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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO  
EXPLORE THE POSSIBILITY OF EXPANDING THE DISLOCATED WORKERS  
PROGRAM.

1           WHEREAS, in today's fluid economy, businesses are bought  
2 and sold at will; and

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4           WHEREAS, in Hawaii, the businesses that are the most  
5 vulnerable to frequent sales are those in the tourism industry,  
6 namely hotels; and

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8           WHEREAS, with Hawaii tourism growing by leaps and bounds,  
9 and hotel occupancy rates averaging more than eighty per cent  
10 this year, hotel ownership has become a lucrative business,  
11 especially for investors who thrive on buying and selling; and

12  
13           WHEREAS, for workers of these hotels, however, job security  
14 is often at risk when a hotel is sold because workers are  
15 terminated, or are asked to apply for their old jobs or are  
16 subject to screenings and tests to determine their suitability  
17 for the very jobs they have held for years, such that they may  
18 find themselves be out of work despite all their efforts, if the  
19 new employer does not want to hire formerly unionized employees;  
20 and

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22           WHEREAS, such mass layoff practices create needless  
23 disruption in the workforce, in the business itself, and in the  
24 community; and

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26           WHEREAS, one recent example of this disruption occurred at  
27 the Hawaii Naniloa Resort, whose workers had been organized  
28 through a union for many years and was the only unionized hotel  
29 on the east side of the Island of Hawaii; and  
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1 WHEREAS, early this year, the Hawaii Naniloa Resort was  
2 sold to the highest bidder in an auction by the State for a  
3 lease of the land on which the hotel is situated, and the new  
4 owner hired only twenty of the one hundred forty incumbent  
5 workers and brought in workers from the owner's two other  
6 operations; and  
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8 WHEREAS, the sale left one hundred twenty Hawaii Naniloa  
9 Resort workers jobless who were then forced to consider either a  
10 two-hour commute to the west side of the island for hotel work  
11 or retraining for a completely new line of work; and  
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13 WHEREAS, the new owner claimed the workers did not have the  
14 right attitude for the business, yet the real motivation for not  
15 retaining incumbent workers may have been to make the operation  
16 as non-union as the owner's two other businesses; and  
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18 WHEREAS, on three occasions the Legislature was urged to  
19 enact laws to protect workers against mass layoffs such as the  
20 layoffs at the Hawaii Naniloa Resort and numerous other hotels,  
21 but business interests vigorously argued that such legislation  
22 was bad for business and would drive away investors; and  
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24 WHEREAS, some legislators agreed with business interests  
25 and legislation to protect incumbent employees was defeated each  
26 time; and  
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28 WHEREAS, Hawaii is still a favored tourist destination and  
29 hotels are posting record profits, making it unlikely that  
30 investors will be dissuaded by employee protection laws that  
31 make good business sense; and  
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33 WHEREAS, a law to require the buyer of a hotel to retain  
34 incumbent workers makes sense because it:  
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- 36 (1) Helps to minimize disruption in the business;
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- 38 (2) Protects management's right to manage the business and  
39 its employees;
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- 41 (3) Avoids negative publicity and creates good will in the  
42 community; and  
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1 (4) Allows workers to make a smoother transition, if  
2 necessary, into new employment rather than be  
3 terminated in a mass layoff; and  
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5 WHEREAS, the present dislocated workers program under  
6 chapter 394B, Hawaii Revised Statutes, covers workers who are  
7 subject to a sale, transfer, merger, or other business takeover  
8 that results in a closing or partial closing of business  
9 operations; now, therefore,  
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11 BE IT RESOLVED by the House of Representatives of the  
12 Twenty-fourth Legislature of the State of Hawaii, Regular  
13 Session of 2007, the Senate concurring, that the Director of  
14 Labor and Industrial Relations is respectfully requested to  
15 explore the possibility of expanding the dislocated workers  
16 program to cover the employees of a business that is subject to  
17 a business takeover without any closing or partial closing; and  
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19 BE IT FURTHER RESOLVED that the Director of Labor and  
20 Industrial Relations is requested to determine whether  
21 legislation should be developed to require, in the event of a  
22 sale or divestiture of a business, that the buyer shall retain  
23 the seller's employees, unless the business that is continued by  
24 the buyer differs substantially from the business that was sold  
25 by the seller; and  
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27 BE IT FURTHER RESOLVED that the Director of Labor and  
28 Industrial Relations is further requested to submit findings and  
29 recommendations, including any proposed legislation, to the  
30 Legislature not later than twenty days prior to the convening of  
31 the Regular Session of 2008; and  
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33 BE IT FURTHER RESOLVED that a certified copy of this  
34 Concurrent Resolution be transmitted to the Director of Labor  
35 and Industrial Relations.  
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OFFERED BY: \_\_\_\_\_

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