

Honolulu, Hawaii
FEB 14, 2022

RE: H.B. No. 2104
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Labor & Tourism, to which was referred H.B. No. 2104 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND INVESTMENTS,"

begs leave to report as follows:

The purpose of this measure is to identify certain types of alternative investment fund information, the disclosure of which would likely put the Hawaii Employer-Union Health Benefits Trust Fund at a competitive disadvantage, and exempt those categories of information from disclosure under chapter 92F, Hawaii Revised Statutes, consistent with market best practices.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees. Your Committee received testimony in opposition to this measure from Unite Here! Local 5 Hawaii. Your Committee received comments on this measure from the U.S. Securities and Exchange Commission, Division of Examinations; and Office of Information Practices.

Your Committee finds that this measure will enable the Hawaii Employer-Union Health Benefits Trust Fund to efficiently maintain the confidentiality of information relating to alternative investments such as investments in private equity, private credit,



and private real estate funds, consistent with competitive investment market best practices. This measure mirrors Act 71, Session Laws of Hawaii 2021, which provides the Employees' Retirement System of the State of Hawaii the same exemptions. The Office of Information Practices has stated it has no objection to allowing the Hawaii Employer-Union Health Benefits Trust Fund to withhold this information because the Office of Information Practices believes the listed categories of records relating to alternative investment that would be statutorily exempted by this measure are reasonably limited and specific and are consistent with the Uniform Information Practices Act's generally applicable exceptions to disclosure.

Your Committee has amended this measure by:

- (1) Changing the effective date to December 25, 2040, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2104, H.D. 1, and be referred to your Committee on Finance.

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


RICHARD H.K. ONISHI, Chair



