

STAND. COM. REP. NO.

2300

Honolulu, Hawaii

FEB 14 2018

RE: S.B. No. 3106
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor, to which was referred S.B. No. 3106 entitled:

"A BILL FOR AN ACT RELATING TO INDEPENDENT CONTRACTORS,"

begs leave to report as follows:

The purpose and intent of this measure is to provide three categories and twelve factors for the Department of Labor and Industrial Relations to apply to determine independent contractor status.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii; Molokai Chamber of Commerce; Maui Chamber of Commerce; Envisions Entertainment & Productions, Inc.; West Maui Taxpayers Association, Inc.; Island Landscape, LLC; and four individuals. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations; Hawaii State AFL-CIO; ILWU Local 142; SAG-AFTRA Hawaii Local; I.A.T.S.E. Local 665; American Federation of Musicians' Local 677; and Hawaii Teamsters & Allied Workers Local 996.

Your Committee finds that independent contractors are an important part of Hawaii's business community and economy. Your Committee also finds that the existing Hawaii employment security law has been broadly interpreted when determining who qualifies as an independent contractor versus who is an employee of an



employer. This measure seeks to provide greater clarity to those individuals choosing to become entrepreneurs and operate as independent contractors by setting forth in greater detail the criteria used to determine independent contractor status.

Your Committee has amended this measure by inserting an effective date of January 1, 2045, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3106, S.D. 1, and be referred to your Committee on Judiciary.

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



JILL N TOKUDA, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* <i>SB3106</i>	Committee Referral: <i>LBR, JDC</i>	Date: <i>2/8/18</i>		
<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
TOKUDA, Jill N. (C)	✓			
ENGLISH, J. Kalani (VC)	✓			
CHANG, Stanley	✓			
IHARA, Jr., Les	✓			
TANIGUCHI, Brian T.				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes