Honolulu, Hawaii

MAR 0 5 2009

RE: S.B. No. 1622
       S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

    Your Committee on Judiciary and Government Operations, to
which was referred S.B. No. 1622, S.D. 1, entitled:

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

begs leave to report as follows:

    The purpose of this measure is to provide employment security
to persons who might otherwise be displaced from employment due to
the divestiture and transfer of a business to another employer.

    Specifically, this measure, among other things:

    (1)   Requires an existing employer to make available to the
           prospective employer certain employee information;

    (2)   Requires the prospective employer to retain, for a
           90-day transition period, all employees who were
           employed by the existing employer at the time of the
           divestiture; and

    (3)   Requires the new employer, to thereafter offer an
           employee retained from the existing employer continued
           employment under the terms and conditions established by
           the new employer.

    This measure recognizes the all too frequent sales of
businesses in Hawaii that adversely impact the stability of our
workforce and create an additional toll on our economy and
unemployment system. These mass terminations due to a business

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divestiture create problems not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. Where the purchaser of the business intends to provide a similar level of products and services, the new employer is required for the first 90-days of the business to retain from the existing workforce the number of employees needed for the new operation, based on seniority. The employer is able to terminate employees for cause and release employees after the 90-day period if a performance review shows unsatisfactory work. The transition period will provide the new employer with qualified and knowledgeable workers who have rapport and provide continuity with the prior customer base that the new business will seek to maintain.

The measure also requires the new employer to maintain a preferential hiring list of eligible employees not retained by the new employer. If the business expands in that period the new employer is to hire from the preferential hiring list based on operational needs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1622, S.D. 1, and recommends that it pass Third Reading.
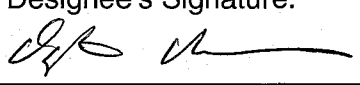
Respectfully submitted on behalf of the members of the Committee on Judiciary and Government Operations,

BRIAN T. TANIGUCHI, Chair

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Judiciary and Government Operations
JGO

Bill / Resolution No.:*	Committee Referral:	Date:
SB1622, SD1	LBR, JGO	2/26/09

☐ The committee is reconsidering its previous decision on this measure.

    If so, then the previous decision was to: _____

The Recommendation is:

☑ Pass, unamended
2312

☐ Pass, with amendments
2311

☐ Hold
2310

☐ Recommit
2313

Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
TAKAMINE, Dwight Y. (VC)	✓			
BUNDA, Robert				✓
GABBARD, Mike	✓			
NISHIHARA, Clarence K.				✓
SLOM, Sam			✓	
TOTAL	3	0	1	2

Recommendation:

☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

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*Only <u>one</u> measure per Record of Votes

Revised: 12/18/08