

COUNCIL OF THE COUNTY OF MAUI

**POLICY, ECONOMIC DEVELOPMENT,
AND AGRICULTURE COMMITTEE**

September 22, 2017

**Committee
Report No. _____**

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Policy, Economic Development, and Agriculture Committee, having met on September 5, 2017, makes reference to County Communication 17-8, from Council Chair Mike White, relating to Hawaii State Association of Counties (“HSAC”) matters.

Your Committee notes each year HSAC may compile a package of proposals and priorities to be presented to the State Legislature, pursuant to Section 13C of the HSAC Bylaws. Only those proposals and priorities approved by all four councils are included in the annual HSAC Legislative Package.

Your Committee notes that it previously reported on this matter through Committee Report 17-114, which recommended that a revised proposed resolution entitled “APPROVING FOR INCLUSION IN THE 2018 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE REVENUE FOR EACH COUNTY’S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX,” and a revised proposed resolution entitled “APPROVING FOR INCLUSION IN THE 2018 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO REQUIRE ONLINE TRAVEL COMPANIES AND OTHER TRANSIENT ACCOMMODATIONS REMARKETERS TO PAY TRANSIENT ACCOMMODATIONS TAX ON THEIR RESPECTIVE PORTIONS OF GROSS RENTAL PROCEEDS FROM THE PAYMENT OF ACCOMMODATIONS” be adopted. At its meeting of September 8, 2017, the Council adopted your Committee’s recommendations in Committee Report 17-114 (Resolutions 17-135 and 17-136, respectively).

COUNCIL OF THE COUNTY OF MAUI

**POLICY, ECONOMIC DEVELOPMENT,
AND AGRICULTURE COMMITTEE**

Page 2

**Committee
Report No. _____**

As noted in Committee Report 17-114, at its meeting of August 22, 2017, your Committee discussed a proposed resolution from Councilmember Elle Cochran relating to an increase in the State minimum wage to \$15.00 per hour beginning January 1, 2019. Your Committee deferred acting on the proposal to allow a revised proposal to be prepared and transmitted to Committee.

By correspondence dated August 29, 2017, Councilmember Cochran transmitted a revised proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2018 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE THE STATE MINIMUM WAGE TO \$15.00 PER HOUR FOR EMPLOYERS WITH 26 EMPLOYEES OR MORE BEGINNING JANUARY 1, 2021 AND FOR EMPLOYERS WITH 25 EMPLOYEES OR LESS BEGINNING JANUARY 1, 2023." The purpose of the revised proposed resolution is to approve for inclusion in the 2018 HSAC Legislative Package a proposed State bill, attached to the resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE." The purpose of the proposed bill is to increase the State minimum wage to \$15.00 per hour through a 5-step graduated scale for employers with 25 employees or less, and a 3-step graduated scale for employers with 26 employees or more, with the first steps beginning on January 1, 2019.

Your Committee noted the revised proposal incorporates your Committee's requests that adjustments be integrated for tipped employees, the number of employees at a workplace, and incremental steps to \$15.00 per hour rather than a single increase.

Your Committee voted 7-1 to recommend adoption of the revised proposed resolution. Committee Chair Sugimura, Vice-Chair Crivello, and members Atay, Carroll, Cochran, Guzman, and King voted "aye." Committee member White voted "no." Committee member Hokama was excused.

COUNCIL OF THE COUNTY OF MAUI

**POLICY, ECONOMIC DEVELOPMENT,
AND AGRICULTURE COMMITTEE**

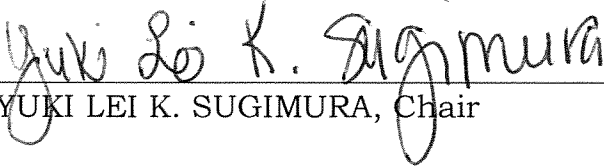
Page 3

**Committee
Report No.** _____

Your Committee notes that, subsequent to its meeting, the HSAC Executive Committee met on September 11, 2017, and did not support including in the 2018 HSAC Legislative Package the proposed State bill relating to the minimum wage.

Your Policy, Economic Development, and Agriculture Committee RECOMMENDS that Resolution _____, attached hereto, entitled “APPROVING FOR INCLUSION IN THE 2018 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE THE STATE MINIMUM WAGE TO \$15.00 PER HOUR FOR EMPLOYERS WITH 26 EMPLOYEES OR MORE BEGINNING JANUARY 1, 2021 AND FOR EMPLOYERS WITH 25 EMPLOYEES OR LESS BEGINNING JANUARY 1, 2023,” be ADOPTED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



YUKI LEI K. SUGIMURA, Chair

Resolution

No. _____

APPROVING FOR INCLUSION IN THE 2018
HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE A STATE BILL TO
INCREASE THE STATE MINIMUM WAGE TO
\$15.00 PER HOUR FOR EMPLOYERS WITH 26
EMPLOYEES OR MORE BEGINNING JANUARY 1,
2021 AND FOR EMPLOYERS WITH 25
EMPLOYEES OR LESS BEGINNING JANUARY 1,
2023

WHEREAS, per Act 82, Session Laws of Hawaii (2014), under the guidelines of Chapter 387, Hawaii Revised Statutes, and Chapter 12-20, Hawaii Administrative Rules, the State of Hawaii Department of Labor and Industrial Relations oversees minimum wage rates in Hawaii; and

WHEREAS, the State of Hawaii minimum wage rose to \$9.25 per hour, effective January 1, 2017, the third increase in the minimum wage since 2015, where previously the minimum wage stayed the same for eight years from January 1, 2007 to January 1, 2015; and

WHEREAS, the seasonally adjusted unemployment rate in the State of Hawaii for February 2017 was 2.8 percent, considerably down from 4.0 percent in February 2015, which is reflective of a healthy State economy; and

WHEREAS, minimum wage increases for employers with 25 employees or less will be on a graduated 5-step scale to \$15.00 per hour on January 1, 2023, taking into consideration the cost impacts on family-owned and other small businesses, especially those in rural areas; and

WHEREAS, minimum wage increases for employers with 26 employees or more will be on a graduated 3-step scale to \$15.00 per hour on January 1, 2021; and

WHEREAS, tip-eligible employees will receive a credit of \$1.25 per hour if the combined amount the employee receives in wages and tips is at least \$7.00 more than the applicable minimum wage on January 1,

Resolution No. _____

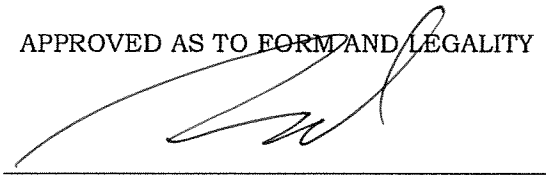
2021 for employers with 26 employees or more, and January 1, 2023 for employers with 25 employees or less; and

WHEREAS, increasing the minimum wage will continue to boost consumer demand and jobs because minimum and low-wage workers spend most, if not all, of their increased wages generating economic activity and contributing to strengthening Hawaii's economy; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to increase the State minimum wage to \$15.00 per hour for employers with 26 employees or more beginning January 1, 2021, and for employers with 25 employees or less beginning January 1, 2023, is approved for inclusion in the 2018 Hawaii State Association of Counties Legislative Package; and
2. That certified copies of this resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

APPROVED AS TO FORM AND LEGALITY



Deputy Corporation Counsel
County of Maui

A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

1 SECTION 1. Section 387-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§387-2 Minimum wages. (a) Except as provided in section
4 387-9 and this section, every employer shall pay to each employee
5 employed by the employer, wages at the rate of not less than:

6 (1) \$6.25 per hour beginning January 1, 2003;

7 (2) \$6.75 per hour beginning January 1, 2006;

8 (3) \$7.25 per hour beginning January 1, 2007;

9 (4) \$7.75 per hour beginning January 1, 2015;

10 (5) \$8.50 per hour beginning January 1, 2016;

11 (6) \$9.25 per hour beginning January 1, 2017; [~~and~~]

12 (7) \$10.10 per hour beginning January 1, 2018[~~-~~];

13 (8) \$11.10 per hour for employers with 25 employees

14 or less, and \$12.00 per hour for employers with

15 26 employees or more, beginning January 1, 2019;

16 (9) \$12.25 per hour for employers with 25 employees

17 or less, and \$13.50 per hour for employers with

18 26 employees or more, beginning January 1, 2020;

____.B. NO. _____

- 1 (10) \$13.35 per hour for employers with 25 employees
- 2 or less, and \$15.00 per hour for employers with
- 3 26 employees or more, beginning January 1, 2021;
- 4 (11) \$14.25 per hour for employers with 25 employees
- 5 or less, beginning January 1, 2022; and
- 6 (12) \$15.00 per hour for employers with 25 employees
- 7 or less, beginning January 1, 2023.

8 (b) The hourly wage of a tipped employee may be deemed to
9 be increased [~~on account of~~] by tips if the employee is paid not
10 less than:

- 11 (1) 25 cents;
- 12 (2) 50 cents per hour beginning January 1, 2015; [~~and~~]
- 13 (3) 75 cents per hour beginning January 1, 2016[~~7~~];
- 14 and
- 15 (4) \$1.25 per hour beginning January 1, 2021 for
- 16 employers with 26 employees or more, and January
- 17 1, 2023 for employers with 25 employees or less,

18 below the applicable minimum wage by [~~the employee's~~] their
19 employer and the combined amount the employee receives from [~~the~~
20 ~~employee's~~] their employer in wages and [~~in~~] tips is at least
21 [50] 75 cents more than the applicable minimum wage; provided
22 that beginning January 1, [~~20157~~] 2019, the combined amount the
23 employee receives from [~~the employee's~~] their employer in wages

____.B. NO. _____

1 and [~~in~~] tips is at least \$7.00 more than the applicable minimum
2 wage."

3 SECTION 2. Statutory material to be deleted is bracketed
4 and in strikethrough. New statutory material is underscored.

5 SECTION 3. This Act shall take effect upon its approval.

6

INTRODUCED BY: _____