

Businesses: 'What are they thinking?'

THE CHAMBER VIEW

by Pamela Tumpap



The 2009 regular legislative session has ended, and many business owners are appalled

by decisions that threaten struggling industries and businesses. The results of the legislative session provide another example of the growing divide between lawmakers and the business sector, with people shaking their heads in disbelief wondering, "What are our legislators thinking?"

One of their shocking moves was to raise the transient-accommodations tax when the industry is doing everything possible to lower rates and make it more affordable for people to come here. Despite industry testimony calling for help to protect the industry and jobs, legislators now have made it more expensive for visitors to come here. People wonder if lawmakers truly understand the stiff competition the industry is up against. Is the tremendous trickle-down effect our entire state benefits from somehow unclear? Why are legislators not listening to those in the industry and addressing the concerns? The governor vetoed this bill, but the Legislature elected to override her veto, which means this bill became law, essentially representing a 28 percent increase in the hotel-room tax.

Not surprising, but still disappointing, was the passage again this year of the Card Check bill. This bill streamlines union organizing, takes away the right to a secret-ballot vote, and 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. Businesses opposed this measure throughout the process because we believe employees are entitled to a se-

cret-ballot vote, where the employees can vote their conscience when determining union representation.

Originally, the Card Check bill was meant to target Hawaii's agricultural industry and will impact employers with an annual gross revenue of \$5 million or more. A union can be established with a simple majority: 50 percent plus 1. Once entities are certified as exclusive representatives, the situation would require immediate collective bargaining between parties. The provision also would make it a violation for an employer or employee to commit unfair or prohibited practices interfering with an employer's or employee's statutory rights, or discriminating against an employer or an employee for exercising protected conduct, subject to a civil penalty of up to \$10,000 per violation. This expansion of government power is almost like re-establishing wage-and-price controls, and in this economy it could put many businesses out of business. Yet, the bill was passed.

Last year, the governor vetoed this bill, and the Legislature did not override her veto. This year, legislators are considering a veto override. Therefore, it is incumbent upon business owners to speak up and out on this issue.

Also passed this year is a version of Senate Bill 695 relating to workers' compensation medical treatment. This bill requires the employer to continue medical services to an injured employee despite disputes over whether treatment should be continued, until the state director of labor and industrial relations decides whether treatment should be continued. We have opposed this bill and ask that the governor also veto this bill.

While the Legislature did pass these harmful bills, we are sad to say it did not move forward with the strong Recreational Renaissance program that would have helped businesses. With claims of running out of time and misstatements about how this project would be funded, the governor's Recreational Renaissance plan to improve parks, small boat harbors and other facilities was not enacted by the Legislature. Funding of the program was to have been through revenue bonds, not reallocating other moneys, and paid back through usage fees by visitors. If passed, the program would have upgraded our precious resources that benefit residents and visitors alike and provided a tremendous amount of work for small businesses and residents. The bill seemed like a "no brainer," but legislators held it back.

With 250 bills enacted, the governor must notify the Legislature by June 29 of any bills she is considering vetoing and has until July 15 to sign, veto or allow measures to become law without her signature. Therefore, this is a critical time for businesses to contact legislators about bills and to ask them not to override the governor's vetoes should she choose to do so. For information on the bills this past session, see <http://capitol.hawaii.gov/session2009/lists/RptMeasuresPassed.aspx>.

While tough decisions had to be made, we expected better options and more support for the business sector, particularly in these trying times. We again sought collaboration, relief and aid for businesses, and new initiatives to diversify and strengthen our economy. Those actions didn't happen, which is exactly why the Maui Chamber of Commerce endorses candidates — to hold them accountable for their actions. We will publish the voting records of our elected officials, showing how they voted on bills that negatively impact businesses, so the public can ask them directly, "What were you thinking?"

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