

ACT 250

H.B. NO. 1548

Note

The legislature concluded that the governor’s proclamation indicating the governor’s intent to return H.B. No. 1548 was constitutionally defective and that said measure became law. On July 13, 2005, the legislature assigned Act 250 to H.B. No. 1548. The attorney general has taken the position that H.B. No. 1548 did not become law.

A Bill for an Act Relating to the Employer-Union Health Benefits Trust Fund.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 87A-5, Hawaii Revised Statutes, is amended to read as follows:

“~~[E]~~**§87A-5**~~[H]~~ **Composition of board.** The board of trustees of the employer-union health benefits trust fund shall consist of ten trustees appointed by the governor ~~[as follows:]~~ in accordance with the following procedure:

- (1) Five trustees, one of whom shall represent retirees, to represent employee-beneficiaries~~[-. The trustees shall be appointed from a list of three nominees per trustee submitted by the exclusive employee representative organizations;]~~ and to be selected as follows:
 - (A) Three trustees shall be appointed from a list of two nominees per trustee selected by each of the three exclusive representative organizations that have the largest number of employee-beneficiaries;
 - (B) One trustee shall be appointed from a list of two nominees selected by mutual agreement of the remaining exclusive employee representative organizations; and
 - (C) One trustee representing retirees shall be appointed from a list of two nominees selected by mutual agreement of all eligible exclusive representatives; and
- (2) Five trustees to represent public employers.

Section 26-34 shall not apply to board member selection and terms. Notwithstanding any other provision of this section, no exclusive representative of a bargaining unit that sponsors or participates in a voluntary employee beneficiary association shall be eligible to select nominees or to be represented by a trustee on the board.

As used in this section, the term “exclusive representative” shall have the same meaning as in section 89-2.”

SECTION 2. Section 87A-6, Hawaii Revised Statutes, is amended to read as follows:

“~~[(§87A-6)]~~ **Term of a trustee; vacancy.** The term of office of each trustee shall be four years; provided that a trustee may be reappointed for one additional consecutive four-year term. ~~[Each term shall commence on January 1 and expire on December 31. The governor may reduce the terms of those initially appointed so as to provide, as far as practicable, for the expiration of an equal number of terms at intervals of one year.]~~

A vacancy on the board shall be filled [by appointment of the governor;] in the same manner as the trustee who vacated that position was nominated or appointed; provided that the criteria used for [selecting] nominating or appointing the successor shall be the same criteria used for [selecting] nominating or appointing the person's predecessor[-. The person appointed to fill a vacancy shall serve for the remainder of the term of the person's predecessor.]; provided further that vacancies on the board for each trustee position representing retirees and employee-beneficiaries appointed under section 87A-5 (1)(A) and (B) shall be filled by appointment of the governor as follows:

- (1) If a vacancy occurs in one of the trustee positions described in section 87A-5(1)(A), then the vacancy shall be appointed from a list of two nominees submitted by the exclusive employee representative from among the three largest exclusive employee representatives that does not have a trustee among the three trustee positions;
- (2) If a vacancy occurs in a trustee position described in section 87A-5(1)(B), then the vacancy shall be appointed from a list of two nominees submitted by mutual agreement of the exclusive employee representatives described in section 87A-5(1)(B); and
- (3) If a vacancy occurs in the retiree position described in section 87A-5(1)(C), then the vacancy shall be appointed from a list of two nominees submitted by mutual agreement of all eligible exclusive employee representatives.”

If by the end of a trustee's term [a] the trustee is not reappointed or the trustee's successor is not appointed, the trustee shall serve until the trustee's successor is appointed.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.