

STAND. COM. REP. NO.

2273

Honolulu, Hawaii

Feb. 17

, 2006

RE: S.B. No. 2640

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 2640
entitled:

"A BILL FOR AN ACT RELATING TO VOLUNTARY EMPLOYEES'
BENEFICIARY ASSOCIATION TRUSTS,"

begs leave to report as follows:

The purpose of this measure is to clarify that a voluntary
employees' beneficiary association trust may be established by an
employee organization for all state and county employees
represented by that employee organization.

Testimony in support of this measure was submitted by the
Hawaii Government Employees Association, AFSCME Local 152, AFL-
CIO; the Hawaii State Teachers Association; and the United Public
Workers, AFSCME Local 646, AFL-CIO. Comments on the measure were
also submitted by the Department of the Attorney General.

Your Committee finds that Act 245, Session Laws of Hawaii
2005, authorized the establishment of voluntary employees'
beneficiary association (VEBA) trusts by an employee organization
for state and county employees of a particular bargaining unit.
Your Committee further finds that clarification in the law is
necessary to ensure that the intent of the law that one or more
bargaining units may benefit from the establishment of VEBA trusts
is patent. It was not the Legislature's intent that the
authorization to establish VEBA trusts only be provided to a
single employee organization or a single bargaining unit,
regardless of the establishment of VEBA trusts as only a three-
year pilot program. Your Committee believes that this measure

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will further clarify that VEBA trusts may be established by any employee organization for multiple bargaining units that may also benefit from their combined numbers.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2640 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor,



BRIAN KANNO, Chair



The Senate
 Twenty-Third Legislature
 State of Hawaii

Record of Votes of the
 Committee on Labor
 (Bills and Resolutions)

Measure:* SB 2640	Committee Referral: LBR, WAM	Date: 2/10/06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (2312) <input type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
KANNO, Brian (C)	✓			
IHARA, Jr., Les (VC)				✓
TANIGUCHI, Brian T.	✓			
SLOM, Sam			✓	
TOTAL	2		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.