

STAND. COM. REP. NO. 39

Honolulu, Hawaii

Feb 5, 2009

RE: H.B. No. 396
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 396 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT,"

begs leave to report as follows:

The purpose of this bill is to protect employees by:

- (1) Requiring successor employers to retain incumbent employees upon the divestiture of a business; and
- (2) Assessing penalties for noncompliance with worker retention requirements.

The ILWU Local 142; Hawaii State Teachers Association; Hawaii Government Employees Association; Hawaii Teamsters and Allied Workers, Local 996; Chair of the Democratic Party of Hawaii; Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council, AFL-CIO; International Union of Painters and Allied Trades, District Council 50; and Laborers' Union testified in support of this bill. The Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, The National Federation of Independent Businesses in Hawaii, The Hawaii Restaurant Association, Retail Merchants of Hawaii, and The Maui Chamber of Commerce testified in opposition to this measure.

HB396 HD1 HSCR LAB HMS 2009-1663



Many employees fear losing their jobs because of business takeovers. A mass layoff caused by a divestiture poses problems, not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. At the same time, your Committee understands the concern that this measure may also cause undue hardship for employers, particularly small businesses.

Accordingly, your Committee has amended this bill by restricting its divestiture requirements to businesses with 100 employees or more.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 396, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,

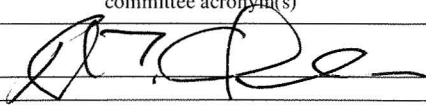


KARL RHOADS, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 396	Committee Referral: LAB, EBM, FIN	Date: 1-30-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. AWANA, Karen Leinani	/			
5. HANOHANO, Faye P.	/			
6. KEITH-AGARAN, Gilbert S.C.	/			
7. LEE, Marilyn B.	/			
8. NAKASHIMA, Mark M.	/			
9. SAIKI, Scott K.	/			
10. SOUKI, Joseph M.				/
11. TAKUMI, Roy M.	/			
12. PINE, Kymberly Marcos		/		
TOTAL (12)	10	1	—	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				