

STAND. COM. REP. NO. 589-22

Honolulu, Hawaii

FEB 18 , 2022

RE: H.B. No. 1852  
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 Consumer Protection & Commerce, to which was referred H.B. No. 1852, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNEMPLOYMENT COMPENSATION TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds to the Unemployment Compensation Trust Fund.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association. Your Committee received testimony in opposition to this measure from Unite Here! Local 5 Hawaii. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Department of Budget and Finance, and Parents And Children Together.

Your Committee finds that the coronavirus disease 2019 pandemic and the associated governmental responses to curtail the spread of the virus have significantly impacted the State's economy and created an unprecedented period of unemployment that rapidly depleted funds within the Unemployment Compensation Trust Fund.

Your Committee further finds that, while the Legislature temporarily froze the employer contribution rate at schedule D for

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calendar years 2021 and 2022 with the enactment of Act 1, Session Laws of Hawaii 2021, employers may face a significant increase in their employer contribution rate for 2023 and beyond without some intervention. It is estimated that for every \$100,000,000 added to the Trust Fund, the statutory schedule of employer taxes will likely drop one level in the following calendar year. This measure will infuse direly needed funds into the Trust Fund to reduce the employer contribution rate to be imposed on employers in the State for the ensuing calendar year.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



AARON LING JOHANSON, Chair



