

STAND. COM. REP. NO. 1002

Honolulu, Hawaii

March 18, 2009

RE: S.B. No. 688
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 S.B. No. 688 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT,"

begs leave to report as follows:

The purpose of this bill is to protect Hawaii's workers by:

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

The ILWU Local 142, International Brotherhood of Electrical Workers, Hawaii State AFL-CIO, and Hawaii Teamsters and Allied Workers Local 996 testified in support of this bill. The Department of Labor and Industrial Relations, Outrigger Hotels, Hawaii Hotel & Lodging Association, Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, National Federation of Independent Business in Hawaii, Hawaii Restaurant Association, Hawaii Credit Union League, MDX Hawaii, The Hawaii Business League, Building Industry Association of Hawaii, Exquisite Hawaiian Weddings and Event Productions L.L.C., General Contractors Association of Hawaii, Garden Isle Healthcare & Hale Kupuna Heritage Home, Ohana Pacific Management, Company, NetEnterprise Inc., Kauai Chamber of Commerce, Steiner & Associates, Highway Inn Inc., Mokulua Contracting LLC, 1132 Cafe &

SB688 HD1 HSCR LAB HMS 2009-2966



Catering, Wilson Homecare, and two concerned individuals testified in opposition to this bill.

Your Committee finds that the difficult economic times facing Hawaii, as well as the rest of the nation, has caused an uneasiness among employees and their employers that continues to have a negative impact on the economy. 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.

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 S.B. No. 688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 688, H.D. 1, and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

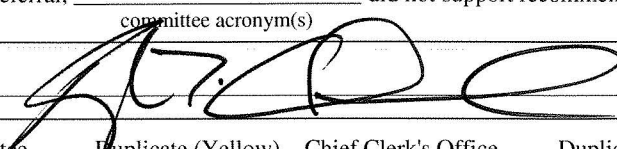
Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



KARL RHOADS, Chair



Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: SB 688	Committee Referral: LAB, EBM, FIN	Date: 3-13-09		
<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	*K			/
TOTAL (12)	10/9/9	-	-	2 ³ 4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				