

**Hall of the House of Representatives**  
84th General Assembly - Regular Session, 2003  
**Amendment Form**

\*\*\*\*\*  
**Subtitle of House Bill No. 2223**  
"AN ACT TO REGULATE PROFESSIONAL EMPLOYER ORGANIZATION."  
\*\*\*\*\*

**Amendment No. 2 to House Bill No. 2223.**

Amend House Bill No. 2223 as engrossed, H3/18/03:

Page 2, line 19, delete "subchapter;" and substitute "subchapter; and"

AND

Page 2, line 21, delete "which;" and substitute "which"

AND

Page 2, delete line 22 and substitute the following:  
"each client is entitled to enforce the rights"

AND

Page 2, line 27, delete "subchapter; and" and substitute "subchapter;"

AND

Page 2, delete lines 28 through 32

AND

Page 3, delete lines 35 and 36

AND

Page 4, delete lines 1 through 16 and substitute the following:  
"(m)(1) "Professional employer services" means the service of entering into a coemployment relationship under this subchapter in which at least a majority of the employees providing services to a client or to a division or work unit of a client are covered employees and in which:  
(A) The arrangement is intended to be, or is, ongoing rather than temporary in nature; and  
(B) Employer responsibilities, including the right of

direction and control of the employees, are shared by the professional employer organization and the recipient.

(2) "Professional employer services" does not include services performed by temporary employees or by persons determined to be independent contractors with respect to the recipient;

(n)(1) "Temporary help services" means services consisting of a person:

(A) Recruiting and hiring its own employees;

(B) Finding other organizations that need the services of those employees;

(C) Assigning those employees to perform work at or for the other organizations to support or supplement the other organizations' workforces, or to provide assistance in special work situations such as, but not limited to, employee absences, skill shortages, seasonal workloads, or to perform special assignments or projects; and

(D) Customarily attempting to reassign the employees to other organizations when they finish each assignment.

(2) "Temporary help services" shall not be deemed professional employer services;"

AND

Page 8, line 11 delete "22-92-408(a)(2)" and substitute "23-92-408(a)(2)"

AND

Page 9, line 16 delete "(d)(3)(ii)(a)" and substitute "(d)(3)(B)(ii)(a)"

AND

Page 12, delete lines 19 through 22 and substitute the following:

"(b)(1) A person or entity that seeks to purchase or acquire control of an entity licensed under this subchapter shall first apply to the commissioner for a certificate of approval for the proposed change of ownership unless the licensed entity to be acquired is a publicly-traded entity, in which event the acquiring entity shall apply to the commissioner for a certificate of approval for the proposed change of ownership at the time the licensed entity publishes public notice of the intended purchase or acquisition of control."

AND

Page 17, delete lines 21 through 23 and substitute the following:

"(3) The professional employer organization shall retain the authority to hire, terminate, and discipline the covered employees, unless otherwise agreed; and"

AND

Page 19, delete lines 8 through 10 and substitute the following:

"(f)(1) Either a client or a professional employer organization may sponsor retirement and welfare benefit plans for its covered employees."

AND

Page 30, delete line 17 and substitute the following:

“license fees, ~~§ 23-92-309~~ § 23-92-407; and employer service assurance organization affidavit fees, § 23-92-414;”

The Amendment was read \_\_\_\_\_  
By: Representative R. Smith  
AAF/CDS - 032120031556  
CDS437

\_\_\_\_\_  
Chief Clerk