

Honolulu, Hawaii

Feb 7 , 2012

RE: H.B. No. 2582  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2582 entitled:

"A BILL FOR AN ACT RELATING TO APPEALS TO THE APPELLATE BOARD,"

begs leave to report as follows:

The purpose of this measure is to improve the efficiency of the Labor and Industrial Relations Appeals Board of the Department of Labor and Industrial Relations while maintaining fiscal prudence by enabling the Board to fund projects designed to improve efficiency without using additional general fund appropriations. Among other things, this bill:

- (1) Allows the Board to establish reasonable fees for the filing of workers' compensation appeals and other administrative costs associated with the processing of workers' compensation appeals; and
- (2) Establishes the Labor and Industrial Relations Appeals Board Special Fund.

The Labor & Industrial Relations Appeals Board; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; and a concerned individual testified in support of this measure. Two concerned individuals testified in support of the intent of this measure. Hawaiian Electric Co, Inc., Maui Electric Company, Ltd.,



and Hawaii Electric Light Company, Inc. testified in opposition to this measure.

The budget shortfalls experienced by Hawaii over the past several years have greatly impacted the operations of many state departments and agencies. Although cautious optimism and confidence in a growing economy have been expressed, Hawaii's economy is still fragile. Identifying and creating sources of revenue to help defray the expenses of a state department or agency will assist with the State's overall budgetary picture.

Allowing the Labor and Industrial Relations Appeals Board to establish reasonable filing fees and fees for other administrative services associated with the processing of workers' compensation hearings and appeals would not only supplement the Board's operating budget but would also help defray expenses relating to the upgrade of equipment, technology, security, and language interpreting services, in addition to other expenses, and will help to improve the effectiveness and efficiency of the workers' compensation system.

However, your Committee finds that concerns remain about the consequences which these fees may have on indigent and less fortunate individuals who need to file appeals in workers' compensation cases. Your Committee also notes the concerns raised regarding the fairness of exempting State and county agencies from filing fees. Accordingly, your Committee has amended this bill by:

- (1) Authorizing only a \$30 filing fee for a written notice of appeal, which may be adjusted as needed by the Director of Labor and Industrial Relations by rules adopted under Chapter 91, Hawaii Revised Statutes;
- (2) Clarifying that "good cause" for the waiving of the payment of fees is established when the appealing party is indigent, appears pro se, or is an individual who is unemployed as a result of a workers' compensation injury;
- (3) Deleting language exempting the State or county from having to pay a fee for filing a written notice of appeal; and



- (4) Making technical, nonsubstantive amendments 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. 2582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2582, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

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



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KARL RHOADS, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 143-12

**Record of Votes of the Committee on Labor & Public Employment**

<b>Bill/Resolution No.:</b> HB 2502	<b>Committee Referral:</b> LAB, ERB, FIN	<b>Date:</b> 2-3-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <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)				
<b>LAB Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. RHOADS, Karl (C)	/			
2. YAMASHITA, Kyle T. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. ICHIYAMA, Linda	/			
6. LEE, Marilyn B.	/			
7. LUKE, Sylvia	/			
<del>8. OKAMURA, Tom</del>				
9. SAIKI, Scott K.				/
10. SOUKI, Joseph M.	/			
11. TAKUMI, Roy M.	/			
12. FONTAINE, George R.	/			
13. JOHANSON, Aaron Ling	/			
<b>TOTAL (13)</b>	11	—	—	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <span style="margin-left: 150px;">committee acronym(s)</span>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				