

STAND. COM. REP. NO.

149

Honolulu, Hawaii

Feb 9, 2011

RE: H.B. No. 1077

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committees on Labor & Public Employment and Economic Revitalization & Business, to which was referred H.B. No. 1077 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW,"

beg leave to report as follows:

The purpose of this bill is to authorize the payment of interest for advances made under Title XII, Section 1202(b) of the Social Security Act, as amended, from the Employment and Training Fund. In addition, the measure authorizes the Director of Labor and Industrial Relations to raise funds for such payments by increasing the Employment and Training Fund assessment in increments of .01 percent retroactive to January 1, 2011.

Department of Labor and Industrial Relations testified in support of the bill. The Chamber of Commerce of Hawaii commented on the measure.

Your Committees note that the insolvency of the Unemployment Trust Fund in December 2010, required the State to borrow money from the federal government under Title XII, Section 1202(b) of the Social Security Act, as amended.

Under Act 2, Session Laws of Hawaii 2010, the Director of Labor and Industrial Relations is authorized to assess employers in amounts sufficient to pay the principal and interest of the

HB1077 HD1 HSCR LAB-ERB HMS 2011-1892



loan. However, your Committees also find the assessment was required to be distributed in a fair and equitable manner.

This bill establishes an appropriate mechanism to collect the authorized assessments in a fair and equitable manner and its passage is necessary to repay the interest due on the federal funds on September 30, 2011.

Your Committees have amended this bill to allow the employers subject to the Employment and Training Fund assessment to be refunded the increased rate amount paid if payment of the interest on Title XII advances is waived by federal law.

As affirmed by the records of votes of the members of your Committees on Labor & Public Employment and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1077, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1077, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Labor & Public  
Employment and Economic  
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



KARL RHOADS, Chair





State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 149

**Record of Votes of the Committee on Economic Revitalization & Business**

<b>Bill/Resolution No.:</b> HB 1077	<b>Committee Referral:</b> LAB/ERB, FIN	<b>Date:</b> 2/4/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. CHOY, Isaac W. (VC)	/			
3. AWANA, Karen L.	/			
4. BROWER, Tom	/			
5. EVANS, Cindy	/			
6. HASHEM, Mark J.	/			
7. NISHIMOTO, Scott Y.	/			
8. TOKIOKA, James Kunane				✓
9. TSUJI, Clift	/			
10. MARUMOTO, Barbara C.		✓		
11. PINE, Kymberly Marcos		✓		
<b>TOTAL (11)</b>	10	2	0	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				