
A BILL FOR AN ACT

RELATING TO DISLOCATED WORKERS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 394B, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§394B- Worker retention in the event of divestiture.

5 (a) If a divestiture of a covered establishment occurs, the
6 successor employer:

7 (1) Shall hire all incumbent, nonsupervisory, and
8 nonconfidential employees, except as provided in this
9 section;

10 (2) Shall not require incumbent employees to file
11 employment applications with the successor employer to
12 be considered for hire unless existing employee files
13 are incomplete;

14 (3) Shall recognize all existing collective bargaining
15 agreements if the number of incumbent employees in the
16 bargaining unit is sufficient to require recognition
17 of the bargaining unit; and



1 (4) May retain less than one hundred per cent of incumbent
 2 employees if the business of the successor employer is
 3 substantially dissimilar to the former employer's
 4 business.

5 For purposes of this subsection, "covered establishment" means
 6 any industrial, commercial, or other business entity that
 7 employed twenty-five or more persons at any time in the
 8 preceding twelve-month period.

9 (b) This section shall not be construed to abrogate the
 10 right of the employer to manage the employer's employees.

11 (c) An employer found in violation of this section shall
 12 pay to compensate the dislocated employee for the difference
 13 between the employee's wages under the employee's former
 14 employer and the employee's unemployment insurance benefits
 15 received for the covered period.

16 (d) The director shall adopt rules in accordance with
 17 chapter 91 to carry out the purposes of this section."

18 SECTION 2. There is appropriated out of the general
 19 revenues of the State of Hawaii the sum of \$ or so
 20 much thereof as may be necessary for fiscal year 2023-2024 and



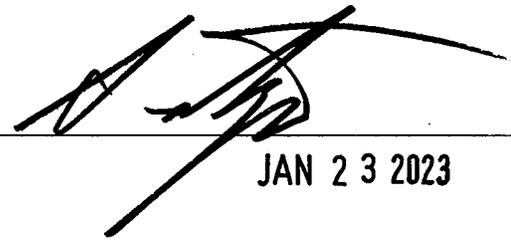
1 the same sum or so much thereof as may be necessary for fiscal
2 year 2024-2025 to effectuate the purposes of this Act.

3 The sums appropriated shall be expended by the department
4 of labor and industrial relations for the purposes of this Act.

5 SECTION 3. This Act shall take effect on July 1, 2023.

6

INTRODUCED BY:



JAN 23 2023



H.B. NO. 854

Report Title:

Dislocated Workers; Worker Retention; Divestiture; Department of Labor and Industrial Relations; Appropriation

Description:

Establishes provisions regarding the retention of employees by a successor employer when the divestiture of a covered establishment occurs. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

