

STAND. COM. REP. NO.

2896

Honolulu, Hawaii

MAR 04 2022

RE: S.B. No. 3128
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3128, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ADEQUATE RESERVE FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the State's employers to replenish the unemployment compensation trust fund without being burdened by high unemployment tax rates.

Specifically, this measure amends the definition of "adequate reserve fund" for purposes of the Hawaii employment security law to exclude the benefit cost rate from June 2020 to August 2021, for calendar years 2023 through 2030.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will prevent the most expensive state unemployment insurance tax rate schedule from going into effect, thus providing much-needed relief to Hawaii's employers who are still recovering from the devastating economic effects of the coronavirus disease 2019 (COVID-19) pandemic. Your Committee further finds that providing this relief will ensure



that employers can afford to keep Hawaii workers employed and replenish the unemployment compensation trust fund, which was depleted due to the unprecedented high rates of unemployment caused by the COVID-19 pandemic.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive edit for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3128, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3128, S.D. 2.

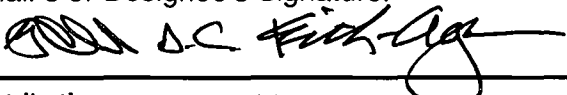
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 3128, SD1	Committee Referral: LCA, WAM	Date: 2/23/22		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MISALUCHA, Bennette E.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	11			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes