

STAND. COM. REP. NO. 1281

Honolulu, Hawaii

Month 27, 2009

RE: S.B. No. 688
H.D. 2

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

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 688, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT,"

begs leave to report as follows:

The purpose of this bill is to protect nonsupervisory and nonconfidential employees in the event of the sale, transfer, merger, or other divestiture of a business employing 100 or more persons by requiring that the successor business hire all incumbent employees unless it is substantially dissimilar from the old business, or experiences a reduction in human resource needs.

The Hawaii Government Employees Association; ILWU Local 142; United Public Workers, AFSCME, Local 646, AFL-CIO; International Brotherhood of Electrical Workers; Hawaii Teamsters Local 996; Laborers' International Union North America, Local 368; Pride At Work Hawai'I; and Hawaii Building and Construction Trades Council, AFL-CIO testified in support of this bill. The Department of Labor and Industrial Relations; Hawaii Credit Union League; Building Industry Association of Hawaii; Hawaii Business League; National Federation of Independent Business; Hawaii Automobile Dealers Association; Retail Merchants of Hawaii; General Contractors Association of Hawaii; Hawaii Hotel & Lodging Association; Chamber of Commerce of Hawaii; Maui Chamber of Commerce; Limtiaco Company; Outrigger Hotels, ABC Stores; and numerous concerned individuals opposed this measure.

SB688 HD2 HSCR EBM HMS 2009-3341



Many businesses voiced concern about the effect that this bill would have on potential transfers of business interests in Hawaii, as well as its impact on the perception of Hawaii's business climate.

Upon reflection, your Committee has amended this bill to give a successor employer that is subject to the employee security requirements of this bill, a general excise tax exemption. The one-year exemption, beginning at the time the successor employer starts to conduct business, is intended to offset the burdens placed on the divestiture transaction.

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

Your Committee respectfully requests the Committee on Finance, to which this bill is next referred, to examine the timing of the general excise tax exemption provided in this bill, as well as related issues.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 688, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 688, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,


ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: SB 688	HD HSCR 1002	Committee Referral: LAB, EBM, FIN	Date: 3/24/09	
<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)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.				✓
4. EVANS, Cindy	✓			
5. MANAHAN, Joey				✓
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn				✓
10. WOOLEY, Jessica	✓			
11. WARD, Gene		✓		
TOTAL (11)	6	1		3
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: <i>Sam Wooley</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				