

PROFESSIONAL EMPLOYER ORGANIZATION

RELATED AMENDMENTS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to professional employer organizations and their clients.

Highlighted Provisions:

This bill:

- ▶ modifies definition provisions;
- ▶ provides for an alternative method of registration;
- ▶ addresses employment related economic incentives;
- ▶ addresses taxes and fees; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

58-59-102, as last amended by Chapter 260, Laws of Utah 2003

58-59-302, as last amended by Chapter 260, Laws of Utah 2003

58-59-303.5, as enacted by Chapter 260, Laws of Utah 2003



28 **58-59-306**, as repealed and reenacted by Chapter 260, Laws of Utah 2003

29 ENACTS:

30 **58-59-306.5**, Utah Code Annotated 1953

31 REPEALS:

32 **58-59-305**, as repealed and reenacted by Chapter 260, Laws of Utah 2003



34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **58-59-102** is amended to read:

36 **58-59-102. Definitions.**

37 In addition to the definitions in Section 58-1-102, as used in this chapter:

38 (1) "Assurance organization" means a person who:

39 (a) certifies the qualifications of a PEO;

40 (b) is licensed by one or more states to certify the qualifications of a PEO; and

41 (c) enforces minimum certification qualifications that are equal to or exceed the
42 requirements of this chapter.

43 ~~[(1)]~~ (2) "Client" or "client company" means a person ~~[or entity]~~ that enters into a
44 professional employer agreement with a ~~[professional employer organization]~~ PEO.

45 ~~[(2)]~~ (3) "Coemployer" means either a ~~[professional employer organization]~~ PEO or a
46 client.

47 ~~[(3)]~~ (4) "Coemployment relationship" means:

48 (a) as between coemployers, a relationship;

49 (i) whereby the rights, duties, and obligations of an employer which arise out of an
50 employment relationship have been allocated between coemployers under a professional
51 employer agreement and this chapter~~[-];~~ and ~~[which]~~

52 (ii) that is intended to be an ongoing relationship, rather than a temporary or
53 project-specific relationship;

54 (b) as between each PEO and a covered employee as to which a professional employer
55 agreement applies, an employment relationship whereby the PEO is entitled to enforce those
56 rights, and obligated to perform those duties and obligations, allocated to the PEO by the
57 professional employer agreement and this chapter;

58 (c) as between each client and a covered employee to which a professional employer

59 agreement applies, an employment relationship [~~whereby~~] under which:

60 (i) the client is entitled to enforce those rights, and obligated to provide and perform
61 those employer obligations, allocated to the client by the professional employer agreement and
62 this chapter; and

63 (ii) the client is responsible for any employer right or obligation not otherwise allocated
64 by the professional employer agreement or this chapter; and

65 (d) as to those rights enforceable by an employee under state law[-];

66 (i) covered employees are entitled to enforce against the PEO those rights:

67 [(†)] (A) allocated to the PEO by the professional employer agreement and this chapter;

68 or

69 [(†)] (B) shared by the PEO and the client under the professional employer agreement
70 and this chapter[-All other]; and

71 (ii) any rights, duties, and obligations not described in Subsection (4)(d)(i) enforceable
72 by an employee under state law [shall continue to be] are enforceable against the client under
73 state law.

74 ~~[(4)]~~ (5) (a) "Covered employee" means an individual having a coemployment
75 relationship with a PEO and a client who meets all of the following criteria:

76 ~~[(a)]~~ (i) the individual [has executed an employment agreement] receives written notice
77 of the coemployment relationship with the PEO and the client;

78 ~~[(b)]~~ (ii) the individual is a party to a coemployment relationship with [a] the PEO and
79 [a] the client; and

80 ~~[(c)]~~ (iii) the individual's coemployment relationship is pursuant to a professional
81 employer agreement subject to this chapter. [Individuals who are officers, directors,
82 shareholders, partners, and managers of the client are covered employees]

83 (b) "Covered employee" includes an individual who is an officer, director, shareholder,
84 partner, or manager of a client:

85 (i) to the extent the PEO and the client have expressly agreed in the professional
86 employer agreement that the [individuals would be covered employees and provided the
87 individuals meet] individual is a covered employee; and

88 (ii) the individual:

89 (A) meets the criteria of [this] Subsection ~~[(4)]~~ (5)(a); and [act]

90 (B) (I) acts as an operational [managers] manager; or [perform]

91 (II) performs services for the client.

92 (6) "Employment related economic incentive" means a credit against or exemption
93 from taxes due the state or a political subdivision of the state or an economic inducement
94 including a loan or a grant:

95 (a) that is offered by the state or a political subdivision of the state; and

96 (b) for which eligibility is related in whole or in part on employment including:

97 (i) the number of employees; or

98 (ii) the nature of the employment.

99 ~~[(5)]~~ (7) "Engage in practice as a professional employer organization" means to:

100 (a) hold oneself out as a professional employer organization[~~,-to~~];

101 (b) coemploy an employee with another person[~~,-or to~~];

102 (c) receive any consideration for providing professional employer services; or [to]

103 (d) expect payment of any consideration for providing professional employer services.

104 ~~[(6)]~~ (8) "Organization" means any individual, partnership, corporation, limited
105 liability company, association, or any other form of legally recognized entity.

106 ~~[(7)]~~ (9) "Professional employer agreement" means a written contract by and between a
107 client and a PEO that provides:

108 (a) for the coemployment of covered employees;

109 (b) for the allocation and sharing between the client and the PEO of employer
110 responsibilities[~~,-~~] with respect to the covered employees including hiring, firing, and
111 disciplining[~~,-with respect to the covered employees~~]; and

112 (c) that the PEO and the client assume the responsibilities required by this chapter.

113 ~~[(8) (a)]~~ (10) (a) "Professional employer organization" or "PEO" means any
114 organization engaged in the business of providing professional employer services.

115 ~~[(b) An organization engaged in the business of providing professional employer~~
116 ~~services is subject to registration under this chapter regardless of its use of the term~~
117 ~~"professional employer organization," "PEO," "staff leasing company," "registered staff leasing~~
118 ~~company," "employee leasing company," or any other name.]~~

119 ~~[(c)]~~ (b) The following are not considered to be professional employer organizations or
120 professional employment services for purposes of this chapter:

121 (i) arrangements ~~[wherein]~~ where an organization~~[- whose principal business activity is~~
 122 ~~not entering into professional employer arrangements and which does not hold itself out as a~~
 123 ~~PEO;]~~ shares employees with a commonly owned company within the meaning of Sections
 124 414(b) and (c) of the Internal Revenue Code of 1986, as amended~~[-];~~ if the organization:

125 (A) does not have as a principal business activity entering into professional employer
 126 arrangements; and

127 (B) does not hold itself out as a PEO;

128 (ii) arrangements by which an organization:

129 (A) assumes responsibility for the product produced or service performed by the person
 130 or the person's agents; and

131 (B) retains and exercises primary direction and control over the work performed by the
 132 individuals whose services are supplied under the arrangements; or

133 (iii) providing temporary help services.

134 ~~[(9)]~~ (11) "Professional employer services" means the service of entering into
 135 coemployment relationships under this chapter in which all or a majority of the employees
 136 providing services to a client or to a division or work unit of a client are covered employees.

137 ~~[(10)]~~ (12) "Temporary help services" means services consisting of an organization:

138 (a) recruiting and hiring its own employees;

139 (b) finding other organizations that need the services of those employees;

140 (c) assigning those employees to perform work at or services for the other

141 organizations;

142 (i) to support or supplement the other organizations' workforces~~[- or];~~

143 (ii) to provide assistance in special work situations such as employee absences, skill
 144 shortages, or seasonal workloads~~[-];~~ or

145 (iii) to perform special assignments or projects with a definite ending date; and

146 (d) customarily attempting to reassign the employees to other organizations when they
 147 finish each assignment by a definite ending date.

148 ~~[(H)]~~ (13) "Unlawful conduct" is as defined in Sections 58-1-501 and 58-59-501.

149 Section 2. Section **58-59-302** is amended to read:

150 **58-59-302. Qualifications for registration.**

151 (1) ~~[Each registrant]~~ A person engaged in practice as a professional employer

152 organization shall register under this chapter. A person registering or renewing a registration
153 as a professional employer organization shall:

154 (a) (i) submit an application in a form prescribed by the division; [~~and~~] or

155 (ii) a certification in accordance with Subsection (2); and

156 (b) pay a fee as determined by the department under Section 63-38-3.2.

157 (2) (a) A person may comply with Subsection (1) by filing with the division:

158 (i) a certification that an assurance organization certifies the qualifications of the PEO;

159 (ii) the information required by Subsections 58-9-303.5(1)(a) through (c); and

160 (iii) any changes to the information required by Subsection (2)(a)(ii) within 30 days of
161 the day on which the information changes.

162 (b) A PEO that meets the requirements of Subsection (1) by complying with this
163 Subsection (2) is not:

164 (i) required to renew its registration until the day on which the assurance organization
165 no longer certifies the qualifications of the PEO;

166 (ii) required to provide the information in Subsections 58-9-303.5(1)(d) through (f);
167 and

168 (iii) subject to Subsection 58-59-306(3).

169 (c) If a PEO that meets the requirements of Subsection (1) by complying with
170 Subsection (2) receives a new or renewed certification by the assurance organization, the PEO
171 shall file with the division a new certification within 30 days from the day on which the PEO
172 receives the new or renewed certification from the assurance organization.

173 (d) This Subsection (2) does not modify the division's authority or responsibility to
174 accept, renew, or terminate a registration.

175 (e) (i) If a PEO authorizes an assurance organization to act on behalf of the PEO for
176 purposes of registration under this Subsection (2), the division shall accept the assurance
177 organization's filing of the information required by Subsection (2)(a)(ii), (2)(a)(iii), or (2)(b) if
178 the information otherwise complies with this Subsection (2) and division rules.

179 (ii) Notwithstanding Subsection (2)(e)(i), if the assurance organization fails to make a
180 required filing under this Subsection (2), the PEO's registration may be not accepted, not
181 renewed, or terminated.

182 ~~[(2)]~~ (3) (a) Any two or more professional employer organizations held under the

183 common control of any other person or persons acting in concert may be registered as a
184 professional employer organization group.

185 (b) A professional employer organization group may satisfy any reporting and financial
186 requirements under this chapter on a consolidated basis.

187 (4) An organization engaged in the business of providing professional employer
188 services is subject to registration under this chapter regardless of its use of the term:

189 (a) "professional employer organization";

190 (b) "PEO";

191 (c) "staff leasing company";

192 (d) "registered staff leasing company";

193 (e) "employee leasing company"; or

194 (f) any other name.

195 Section 3. Section **58-59-303.5** is amended to read:

196 **58-59-303.5. Information to be filed by PEO.**

197 (1) ~~[Each registrant]~~ A person engaged in practice as a professional employer
198 organization shall file the following information with the division with its initial application
199 and with each renewal application:

200 (a) the name or names under which the PEO conducts business;

201 (b) the address of the principal place of business of the PEO and the address of each
202 office it maintains in the state;

203 (c) the PEO's taxpayer or employer identification number;

204 (d) a list by jurisdiction of each name under which the PEO has operated in the
205 preceding five years, including any alternative names, names of predecessors, and, if known,
206 successor business entities;

207 (e) a statement of ownership, which shall include the name of all individuals that,
208 individually or acting in concert with one or more other persons, owns or controls, directly or
209 indirectly, 10% or more of the equity interests of the PEO; and

210 (f) a statement of management, which shall include the name of all officers and any
211 person who has the authority to act as a senior executive officer of the PEO.

212 (2) (a) A [professional employer organization which] PEO that is domiciled outside of
213 the state and employs less than 50 employees who are employed or domiciled in the state is not

214 required to file the information required under Subsections (1)(e) and (f).

215 (b) A PEO that complies with Subsection 58-59-302(2) is not required to file the
216 information required under Subsections (1)(d) through (f).

217 Section 4. Section **58-59-306** is amended to read:

218 **58-59-306. Financial requirements, contractual relations, and allocation of rights,**
219 **duties, and obligations.**

220 (1) Nothing contained in this chapter or in any professional employer agreement shall
221 affect, modify, or amend:

222 (a) any collective bargaining agreement[;]; or

223 (b) the rights or obligations of any client, PEO, or covered employee under:

224 (i) the federal National Labor Relations Act[;];

225 (ii) the federal Railway Labor Act[;]; or

226 (iii) similar state law.

227 (2) Nothing contained in this chapter or any professional employer agreement shall
228 affect, modify, or amend any state, local, or federal licensing, registration, or certification
229 requirement applicable to any client or covered employee.

230 (a) A covered employee who must be licensed, registered, or certified according to law
231 or regulation is considered solely an employee of the client for purposes of license, registration,
232 or certification requirement.

233 (b) A PEO may not be considered to engage in any occupation, trade, profession, or
234 other activity that is subject to licensing, registration, or certification requirements, or is
235 otherwise regulated by a governmental entity solely by entering into and maintaining a
236 coemployment relationship with a covered employee who is subject to the requirements or
237 regulation.

238 (c) Unless otherwise expressly agreed to by the client in the professional employer
239 agreement, a client has the sole right to direct and control the professional or licensed activities
240 of covered employees and of the client's business.

241 ~~[(3) With respect to a bid, contract, purchase order, or agreement entered into with the~~
242 ~~state or a political subdivision of the state, a client company's status or certification as a small,~~
243 ~~minority-owned, disadvantaged, or woman-owned business enterprise or as a historically~~
244 ~~underutilized business is not affected because the client company has entered into an agreement~~

245 ~~with a registrant or uses the services of a registrant.]~~

246 ~~[(4)]~~ (3) (a) At least quarterly, a PEO shall have an independent certified public
247 accountant, licensed to practice in the jurisdiction in which the PEO is domiciled, review the
248 PEO's records and prepare a statement indicating whether all federal, state, and local
249 withholding taxes, unemployment taxes, FICA taxes, workers' compensation premiums, and
250 employee benefit plan premiums have been paid.

251 (b) The PEO must provide the statement to a client upon request from the client.

252 ~~[(5)]~~ (4) (a) Except as specifically provided in this chapter, the coemployment
253 relationship between the client and the PEO, and between each coemployer and each covered
254 employee, shall be governed by the professional employer agreement.

255 (b) Nothing contained in any professional employer agreement or this chapter shall be
256 considered to:

257 (i) diminish, abolish, or remove the rights of covered employees as to clients or
258 obligations of the client as to a covered employee, existing prior to the effective date of a
259 professional employer agreement;

260 (ii) terminate an employment relationship existing prior to the effective date of a
261 professional employer agreement; or

262 (iii) create any new or additional enforceable right of a covered employee against a
263 PEO not specifically allocated to the PEO in the professional employer agreement or this
264 chapter.

265 (c) Each professional employer agreement shall include the following:

266 (i) (A) the PEO shall reserve a right of direction and control over the covered
267 employees; and

268 (B) the client may retain the right to exercise the direction and control over covered
269 employees as is necessary to:

270 (I) conduct the client's business~~[-to]~~;

271 (II) discharge any fiduciary responsibility which it may have~~[-]~~; or ~~[to]~~

272 (III) comply with any applicable licensure requirements;

273 (ii) the PEO shall have responsibility to:

274 (A) pay agreed upon wages and salaries to covered employees;

275 (B) withhold, collect, report, and remit payroll-related and unemployment taxes; and

276 (C) the extent the PEO has assumed responsibility in the professional employer
277 agreement, to make payments for employee benefits for covered employees;

278 (iii) the PEO and the client shall both have a right to hire, terminate, and discipline the
279 covered employees; and

280 (iv) the responsibility to obtain workers' compensation coverage for covered
281 employees, from a carrier licensed to do business in Utah and otherwise in compliance with all
282 applicable requirements, shall be specifically allocated to the client in the professional
283 employer agreement.

284 (d) Except as specifically provided in this chapter or in the professional employer
285 agreement, in each coemployment relationship:

286 (i) the client may exercise all rights and is obligated to perform all duties and
287 responsibilities otherwise applicable to an employer in an employment relationship;

288 (ii) (A) the PEO may exercise only those rights, and is obligated to perform only those
289 duties and responsibilities, specifically required by this chapter or set forth in the professional
290 employer agreement; and

291 (B) the rights, duties, and obligations of the PEO as coemployer with respect to any
292 covered employee is limited to those arising under the professional employer agreement and
293 this chapter during the term of coemployment by the PEO of the covered employee; and

294 (iii) unless otherwise expressly agreed by the PEO and the client in a professional
295 employer agreement, the client retains the exclusive right to direct and control the covered
296 employees as is necessary to:

297 (A) conduct the client's business, to discharge any of the client's fiduciary
298 responsibilities[;]; or [to]

299 (B) comply with any licensure requirements applicable to the client or to the covered
300 employees.

301 (e) With respect to each professional employer agreement entered into by a PEO, the
302 PEO shall provide written notice to each covered employee affected by the agreement of the
303 general nature of the coemployment relationship between and among the PEO, the client, and
304 the covered employee.

305 (f) (i) Except to the extent otherwise expressly provided by the applicable professional
306 employer agreement:

307 (A) a client is solely responsible for the quality, adequacy, or safety of the goods or
 308 services produced or sold in the client's business;

309 (B) a client is solely responsible for directing, supervising, training, and controlling the
 310 work of the covered employees with respect to the business activities of the client and solely
 311 responsible for the acts, errors, or omissions of the covered employees with regard to those
 312 activities; and

313 (C) a client is not liable for the acts, errors, or omissions of a PEO, or of any covered
 314 employee of the client and a PEO when the covered employee is acting under the express
 315 direction and control of the PEO.

316 (ii) Nothing in this Subsection ~~[(5)] (4)(f) [shall serve];~~

317 (A) serves to limit any contractual liability or obligation specifically provided in a
 318 professional employer agreement~~[-, nor shall this Subsection (5)(f)]; or~~

319 (B) in any way ~~[limit]~~ limits the liabilities and obligations of any PEO or client as
 320 defined elsewhere in this chapter.

321 (iii) ~~[A]~~ (A) Subject to Subsection (4)(f)(i)(B), a covered employee is not, solely as the
 322 result of being a covered employee of a PEO, an employee of the PEO for purposes of:

323 (I) general liability insurance~~[-];~~

324 (II) fidelity bonds~~[-];~~

325 (III) surety bonds~~[-];~~

326 (IV) employer's liability which is not covered by workers' compensation~~[-];~~ or

327 (V) liquor liability insurance ~~[carried by the PEO, unless].~~

328 (B) This Subsection (4)(f)(iii) does not apply if the covered employee is included by
 329 specific reference in both the:

330 (I) professional employer agreement; and

331 (II) applicable prearranged employment contract, insurance contract, or bond.

332 (g) A ~~[registrant under this chapter]~~ PEO is not engaged in the sale of insurance by
 333 offering, marketing, selling, administering, or providing PEO services or employee benefit
 334 plans for covered employees.

335 (h) (i) (A) Covered employees whose services are subject to sales tax are considered
 336 the employees of the client for purposes of collecting and levying sales tax on the services
 337 performed by the covered employees.

338 (B) Nothing contained in this chapter shall relieve a client of any sales tax liability with
339 respect to its goods or services.

340 (ii) No portion of a PEO fee to a client that represents pass-through amounts to be paid
341 for covered employee wages, employment-related taxes, withholding, or benefits is subject to
342 any sales or excise tax.

343 (i) (i) A client and a PEO shall each be considered an employer for purposes of
344 sponsoring retirement and welfare benefit plans for its covered employees.

345 (ii) A fully insured welfare benefit plan offered to the covered employees of a single
346 PEO is considered a single employer welfare benefit plan and may not be considered a multiple
347 employer welfare arrangement, and is exempt from the licensing requirements contained in
348 Title 31A, Insurance Code.

349 (iii) PEOs are exempt from Title 31A, Chapter 30, Individual, Small Employer, and
350 Group [~~Employer~~] Health Insurance Act.

351 (iv) (A) Any PEO offering workers' compensation coverage, a health benefit plan, or
352 any other insurance plan, must comply with all federal and state laws applicable to these
353 products.

354 (B) If the PEO chooses to use a third party administrator for the receipt and payment of
355 health benefit claims, that third party administrator must be licensed to do business in the state
356 under Title 31A, Insurance Code.

357 (C) Anything pertaining to the insurance products referred to in this section or the use
358 of an unlicensed third party administrator is subject to administrative penalties and forfeitures
359 under Title 31A, Insurance Code.

360 (v) If a PEO offers to its covered employees any health benefit plan which is not fully
361 insured by an authorized insurer, the plan shall:

362 (A) [~~utilize~~] use a third party administrator licensed by the Utah State Insurance
363 Department; and

364 (B) hold all plan assets, including participant contributions, in a trust account.

365 (vi) If a PEO offers to its covered employees any health benefit plan [~~which~~] that is not
366 fully insured by an authorized insurer, the PEO shall:

367 (A) represent that [~~such~~] the plan is not fully insured; and

368 (B) deliver to each plan participant a summary plan description that accurately

369 describes the terms of the plan, including disclosure that the plan is self-funded or partially
370 self-funded.

371 (vii) (A) The Department of Insurance may audit on a random basis, or upon finding a
372 reasonable need, any health benefit plan [~~which~~] that is not fully insured by an authorized
373 insurer.

374 (B) The cost of the audit under this Subsection (4)(i)(vii) shall be borne by the PEO if
375 there is material noncompliance.

376 (j) (i) The client in a coemployment relationship shall secure workers' compensation
377 benefits for the covered employees by complying with Subsection 34A-2-201(1) or (2) and
378 commission rules under Subsection 34A-2-103(3)(a).

379 (ii) Every authorized insurer who offers or provides Workers' Compensation Insurance
380 coverage to a PEO, its client companies, or both shall comply with Title 31A, Chapter 19a,
381 Utah Rate Regulation Act, and Chapter 21, Insurance Contracts in General, prior to the
382 issuance of an insurance policy.

383 (iii) The exclusive remedy provisions of Sections 34A-2-105 and 34A-3-102 apply to
384 both the client company and the PEO in a coemployer relationship under this section.

385 (k) (i) For purposes of Title 35A, Chapter 4, Employment Security Act, covered
386 employees of a registered PEO are considered the employees of the PEO[~~-which~~].

387 (ii) The PEO described in Subsection (4)(k)(i) shall be responsible for the payment of
388 contributions, penalties, and interest on wages paid by the PEO to its covered employees during
389 the term of the applicable professional employer agreement.

390 [~~(ii)~~] (iii) The PEO shall report and pay all required contributions to the unemployment
391 compensation fund using its state employer account number and the contribution rate of the
392 PEO.

393 [~~(iii)~~] (iv) On the termination of a contract between a PEO and a client or the failure by
394 a PEO to submit reports or make tax payments as required by this chapter, the client shall be
395 treated as a new employer without a previous experience record unless that client is otherwise
396 eligible for an experience rating.

397 (5) (a) A tax or fee assessed on a client or PEO on the basis of the number of
398 employees shall be assessed:

399 (i) against the client for the covered employees under the professional employer

400 agreement with the PEO; and

401 (ii) against the PEO for the employees of the PEO who are not covered employees in a
402 coemployment relationship with any client.

403 (b) For a tax imposed or calculated upon the basis of total payroll, a PEO may apply
404 any small business allowance or exemption available to the client for the covered employees
405 for purposes of computing the tax.

406 Section 5. Section **58-59-306.5** is enacted to read:

407 **58-59-306.5. Employment related economic incentives -- Client's status.**

408 (1) Notwithstanding the other provisions of this chapter, for purposes of determining
409 eligibility for an employment related economic incentive, a covered employee is considered
410 only an employee of the client.

411 (2) (a) If eligibility for an employment related economic incentive relates to a covered
412 employee, the client is entitled to the employment related economic incentive if the client is
413 otherwise eligible for the employment related economic incentive.

414 (b) A PEO is not eligible for an employment related economic incentive described in
415 Subsection (2)(a).

416 (3) If eligibility for or the amount of an employment related economic incentive is
417 determined on the basis of the number of employees, a client is treated as:

418 (a) employing only those covered employees coemployed by the client under the
419 professional employer agreement; and

420 (b) not employing covered employees working for other clients of the PEO.

421 (4) Subject to any confidentiality provisions provided by federal or state law, a PEO
422 shall provide employment information:

423 (a) upon the request of:

424 (i) the client; or

425 (ii) the governmental entity administering an employment related economic incentive;

426 and

427 (b) reasonably required for:

428 (i) administration of an employment related economic incentive; or

429 (ii) necessary to support any of the following by a client seeking an employment related
430 economic incentive:

- 431 (A) a request;
- 432 (B) a claim;
- 433 (C) an application; or
- 434 (D) other action.
- 435 (5) With respect to a bid, contract, purchase order, or agreement entered into with the
- 436 state or a political subdivision of the state, the fact that the client enters into a professional
- 437 employer agreement does not affect the client's status or certification as a:
- 438 (a) small business;
- 439 (b) minority-owned business;
- 440 (c) disadvantaged business;
- 441 (d) woman-owned business; or
- 442 (e) historically underutilized business.
- 443 Section 6. **Repealer.**
- 444 This bill repeals:
- 445 Section **58-59-305, Conversion from licensee to registrant.**

Legislative Review Note
as of 12-4-06 2:15 PM

Office of Legislative Research and General Counsel

Interim Committee Note
as of 12-15-06 9:35 AM

The Business and Labor Interim Committee recommended this bill.

H.B. 29 - Professional Employer Organization Related Amendments

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

12/20/2006, 9:02:06 AM, Lead Analyst: Eckersley, S.

Office of the Legislative Fiscal Analyst