

July 13, 2004

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2740

Honorable Members
Twenty-Second Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2740, entitled "A Bill for an Act Relating to Notification of Employment Changes."

The purposes of this bill are to extend the time an employer in a covered establishment subject to chapter 394B, Hawaii Revised Statutes, must give each employee and the Director of Labor and Industrial Relations ("Director") written notification of a closing, partial closing, or relocation from at least sixty days to at least ninety days prior to its occurrence. The bill further requires notification of at least one hundred eighty days to employees who are provided with housing or housing assistance before discontinuance or termination of such housing or housing assistance.

This bill is objectionable because increasing the notification requirement from sixty to ninety days appears to place an unnecessary burden on employers. The Department of Labor reports that the current sixty-day period is sufficient for the Department of Labor and Industrial Relations to carry out its responsibilities in assisting dislocated workers. Further, the current sixty-day notification requirement is consistent with federal law under the Worker Adjustment and Retraining Notification Act. Inconsistencies between federal and state law, without good reason, lead to unnecessary confusion both for employers and employees.

In addition, requiring employers to provide each employee written notification one hundred eighty days prior to the discontinuation or termination of housing assistance may discourage employers from offering this type of assistance.

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Because the housing or housing assistance discontinuation notification requirement is not limited to situations involving the closing, partial closing, or relocation of a business, even an ongoing business will be required to submit a notification.

For the foregoing reasons, I am returning House Bill No. 2740 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE
Governor of Hawaii