

Honolulu, Hawaii

April 26, 2007

RE: H.B. No. 1503  
H.D. 1  
S.D. 1  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1503, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to strengthen protections for dislocated workers by amending Hawaii's Dislocated Workers law. Specifically, this bill:

- (1) Expands the 60-day notification to employees and the Director of Labor and Industrial Relations (Director) of the closing of covered establishments by:
  - (a) Adding the notification requirement for the transfer of any covered establishment from one employer to another because of the sale, transfer, merger, and other business takeover or transaction of business interest; and



- (b) Expanding the definition of "closing" to include bankruptcy and other close of business transactions;
- (2) Stipulating that if an employer does not provide at least 60 days' notice to each employee and the Director of a closing, divestiture, partial closing, or relocation of a covered establishment, the employer shall be liable to each affected employee for an amount equal to back pay and benefits for the period of violation;
- (3) Exempting a covered establishment which is actively seeking a buyer for a sale, transfer, or merger until such time the sale, transfer, or merger results in a divestiture from notification requirements until a divestiture occurs; and
- (4) Imposing penalties on an employer who fails to notify the Director or employees of a closing, partial closing, divestiture, or relocation of a business with fines being deposited into the Employment and Training Fund.

Current Hawaii law protects employees who face termination from employment due to a sudden closure or partial closure of a business as a result of a sale, transfer, merger, or transaction of business interests. However, your Committee on Conference finds that bankruptcies and divestitures of businesses are not covered under current law. This bill will help ameliorate the effects these situations will have on people's lives.

However, your Committee on Conference notes that concerns were raised regarding the exemption from the notification requirements for businesses actively seeking a buyer for a sale, transfer, or merger and whether these businesses would be able to comply with the 60-day notice requirement. Accordingly, your Committee on Conference has amended this measure by:

- (1) Stipulating that a business actively seeking a buyer for a sale, transfer, or merger is not required to provide 60-days' notice until the employer has entered into a binding agreement for the sale, transfer, or merger of the covered establishment that results in a divestiture; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1503, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1503, H.D. 1, S.D. 1, C.D. 1.

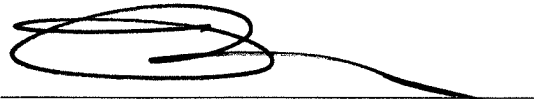
Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

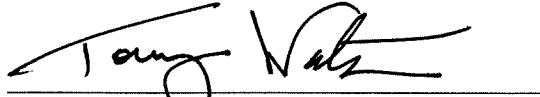
ON THE PART OF THE HOUSE



CLAYTON HEE, Chair



ALEX M. SONSON, Co-Chair



TOMMY WATERS, Co-Chair



