOUKI, Joseph M.							
10. TAKAMINE, Dwight Y.							
11. TAKUMI, Roy M.	Section 1						
11. TAKUMI, KOY M.	pr my						
12. MEYER, Colleen Rose	V						
13. PINE, Kymberly Marcos							
TOTAL (13)	8	0	0	5			
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office							