

August 29, 2017

2017 AUG 29 PM 4: 12  
OFFICE OF THE  
COUNTY COUNCIL

RECEIVED

MEMO TO: PEA-3(1) File

F R O M: Councilmember Elle Cochran



SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO  
2018 HAWAII STATE ASSOCIATION OF COUNTIES  
LEGISLATIVE PACKAGE** (PAF 17-173)

The attached legislative proposal pertains to Item 3(1) on the Committee's agenda.

paf:ske:17-1781

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.

---

---

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,~~] 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: \_\_\_\_\_