



**Testimony to the Senate Committee on Judiciary & Labor  
Tuesday, February 16, 2016 at 9:00 A.M.  
Conference Room 016, State Capitol**

**RE: SENATE BILL 2290 RELATING TO SICK LEAVE**

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** SB 2290, which establishes a payroll assessment to fund sick leave in the private sector.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate and understand the intent of this bill to allow for paid sick leave in the workplace, and that this is employee paid via a payroll tax. Our main concern with this legislation is on the viability of the fund to sustain the benefits offered under this program. We are unaware of any actuarial study or data. This could pose a situation for discussion on a tax increase for employees and possibly employers in the future.

Thank you for the opportunity to testify.



Randy Perreira  
President

# HAWAII STATE AFL-CIO

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The Twenty-Eighth Legislature, State of Hawaii  
Hawaii State Senate  
Committee on Judiciary and Labor

Testimony by  
Hawaii State AFL-CIO  
February 16, 2016

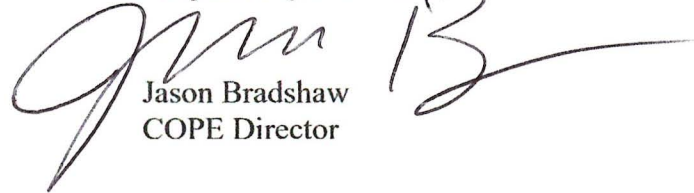
## S.B. 2290 – RELATING TO SICK LEAVE

The Hawaii State AFL-CIO opposes S.B. 2290 which establishes a payroll assessment to fund sick leave in the private sector.

The Hawaii State AFL-CIO strongly opposes a worker payroll tax for the purpose of sick leave. Many workers in Hawaii already live paycheck to paycheck and asking them to pay an additional tax will make them financially struggle even more. We strongly encourage the passage of H.B. 2456 which requires employers to provide paid sick days without an employee payroll tax.

Thank you for the opportunity to testify.

Respectfully submitted,



Jason Bradshaw  
COPE Director



**Executive Officers:**  
Derek Kurisu, KTA Superstores - Chairperson  
John Erickson, Young's Market Company – Vice Chair  
Bob Stout, Times Supermarkets – Secretary/Treasurer  
Lauren Zirbel, Executive Director

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TO: COMMITTEE ON JUDICIARY & LABOR  
Senator Gilbert S.C. Keith-Agaran, Chair  
Senator Maile S.L. Shimabukuro, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: Tuesday, February 16, 2016  
TIME: 9:00 am  
PLACE: Conference Room 016

RE: SB2290

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Our member employers understand that employees will require occasional leave from work due to a legitimate sickness or other reasons and generally accommodate and work with them.

This bill establishes and levies a sick leave payroll tax upon employees, which the employer is required to collect and remit to the state. For employers, especially those that already provide sick leave, this measure adds another layer of administrative burden. Many small businesses do not have the human resources capacity, time, and financial resources to keep up with the requirements of this proposed mandate.

As a result, for many businesses the added financial burden could require the reallocation of resources, which in turn means they would no longer be able to afford to employ as many people and would be forced to eliminate jobs.

Small businesses are especially vulnerable to any increase in costs, especially those that operate on low margins. Passage of this measure may force many small employers to offset higher administrative costs by providing lower wages, fewer work hours and eliminating pay raises;

decreasing discretionary benefits; or increasing costs to consumers. And for companies on the “tipping point,” any increase may force them to close.

At a time when the state is placing an emphasis on jobs and the economy, this measure and any other mandate that creates additional perceived or real costs, will undermine those efforts, hinder economic progress and entrepreneurial activity, and deter business investment in our state.

In light of this, we respectfully request that this measure be held.

Thank you for the opportunity to testify.



## HAWAII RESTAURANT ASSOCIATION

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Date: February 14, 2016

To: Chair Keith-Aragan, Vice Chair Shimabukuro, and Members of the Committee on Judiciary and Labor

From: Victor Lim, Legislative Chair, Hawaii Restaurant Association

Subj: SB 2290 Relating to Sick Leave

The Hawaii Restaurant Association Opposes SB 2290 that establishes a payroll assessment to fund sick leave in the private sector. This might not be necessary because many of the business that can afford this are already flexible in providing this benefit.

HRA has been servicing the restaurant industry here in Hawaii for 69 years representing over 3,300 restaurants making up mostly of small businesses. We are in most cases the first employer for people entering the work force and at the same time provides tremendous opportunities for individual growth. 9 in 10 restaurants managers start at entry level, and 8 in 10 restaurant owners also start at entry level.

Thank you for giving us the opportunity to testify on this.



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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 15, 2016 7:31 AM  
**To:** JDLTestimony  
**Cc:**  
**Subject:** Submitted testimony for SB2290 on Feb 16, 2016 09:00AM

**SB2290**

Submitted on: 2/15/2016

Testimony for JDL on Feb 16, 2016 09:00AM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bill Comerford	Hawaii Bar Owners Association	Oppose	Yes

Comments: We strongly oppose this measure. The contributors to the sick leave will be the management and many full time employees of the company directly from their checks. Employees paying for other employees sick leave? How unfair! I sincerely doubt the constitutional standing of such a bill. This bill should be deferred.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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TO: Members of the Committee on Judiciary

FROM: Natalie Iwasa, CPA, CFE  
Honolulu, HI 96825

HEARING: 9 a.m. Tuesday, February 16, 2016

SUBJECT: SB 2290, Sick Leave Tax **OPPOSED**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on SB 2290, which would create a new payroll tax and payroll panel for sick leave. I oppose this bill and ask you to vote “no.”

Time after time Hawaii is listed as an unfriendly and high-tax state for small businesses. This bill would create yet one more tax for employers to track and grow government by adding a new “panel.”

Please work toward reducing our bureaucratic burdens and the size of government. **Please vote “no”** on this bill.