

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 634
H.D. 1
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 634, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to maintain employment levels in the case of a divestiture by a successor employer.

More specifically, this measure provides that in the event of a divestiture of a covered establishment that employed not less than one hundred persons at any time in the preceding twelve months, the successor employer:

- (1) Shall hire all incumbent non-supervisory and non-confidential employees; provided that the successor employer may retain less than all of the incumbent employees if the business of the successor employer is substantially dissimilar to the former employer's business or if the need for employees is less;
- (2) Shall not require incumbent employees to file employment applications with the successor employer as a prerequisite to be considered for hire, unless existing employee files are incomplete; and



- (3) May conduct pre-hire screening of the incumbent employees not prohibited by law, including criminal conviction record checks and substance abuse testing.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; the Hawaii Government Employees Association; the Hawaii Laborers' Union; the Hawaii State AFL-CIO; and one concerned individual.

Your Committee received written comments in opposition to this measure from the General Contractors Association of Hawaii; the Hawaii Automobile Dealers Association; Island Princess; and three concerned individuals.

Your Committee finds that the divestiture of a business often causes heightened anxiety for incumbent employees due to the lack of job security and disruptions to the local economy. This measure would provide job security to employees and minimize disruptions during a divestiture of a covered establishment by requiring the successor employer to retain all incumbent non-supervisory and non-confidential employees, subject to certain exceptions.

Your Committee has amended this measure by:

- (1) Adding an appropriation of an unspecified amount for the Department of Labor and Industrial Relations to implement this measure; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 634, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 634, H.D. 1, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

David Y. Ige

DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB634, HD1, SD1	Committee Referral: JDL/CPN, WAM	Date: 4/4/13
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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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)				✓
CHUN OAKLAND, Suzanne		✓		
DELA CRUZ, Donovan M.		✓		
ENGLISH, J. Kalani		✓		
ESPERO, Will		✓		
KAHELE, Gilbert		✓		
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.		✓		
RUDERMAN, Russell E.			✓	
THIELEN, Laura H.			✓	
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
TOTAL	3	6	3	1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *Will Espero*

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*Only one measure per Record of Votes