

June 6, 2002

**S 1274. REGULATE PROFESSIONAL EMPLOYER ORGANIZATIONS. TO REGULATE PROFESSIONAL EMPLOYER ORGANIZATIONS.** Adds new Art. 89 to GS Chapter 58 to require professional employer organizations to be licensed by Comm'r of Insurance. Defines professional employer organization as person who offers employee leasing services (arrangement by which employees of licensee are assigned to work at a client company and in which employment responsibilities are in fact shared by the licensee and the client company, the employee's assignment is intended to be of a long-term or continuing nature, rather than temporary or seasonal, and a majority of the workforce at the client company worksite or a majority of the personnel of a specialized group within that workforce considers of assigned employees of the licensee). Creates seven-member NC Professional Employer Organization Advisory Council to advise Comm'r regarding regulation of the profession. Requires applicant for license to post surety bond and maintain evidence of financial responsibility. Requires Comm'r approval before acquisition and control of or merger with professional employer organization. Specifies required terms in contract between licensee and client company and makes licensee responsible for providing worker's comp insurance coverage. Sets out penalties and sanctions Comm'r may impose for violations. Effective Jan. 1, 2003, and applies to contracts entered into or business conducted on or after that date, but act not effective until funds have been appropriated to implement it.

**Intro. by Bingham, Rand.**

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| Ref. to Commerce | GS 58 |
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July 16, 2002

**S 1274. REGULATE PROFESSIONAL EMPLOYER ORGANIZATIONS.** Intro. 6/6/02. Senate committee substitute makes the following changes to 1st edition. Defines additional terms and adds new GS 14-19.12 regarding criminal record checks of applicants for licensure as professional employer organizations.