Session proving to be disappointing for business

The Chamber View
by Pamela Tumpap

All knew going into this legislative session that it was going to be a tough year, with difficult choices due to reduced revenues and challenging economic times. At the beginning of the session, lawmakers said it was time to think out of the box, put everything on the table and get down to business. There was talk of supporting the business sector early on as our state saw businesses closing and jobs lost. Yet, they did what has been done before and brought back past legislation that is harmful to businesses, moving it forward again this year.

It is disappointing to ask the obvious question, but can we really expect different results if we continue to do the same old thing? Do we honestly think we can turn this economy around when we continually hit the business sector? Where is job creation expected to come from to help our residents survive these tough times?

Despite strong business opposition, state lawmakers advanced the "card-check" bills (HB 952 and SB 1621) to streamline union organizing by allowing unionizing with a simple majority of signed cards, done in public, versus a secret ballot vote. Businesses continue to oppose these bills as they feel employees are entitled to a secret ballot vote, where they can vote their consciences when determining representation.

Further, the card-check bill includes a "binding arbitration" provision that would let state government-appointed arbitrators dictate wages and benefits under a union contract, and then deprive workers of the chance to vote on that contract. This expansion of government power is almost like re-establishing wage and price controls in our economy and could put many employers out of business. We cannot afford this type of legislation in Hawaii, especially when we are struggling to weather this economic storm. While some lawmakers will try to justify their actions by saying the bill will affect only a few companies in Hawaii, we disagree. Companies in Hawaii cannot afford this legislation, and there is no good argument for it.

Hawaii already ranks No. 2 in the nation, second to New York (according to the Bureau of Labor Statistics), in terms of union membership. So, while labor groups claim the current system gives an unfair advantage to employers who might pressure employees against organizing, our statistics do not bear that out. Advocating goes both ways. Additionally, current laws protect employees from efforts of harassment and coercion by unions and businesses. Businesses must educate themselves about this bill and speak out now.

The "guaranteed bankruptcy" bill (HB 332), which establishes job security requirements upon the divestiture of a covered establishment, also moved forward. We have opposed this bill because it removes the purchasing employer's rights to select employees appropriate for the employer's goals and objectives. We believe it could discourage capital investment in Hawaii as the stringent requirements and mandates would greatly limit the operational flexibility of a new owner. Further, we are concerned that it could cost jobs instead of protecting them, as a company that might otherwise have been sold may have to close because it cannot find a prospective purchaser.

Other measures that increase taxes and take tax revenue from the counties to balance the state budget are also moving forward, especially in light of the recent news from the state Department of Taxation, which reported that state revenues are down by 6.3 percent through the first nine months of this fiscal year, versus the 5 percent decline projected by the state Council on Revenues.

The visitor industry has opposed bills to increase the transient accommodations tax (TAT) and take that revenue from the counties, but they are still being considered.

From a county perspective, the prospect of losing our share of the TAT revenue should be concerning to Maui County residents as this revenue hugely supports our county budget, which affects us all. In 2008, Maui County's share of the TAT revenue was more than $22 million, and the county was expecting to realize at least $18 million in next year's budget, now in the process of being formulated. With revenues down on both the state and county levels, it is unfair for the state to pass the buck to the counties by taking revenue they rely on for their budgets in order to balance the state budget. It would leave the county with a huge and immediate deficit. While state lawmakers may allow the counties to add a local surcharge to the hotel room tax or establish a retail sales tax to help make up for the lost revenue, the substantial funding disparity in the interim cannot be ignored.

Stay tuned, as the process is not over yet, but from the way things are going one should expect the business sector to seek the governor's veto on a number of bills. In the meantime, we encourage all businesses to continue to work together and share concerns and suggestions with lawmakers.

■ *Pamela Tumpap is president of the Maui Chamber of Commerce.*