

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 1029  
Commerce Committee Substitute Adopted 5/4/09  
PROPOSED HOUSE COMMITTEE SUBSTITUTE S1029-PCS15301-RO-59

Short Title: PEO Amendments.

(Public)

Sponsors:

Referred to:

March 31, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE NORTH CAROLINA PROFESSIONAL EMPLOYER  
3 ORGANIZATION ACT CONCERNING BONDING PROVISIONS AND  
4 MAINTENANCE OF EMPLOYEE BENEFITS, AND TO CLARIFY THE  
5 APPLICATION OF TAX CREDITS AND OTHER INCENTIVES TO PROFESSIONAL  
6 EMPLOYER ORGANIZATIONS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 58-89A-50(a) reads as rewritten:

9 "(a) An applicant for licensure shall file with the Commissioner a surety bond for the  
10 benefit of the Commissioner as follows:

11 (1) If the applicant was initially licensed prior to October 1, 2008, the bond, or  
12 other items as provided for in subsection (f) of this section, shall be in the  
13 amount of one hundred thousand dollars (\$100,000).

14 (2) If the applicant was not initially licensed prior to October 1, 2008, the bond,  
15 or other items as provided for in subsection (f) of this section, shall be in an  
16 amount equal to five percent (5%) of the applicant's prior year's total North  
17 Carolina wages, benefits, workers compensation premiums, and  
18 unemployment compensation contributions, but not greater than five  
19 hundred thousand dollars (\$500,000), or such greater amount as the  
20 Commissioner may require."

21 **SECTION 2.** G.S. 58-89A-105 is amended by adding a new subsection to read:

22 "(a1) A client company may sponsor and maintain employee benefit plans for the benefit  
23 of assigned employees."

24 **SECTION 3.** G.S. 58-89A-31 reads as rewritten:

25 "**§ 58-89A-31. Tax credits and other incentives.**

26 For purposes of determination of tax credits and other economic incentives provided by the  
27 State or a political subdivision and based on employment, covered employees are considered  
28 employees solely of the client. A client shall be entitled to the benefit of any tax credit,  
29 economic incentive, or other benefit arising as the result of the employment of covered  
30 employees of the client. Each professional employer organization must provide, upon request  
31 by a client, employment information that is required by any agency or department of the State  
32 or a political subdivision responsible for administration of any tax credit or economic incentive  
33 and that is necessary to support a request, claim, application, or other action by a client seeking



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1 the tax credit or economic incentive. For purposes of this section, the term "political  
2 subdivision" has the same meaning as in G.S. 162A-65(a)(8)."

3 **SECTION 4.** This act is effective when it becomes law.