

S .B. NO. 2897

JAN 27 2016

A BILL FOR AN ACT

RELATING TO RECORDKEEPING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 371-11, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§371-11 Research and statistics; employers to keep**
4 **certain records.** The department of labor and industrial
5 relations:

6 (1) Shall investigate and gather data regarding the
7 wages, hours, and other conditions and practices of
8 employment in the State, and may enter and inspect
9 ~~[such]~~ places of employment and ~~[such]~~ records,
10 ~~[-]~~ and make ~~[such transcriptions]~~ copies thereof ~~[+]~~,
11 and investigate ~~[such]~~ facts, conditions, practices,
12 or matters as are necessary or appropriate to carry
13 into effect the duties imposed upon it under this
14 chapter or under the rules of the department;

15 (2) May investigate, collect, and publish ~~[such]~~
16 information relating to the cost of living in the
17 State as it deems advisable;

1 (3) Shall collect, file, and publish [~~such~~] information
2 relating to labor and industrial relations and shall
3 perform [~~such~~] other duties as the director of labor
4 and industrial relations shall by rule prescribe.

5 Every employer subject to this chapter or any
6 rule or regulation of the department issued under this
7 chapter shall make, keep, and preserve [~~such~~] records
8 of the persons employed by the employer and of the
9 wages, hours, and other conditions and practices of
10 employment, maintained by the employer, and preserve
11 [~~such~~] the records for [~~such~~] periods of time[7] as
12 the department may by rule prescribe. In addition,
13 every employer shall keep a record of the physical
14 addresses of the employer and the North American
15 Industry Classification System code applicable to the
16 employer.

17 The director or the director's authorized
18 representative shall for the purpose of examination
19 have access to and the right to copy from [~~such~~] the
20 records any matter or thing pertinent to this section,
21 and every employer shall furnish to the director or
22 the director's authorized representative on demand a

1 copy under oath of [such] the material portion of
2 [such] the records as the director or the director's
3 authorized representative requires, and if the
4 director so requires, upon forms prescribed or
5 approved by the director;

6 ~~[(4) The department shall collect, assemble, and furnish~~
7 ~~information regarding group life insurance plans,~~
8 ~~group medical, hospitalization, and health insurance~~
9 ~~plans, and pension and retirement plans, at the~~
10 ~~request of any employer or employee. Upon the request~~
11 ~~of any employer or employee, the department shall~~
12 ~~undertake a study of the feasibility of establishing~~
13 ~~any or all of such plans for such persons as may be~~
14 ~~designated by the employer or employee making the~~
15 ~~request. If the department determines that it will be~~
16 ~~feasible to establish such plan or plans for the~~
17 ~~persons so designated, it shall render all necessary~~
18 ~~assistance to the persons who will be included in such~~
19 ~~plan or plans, including but not limited to such~~
20 ~~matters as negotiating for and on behalf of such~~
21 ~~persons with insurance companies, and drafting of~~
22 ~~contracts and agreements. If the department~~

S .B. NO. 2897

1 ~~determines that it will not be feasible to establish~~
2 ~~such plan or plans for the persons designated because~~
3 ~~of the small number or the diversity of occupations~~
4 ~~within the group or for any other reason, the~~
5 ~~department shall actively solicit the participation of~~
6 ~~as many other employers and employees within the State~~
7 ~~as may be necessary to form a group or groups for~~
8 ~~which it shall be feasible to establish the plan or~~
9 ~~plans contemplated by the employer or employee who~~
10 ~~made the original request, and shall furnish all~~
11 ~~necessary assistance in similar manner.]~~

12 The department shall adopt all necessary rules and
13 regulations to carry out the purposes of this section."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act, upon its approval, shall take effect
17 on July 1, 2016.

18
19 INTRODUCED BY: AM N. M.
20 BY REQUEST

Report Title:

Department of Labor and Industrial Relations; Recordkeeping;
Insurance Plans

Description:

Requires employers to keep a record of the physical addresses of the employer and the North American Industry Classification System code applicable to the employer; deletes anachronistic provision pertaining to insurance plan information. Takes effect on July 1, 2016.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO RECORDKEEPING.

PURPOSE: To enable the Department of Labor and Industrial Relations' Research and Statistics Office (R&S) to make, keep, and preserve records of the physical location of businesses and North American Industry Classification System codes of employers and to delete a statutory anachronism pertaining to research regarding insurance plans.

MEANS: Amend section 371-11, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Section 371-11, HRS, authorizes R&S to investigate and gather data regarding wages, hours, and other related employment information. However, the current law is limited in that it does not provide for the collection of the employer's physical locations and North American Industry Classification System (NAICS) business activity code.

The proposed change would provide much needed information to track growth and decline in employment for the State, the distribution of employment by county, and to track employment by industry. These data are important factors for assessing the current state of the economy and for use by legislators, economic forecasters and planners for estimating revenue projections, planning, and targeting economic development activities and workforce planning. Currently twenty-five other states have mandates to collect this type of information from employers and businesses in their states.

The deletion of section 371-11(4) is a housekeeping action that would conform the statute to more accurately reflect the current State organizational structure. Act 135, Session Laws of Hawaii 1957, was intended to, "... make available government services toward rendering feasible the extending of benefits of group life, medical, hospitalization and health insurance and pension and retirement plans to employees of smaller employers at costs comparable to those benefits presently enjoyed by the employees of the larger employers." *Senate Committee Report No. 610 Hawaii Senate Journal (1957)*.

R&S has not conducted such research for decades, especially since the passage of the Prepaid Health Care Act in 1974 rendered moot the provision of health insurance coverage of smaller employers by requiring it. Furthermore, many of the other insurance functions above are now regulated by the Insurance Division of the Department of Commerce and Consumer Affairs.

Impact on the public: The proposed amendments will improve the quality of the information generated by R&S and consumed by the Legislature, economists, especially for those undertaking economic forecasting like the Council on Revenues, University of Hawaii Economic Research Organization (UHERO), Department of Business, Economic Development and Tourism (DBEDT), Hawaii Tourism Authority, and the Federal government, amongst others.

Impact on the department and other agencies: The proposed amendments will improve the quality of the information R&S provides to the Legislature, the Council on Revenues, UHERO, and DBEDT. Information provided to workforce development agencies about employers and jobs in their local areas will also be greatly improved.

SB. NO. 2847

GENERAL FUND: None.
OTHER FUNDS: None.
PPBS PROGRAM
DESIGNATION: LBR901.
OTHER AFFECTED
AGENCIES: None.
EFFECTIVE DATE: July 1, 2016.