

Honolulu, Hawaii
February 5, 2013

RE: H.B. No. 915

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 915 entitled:

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

begs leave to report as follows:

The purpose of this measure is to improve the integrity of the State's unemployment insurance program.

Specifically, the measure would authorize the Department of Labor and Industrial Relations to:

- (1) Recoup certain overpayments of unemployment benefits from an employer's account in the unemployment trust fund and from the federal income tax refund payments of the employer and the individual who received the overpayments;
- (2) Offset an employer's default of contributions, advance payments, or reimbursement against the employer's federal income tax refund payments; and
- (3) Use moneys in the State's account in the unemployment trust fund for the payment of fees authorized under the Internal Revenue Code for the review of reductions relating to credits and refunds.

Testimony in support of the measure was received from the Department of Labor and Industrial Relations.



Your Committee finds that this measure is necessary to conform Hawaii's employment security laws to the federal Trade Adjustment Assistance Extension Act of 2011 and to make facilitating amendments. The federal law requires states to charge overpaid amounts to an employer's account when an employer fails to respond to the department's written request for information and to impose a specified minimum penalty on fraudulent overpayments. Failure to adopt these changes may result in the loss of \$13,000,000 in federal grants.

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. 915 and recommends that it pass Second Reading and be referred to the Committee on Finance.

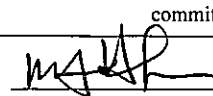
Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,


MARK M. NAKASHIMA, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.: HB 915	Committee Referral: LAB, FIN	Date: 2/1/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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. NAKASHIMA, Mark M. (C)	/			
2. HASHEM, Mark J. (VC)	/			
3. AQUINO, Henry J.C.	/			
4. ICHIYAMA, Linda	/			
5. ING, Kaniela	/			
6. TAKUMI, Roy M.	/			
7. YAMANE, Ryan I.				X
8. YAMASHITA, Kyle T.	/			
9. JOHANSON, Aaron Ling	/			
TOTAL (9)	8	0	0	1
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: <u></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				