

STAND. COM. REP. NO. 1794-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 3072
S.D. 2
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 S.B. No. 3072, S.D. 2, 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 Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund. Your Committee received testimony in opposition to this measure from Unite Here! Local 5 Hawaii and one individual. Your Committee received comments on this measure from the United States Securities and Exchange Commission's Division of Examinations and the 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

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investments such as investments in private equity, private credit, and private real estate funds, consistent with competitive investment market best practices. This measure provides the Hawaii Employer-Union Health Benefits Trust Fund with the same exemptions from disclosure that were provided for the Employees' Retirement System of the State of Hawaii by Act 71, Session Laws of Hawaii 2021, and codified at section 88-103.5(c) through (e), Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Clarifying that references to the "system" in section 88-103.5(c) and (e) shall be replaced with the "fund" for purposes of the fund's alternative investment; 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 S.B. No. 3072, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3072, S.D. 2, 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



