

STAND. COM. REP. NO. 2573

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 3126  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 3126, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to prohibit  
businesses from using noncompete agreements and restrictive  
covenants that forbid post-employment competition of their  
employees of a technology business or licensed physicians, except  
in certain situations.

Your Committee received testimony in support of this measure  
from the Department of Education, Department of Information  
Technology of the City and County of Honolulu, Hawaii Medical  
Association, and seven individuals. Your Committee received  
comments on this measure from the High Technology Development  
Corporation.

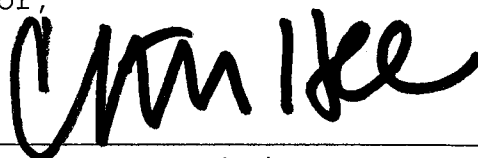
Your Committee finds that post-employment restrictive  
covenants impede the development of businesses in Hawaii by  
driving skilled workers, including technology employees and  
licensed physicians, to other jurisdictions and by requiring local  
businesses to solicit from out of the State. Hawaii's regional  
success depends upon a mobile workforce that remains committed to  
our community, and this measure will encourage the formation of  
new businesses and competition.



Your Committee has amended this measure by clarifying the types of employment contracts and agreements that certain noncompete or nonsolicit clauses that are prohibited from applying to licensed physicians or employees of technology businesses.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3126, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3126, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,




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CLAYTON HEE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary and Labor**  
**JDL**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3126, SD1	TEC/CPN, JDL	2/20/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
GALUTERIA, Brickwood				✓
IHARA, Jr., Les	✓			
SOLOMON, Malama				✓
SLOM, Sam				✓
<b>TOTAL</b>	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes