

COUNCIL OF THE COUNTY OF MAUI

GOVERNMENT RELATIONS, ETHICS, AND TRANSPARENCY COMMITTEE

September 20, 2022

**Committee
Report No.** _____

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

Chair and Members:

Your Government Relations, Ethics, and Transparency Committee, having met on August 30, 2022, and reconvened on August 31, 2022, makes reference to the following:

1. County Communication 21-43, from Council Chair Alice L. Lee, relating to the Hawaii State Association of Counties.
2. Resolution 22-198 entitled “APPROVING FOR INCLUSION IN THE 2023 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE MINIMUM WAGE.”

Resolution 22-198’s purpose is to approve for inclusion in the 2023 Hawai‘i State Association of Counties Legislative Package a proposed State bill, attached as Exhibit “A,” entitled “A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE.”

The purpose of the proposed State bill is to ensure counties may appropriately respond to local economic conditions by authorizing counties to establish a county minimum wage by ordinance.

3. County Communication 21-44, from Council Chair Alice L. Lee, relating to the Maui County Council Legislative Package.

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4. Resolution 22-203 entitled “APPROVING FOR INCLUSION IN THE 2023 MAUI COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE MINIMUM WAGE.”

Resolution 22-203’s purpose is to approve for inclusion in the 2023 Maui County Council Legislative Package a proposed State bill, attached as Exhibit “A,” entitled “A BILL FOR AN ACT RELATING TO THE MINIMUM WAGE.”

The purpose of the proposed State bill is to ensure counties may appropriately respond to local economic conditions by authorizing counties to establish a county minimum wage by ordinance.

Your Committee notes the enabling legislation would allow counties to exercise home rule by setting the minimum wage for their respective county at a rate higher than that established by Section 387-2 of the Hawai‘i Revised Statutes.

Your Committee further notes many residents work multiple jobs to earn enough money to live in Maui County and should instead be able to make livable wages from one job.

A Deputy Corporation Counsel said the proposed legislation would not affect the wages of civil service employees because those wages are affected at the State level through collective bargaining.

The Director of Personnel Services added that legislation on the county level would not allow for unilateral action for civil service employees because bargaining with County employee representatives for each bargaining unit would be required.

Your Committee referenced a quote by Franklin D. Roosevelt which states, “No business which depends for existence on paying less than living wages to its workers has any right to continue in this country. By

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'business' I mean the whole of commerce as well as the whole of industry; by workers I mean all workers, the white collar class as well as the men in overalls; and by living wages I mean more than a bare subsistence level — I mean the wages of decent living.”

Your Committee voted 5-3 to recommend adoption of Resolutions 22-198 and 22-203. Committee Chair Molina and members Johnson, King, Paltin, and Sinenci voted “aye.” Committee members Kama, Lee, and Sugimura voted “no.” Committee Vice-Chair Rawlins-Fernandez was excused.

Your Government Relations, Ethics, and Transparency Committee RECOMMENDS the following:

1. That Resolution 22-198, attached hereto, entitled “APPROVING FOR INCLUSION IN THE 2023 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE MINIMUM WAGE,” be ADOPTED; and
2. That Resolution 22-203, attached hereto, entitled “APPROVING FOR INCLUSION IN THE 2023 MAUI COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE BILL RELATING TO THE MINIMUM WAGE,” be ADOPTED.

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



MICHAEL J. MOLINA, Chair

Resolution

No. 22-198

APPROVING FOR INCLUSION IN THE 2023
HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE A STATE BILL
RELATING TO THE MINIMUM WAGE

WHEREAS, the Council finds that an appropriate minimum wage helps Hawai'i's workers meet basic needs; and

WHEREAS, the Council finds that an appropriate minimum wage helps Hawai'i's economy by giving low wage workers more purchasing power in Hawai'i's marketplace; and

WHEREAS, the Council further finds that, according to the Department of Business, Economic Development & Tourism, the income required to achieve self-sufficiency in Hawai'i differs in each county; now, therefore,

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

1. That the proposed State bill, attached as Exhibit "A," relating to the minimum wage, is approved for inclusion in the 2023 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.

INTRODUCED BY:



GABE JOHNSON

___ .B. NO. ___

A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

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

2 SECTION 1. The legislature finds that an appropriate minimum
3 wage helps Hawaii's workers meet basic needs. The legislature finds
4 that an appropriate minimum wage helps Hawaii's economy by giving
5 low wage workers more purchasing power in Hawaii's marketplace.
6 The legislature further finds that, according to the Department of
7 Business, Economic Development, and Tourism, the income required
8 to achieve self-sufficiency in Hawaii differs in each county.

9 The purpose of this Act is to ensure counties may
10 appropriately respond to local economic conditions by authorizing
11 counties to establish a county minimum wage by ordinance.

12 SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by
13 adding a new section to be appropriately designated and to read as
14 follows:

15 "§46- County minimum wage. Each county shall have the power
16 to establish a minimum wage higher than the rate established in
17 section 387-2 by ordinance."

____.B. NO. _____

1 SECTION 3. Section 387-2, Hawaii Revised Statutes, is amended
2 to read as follows:

3 "§387-2 Minimum wages. (a) Except as provided in section
4 387-9 and this section[7] or when a higher minimum wage is provided
5 by county ordinance, every employer shall pay to each employee
6 employed by the employer, wages at the rate of not less than:

- 7 (1) \$6.25 per hour beginning January 1, 2003;
- 8 (2) \$6.75 per hour beginning January 1, 2006;
- 9 (3) \$7.25 per hour beginning January 1, 2007;
- 10 (4) \$7.75 per hour beginning January 1, 2015;
- 11 (5) \$8.50 per hour beginning January 1, 2016;
- 12 (6) \$9.25 per hour beginning January 1, 2017;
- 13 (7) \$10.10 per hour beginning January 1, 2018;
- 14 (8) \$12.00 per hour beginning October 1, 2022;
- 15 (9) \$14.00 per hour beginning January 1, 2024;
- 16 (10) \$16.00 per hour beginning January 1, 2026; and
- 17 (11) \$18.00 per hour beginning January 1, 2028.

18 (b) The hourly wage of a tipped employee may be deemed to be
19 increased on account of tips if the employee is paid not less than:

- 20 (1) 25 cents;
- 21 (2) 50 cents per hour beginning January 1, 2015;
- 22 (3) 75 cents per hour beginning January 1, 2016;

____.B. NO. _____

1 (4) \$1.00 per hour beginning October 1, 2022;
2 (5) \$1.25 per hour beginning January 1, 2024; and
3 (6) \$1.50 per hour beginning January 1, 2028,
4 below the applicable minimum wage by the employee's employer and
5 the combined amount the employee receives from the employee's
6 employer and in tips is at least 50 cents more than the applicable
7 minimum wage; provided that beginning January 1, 2015, the combined
8 amount the employee receives from the employee's employer and in
9 tips is at least \$7.00 more than the applicable minimum wage.

10 (c) When a county ordinance establishes a higher rate for
11 the minimum wage than in this section pursuant to section §46- ,
12 every employer shall pay to each employee employed by the employer,
13 wages at the higher rate established by county ordinance."

14 SECTION 4. Section 387-5, Hawaii Revised Statutes, is amended
15 to read as follows:

16 "**§387-5 Duty of director; employees, salaries.** The director
17 of labor and industrial relations shall enforce this chapter[-]
18 and any county ordinance establishing a higher minimum wage adopted
19 pursuant to section §46- . The director may appoint such
20 assistants and such clerical, stenographic, and other help as may
21 be necessary for the proper enforcement of this chapter subject to
22 any civil service act relating to state employees. The salaries of

____.B. NO. _____

1 all of the foregoing appointees and employees shall be as fixed by
2 law.”

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2023.

6

7 INTRODUCED BY: _____

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9 paf:jbf:22-189a

Resolution

No. 22-203

APPROVING FOR INCLUSION IN THE 2023
MAUI COUNTY COUNCIL LEGISLATIVE
PACKAGE A STATE BILL RELATING TO THE
MINIMUM WAGE

WHEREAS, the Council finds that an appropriate minimum wage helps Hawai'i's workers meet basic needs; and

WHEREAS, the Council finds that an appropriate minimum wage helps Hawai'i's economy by giving lower-wage workers more purchasing power in Hawai'i's marketplace; and

WHEREAS, the Council further finds that, according to the Department of Business, Economic Development & Tourism, the income required to achieve self-sufficiency in Hawai'i differs in each county; now, therefore,

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

1. That the proposed State bill, attached as Exhibit "A," relating to the minimum wage, is approved for inclusion in the 2023 Maui County Council Legislative Package; and
2. That certified copies of this Resolution be transmitted to the Mayor.

INTRODUCED BY:

A handwritten signature in black ink, consisting of two stylized, cursive letters that appear to be 'G' and 'J', positioned above a horizontal line.

GABE JOHNSON

___ .B. NO. ___

A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

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

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4 that an appropriate minimum wage helps Hawaii's economy by giving
5 low wage workers more purchasing power in Hawaii's marketplace.
6 The legislature further finds that, according to the Department of
7 Business, Economic Development, and Tourism, the income required
8 to achieve self-sufficiency in Hawaii differs in each county.

9 The purpose of this Act is to ensure counties may
10 appropriately respond to local economic conditions by authorizing
11 counties to establish a county minimum wage by ordinance.

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.B. NO.

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