

REQUEST FOR LEGAL SERVICES

Date: August 30, 2017
From: Yuki Lei Sugimura, Chair
Policy, Economic Development, and Agriculture Committee

TRANSMITTAL

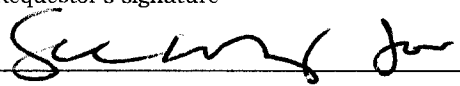
Memo to: DEPARTMENT OF THE CORPORATION COUNSEL
Attention: Edward S. Kushi, Jr., Esq.

Subject: HAWAII STATE ASSOCIATION OF COUNTIES (HSAC) (2018 HSAC LEGISLATIVE PACKAGE) (PEA-3(1))

Background Data: Please approve, as to form and legality, the revised proposed resolution for inclusion in the 2018 HSAC Legislative Package. Please also include the signed hard copy in your response.

Work Requested: FOR APPROVAL AS TO FORM AND LEGALITY

OTHER:

Requestor's signature  Yuki Lei Sugimura	Contact Person <u>Shelly Espeleta</u> (Telephone Extension: <u>7134</u>)
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ROUTINE (WITHIN 15 WORKING DAYS) RUSH (WITHIN 5 WORKING DAYS)
 PRIORITY (WITHIN 10 WORKING DAYS) URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): August 31, 2017 at 4:00 p.m.
REASON: For September 8, 2017 Council meeting

FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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TO REQUESTOR: APPROVED DISAPPROVED OTHER (SEE COMMENTS BELOW)
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): _____

DEPARTMENT OF THE CORPORATION COUNSEL

Date _____

By _____

(Rev. 7/03)

pea:ltr:003(1)acc02:mcc

Attachment

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

paf:ske:17-173j

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, [~~2015, 7~~] 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: _____