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# A BILL FOR AN ACT

RELATING TO EMPLOYMENT SECURITY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 394B, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§394B-     Worker retention in the event of a divestiture.

5           (a) In the event of a divestiture of a covered establishment,  
6 the successor employer or management entity:

7           (1) Shall hire all incumbent nonsupervisory and  
8 nonconfidential employees, unless otherwise provided  
9 in this section;

10          (2) Shall not require incumbent employees to file  
11 employment applications with the successor employer or  
12 management entity to be considered for hire;

13          (3) May conduct pre-hire screening of the incumbent  
14 employees not prohibited by law, including but not  
15 limited to criminal history record checks executed in  
16 accordance with section 378-2.5 and drug screening  
17 executed in accordance with chapter 329B; and







1 transfer, merger, and other business takeover or transaction of  
2 business interests."

3 2. By amending the definitions of "covered establishment"  
4 and "employer" to read:

5 "Covered establishment" means any industrial, commercial,  
6 or other business entity [~~which~~] that employs at any time in the  
7 preceding twelve-month period[~~, fifty or more persons.~~] more  
8 than fifty employees.

9 "Employer" means any [~~person who,~~] individual or entity  
10 that, directly or indirectly, owns, operates, or has a  
11 controlling interest in a covered establishment, excluding the  
12 State or any political subdivision thereof."

13 SECTION 3. Section 394B-9, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "**§394B-9 Notification.** An employer in a covered  
16 establishment shall provide to each employee and the director  
17 written notification of a closing, divestiture, partial closing,  
18 or relocation at least sixty days prior to its occurrence."

19 SECTION 4. Statutory material to be repealed is bracketed

1 and stricken. New statutory material is underscored.

2 SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Employment Security; Dislocated Workers

**Description:**

Establishes job security requirements to protect employees when the business for which the employees work is sold or transferred to another employing entity. (SD1)

