

STAND. COM. REP. NO. 1549

Honolulu, Hawaii

APR 05 2007

RE: H.B. No. 1379
H.D. 1
S.D. 1

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1379, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW,"

begs leave to report as follows:

The purpose of this measure is to conform state employment security law to federal law with respect to treating American Indian tribes similarly to government entities and nonprofit organizations.

Furthermore, this measure specifies that the types of agricultural labor not included as "employment" under the employment security law extends to labor performed by aliens admitted into the United States to perform agricultural labor under the federal Immigration and Nationality Act.

Your Committee received comments in support of the measure from the Department of Agriculture and the Department of Labor and Industrial Relations.

Your Committee finds that the provisions relating to Indian tribes must be passed to ensure that the employment security law conforms to federal law. Failure to enact the provisions will cause employers in the State to lose eligibility to claim certain tax credits against the Federal Unemployment Tax Act. Your Committee also finds that the provisions relating to alien agricultural workers will more closely comply with federal law



under the Federal Unemployment Tax Act. Federal law already exempts employers from paying federal unemployment taxes for temporary alien agricultural laborers. Furthermore, the exemption will increase the ability of Hawaii's local farmers to import foreign labor during this period of extremely low unemployment.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



