
A BILL FOR AN ACT

RELATING TO MINIMUM WAGE.

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

1 SECTION 1. The legislature finds that the hourly minimum
2 wage in Hawaii is adjusted to account for increases in the cost
3 of living. According to the United State Census Bureau, Hawaii
4 has the highest cost of living, yet it is the ninth poorest
5 state in the United States. In addition, although there is a
6 4.4 per cent unemployment rate in Hawaii, 17.3 per cent of
7 Hawaii's population lives in poverty.

8 For seven years, the minimum wage in Hawaii has remained at
9 \$7.25 per hour, while the costs of goods and services have
10 increased. For example, seven years ago, the average price of
11 gas was \$2.81 per gallon. Today, it is approximately \$3.98 per
12 gallon, depending on the price of crude oil. This is a price
13 increase of 41.64 per cent. The median price of a single-family
14 home in Honolulu rose 14.2 per cent from 2012 to 2013. The
15 median home price is currently \$685,000.

16 Minimum wage workers in Hawaii, working forty hours per
17 week, currently earn \$15,080 per year. The annual income for
18 minimum wage workers is approximately the same amount as the



1 cost of the least expensive new vehicle in Hawaii, which is a
2 2014 Ford Fiesta priced at \$14,745. Currently, minimum wage
3 workers in Hawaii earn \$58 per day, while Hawaii's average hotel
4 room rate is \$355 per night.

5 Minimum wage workers' annual income is less than half of
6 the annual salaries of many entry level occupations in Hawaii.
7 According to state and city and county of Honolulu websites that
8 provide information on entry level salaries for state and county
9 employees, minimum wage workers earn at least \$24,124 less per
10 year than refuse workers, \$28,679 less per year than teachers,
11 \$29,596 less per year than firefighter recruits, and \$37,972
12 less per year than police recruits.

13 Despite having the highest cost of living in the nation,
14 Hawaii does not have the highest minimum wage. The State of
15 Washington has the highest minimum wage at \$9.32 per hour. In
16 addition to Washington, twenty other states and the District of
17 Columbia have higher minimum wages than Hawaii. In recognizing
18 the necessity for parity in pay, the city of SeaTac in
19 Washington enacted an ordinance to provide a minimum wage of \$15
20 per hour for hospitality and transportation workers.

21 On the national level, the United States Senate is working
22 to raise the federal hourly minimum wage. Currently, Senate



1 Bill 1737 proposes to directly help American families and
2 strengthen the American economy by raising the federal minimum
3 wage level to \$10.10 over the span of three years. This
4 legislature, like the United States Senate, is committed to
5 economically lifting minimum wage workers and their families'
6 income.

7 The legislature recognizes its obligation to increase the
8 hourly minimum wage to \$10.10 over the span of three years. By
9 raising the minimum wage to \$10.10 per hour, minimum wage
10 workers in Hawaii will earn \$21,008 annually. These adjustments
11 to the minimum wage will strengthen Hawaii's economy by helping
12 to lift minimum wage workers and their families from poverty.

13 The purpose of this Act is to give Hawaii workers a higher
14 wage that recognizes increased costs of living and enables them
15 to build a better life.

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

18 "**§387-2 Minimum wages.** Except as provided in section
19 387-9 and this section, every employer shall pay to each
20 employee employed by the employer, wages at the rate of not less
21 than:

22 (1) \$6.25 per hour beginning January 1, 2003;



- 1 (2) \$6.75 per hour beginning January 1, 2006; [and]
2 (3) \$7.25 per hour beginning January 1, 2007[-];
3 (4) \$8.20 per hour beginning January 1, 2015;
4 (5) \$9.15 per hour beginning January 1, 2016; and
5 (6) \$10.10 per hour beginning January 1, 2017.

6 The hourly wage of a tipped employee may be deemed to be
7 increased on account of tips if the employee is paid not less
8 than [25] ___ cents below the applicable minimum wage by the
9 employee's employer and the combined amount the employee
10 receives from the employee's employer and in tips is at least
11 [50] ___ cents more than the applicable minimum wage."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Labor; Minimum Wage; Tip Credit

Description:

Increases minimum wage rate to \$8.20 per hour beginning on 1/1/15, \$9.15 per hour beginning on 1/1/16, and \$10.10 per hour beginning on 1/1/17. Changes the tip credit and tip credit deactivation trigger amounts to unspecified amounts. Effective 7/1/2050. (SD1)

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