
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO
EXPLORE THE POSSIBILITY OF EXPANDING THE DISLOCATED WORKERS
PROGRAM.

1 WHEREAS, in today's fluid economy, businesses are bought
2 and sold at will; and
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4 WHEREAS, in Hawaii, the businesses that are the most
5 vulnerable to frequent sales are those in the tourism industry,
6 namely hotels; and
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8 WHEREAS, with Hawaii tourism growing by leaps and bounds,
9 and hotel occupancy rates averaging more than eighty per cent
10 this year, hotel ownership has become a lucrative business,
11 especially for investors who thrive on buying and selling; and
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13 WHEREAS, for workers of these hotels, however, job security
14 is often at risk when a hotel is sold because workers are
15 terminated, or are asked to apply for their old jobs or are
16 subject to screenings and tests to determine their suitability
17 for the very jobs they have held for years, such that they may
18 find themselves be out of work despite all their efforts, if the
19 new employer does not want to hire formerly unionized employees;
20 and
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22 WHEREAS, such mass layoff practices create needless
23 disruption in the workforce, in the business itself, and in the
24 community; and
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26 WHEREAS, one recent example of this disruption occurred at
27 the Hawaii Naniloa Resort, whose workers had been organized
28 through a union for many years and was the only unionized hotel
29 on the east side of the Island of Hawaii; and
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1 WHEREAS, early this year, the Hawaii Naniloa Resort was
2 sold to the highest bidder in an auction by the State for a
3 lease of the land on which the hotel is situated, and the new
4 owner hired only twenty of the one hundred forty incumbent
5 workers and brought in workers from the owner's two other
6 operations; and
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8 WHEREAS, the sale left one hundred twenty Hawaii Naniloa
9 Resort workers jobless who were then forced to consider either a
10 two-hour commute to the west side of the island for hotel work
11 or retraining for a completely new line of work; and
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13 WHEREAS, the new owner claimed the workers did not have the
14 right attitude for the business, yet the real motivation for not
15 retaining incumbent workers may have been to make the operation
16 as non-union as the owner's two other businesses; and
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18 WHEREAS, on three occasions the Legislature was urged to
19 enact laws to protect workers against mass layoffs such as the
20 layoffs at the Hawaii Naniloa Resort and numerous other hotels,
21 but business interests vigorously argued that such legislation
22 was bad for business and would drive away investors; and
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24 WHEREAS, some legislators agreed with business interests
25 and legislation to protect incumbent employees was defeated each
26 time; and
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28 WHEREAS, Hawaii is still a favored tourist destination and
29 hotels are posting record profits, making it unlikely that
30 investors will be dissuaded by employee protection laws that
31 make good business sense; and
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33 WHEREAS, a law to require the buyer of a hotel to retain
34 incumbent workers makes sense because it:
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- 36 (1) Helps to minimize disruption in the business;
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38 (2) Protects management's right to manage the business and
39 its employees;
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41 (3) Avoids negative publicity and creates good will in the
42 community; and
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(4) Allows workers to make a smoother transition, if necessary, into new employment rather than be terminated in a mass layoff; and

WHEREAS, the present dislocated workers program under chapter 394B, Hawaii Revised Statutes, covers workers who are subject to a sale, transfer, merger, or other business takeover that results in a closing or partial closing of business operations; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2007, the Senate concurring, that the Director of Labor and Industrial Relations is respectfully requested to explore the possibility of expanding the dislocated workers program to cover the employees of a business that is subject to a business takeover without any closing or partial closing; and

BE IT FURTHER RESOLVED that the Director of Labor and Industrial Relations is requested to determine whether legislation should be developed to require, in the event of a sale or divestiture of a business, that the buyer shall retain the seller's employees, unless the business that is continued by the buyer differs substantially from the business that was sold by the seller; and

BE IT FURTHER RESOLVED that the Director of Labor and Industrial Relations is further requested to submit findings and recommendations, including any proposed legislation, to the Legislature not later than twenty days prior to the convening of the Regular Session of 2008; and

BE IT FURTHER RESOLVED that a certified copy of this Concurrent Resolution be transmitted to the Director of Labor and Industrial Relations.

OFFERED BY:

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