

STAND. COM. REP. NO. **966**

Honolulu, Hawaii

, 2017

**March 3**

RE: H.B. No. 347

H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 347, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify Hawaii's employment security law particularly with regard to how the Department of Labor and Industrial Relations (Department) determines whether an individual is an independent contractor.

Specifically, this measure:

- (1) Specifies twenty factors to be used as requirements for the Department's determination of whether an individual is an independent contractor;
- (2) Requires the Director of Labor and Industrial Relations (Director) to submit a report to the Legislature prior to the convening of the Regular Session of 2018 on the guidelines developed by the Unemployment Insurance Coverage Committee to assist auditors during investigations; and

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- (3) Requires the Director to submit an annual report to the Legislature regarding independent contractor and covered employment determinations.

The Maui Chamber of Commerce, Society for Human Resource Management - Hawaii Chapter, Envisions Entertainment & Productions, Inc., and two individuals supported this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, Hawaii State AFL-CIO, Hawaii Regional Council of Carpenters, SAG-AFTRA Hawaii Local, I.A.T.S.E. Local 665, American Federation of Musicians' Local 677, Hawaii Teamsters & Allied Workers Local 996, ILWU Local 142, and an individual opposed this measure. The Department of Labor and Industrial Relations, Chamber of Commerce Hawaii, and an individual provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, H.D. 2, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
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SYLVIA LUKE, Chair



