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## A BILL FOR AN ACT

RELATING TO WAGES.

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

1           SECTION 1. The legislature finds that state labor laws  
2 should protect workers from employers who fail to pay their  
3 employees. Other states have recently increased penalties for  
4 employers who wilfully commit wage theft. In 2019, Minnesota  
5 passed the Wage Theft Prevention Act to create additional  
6 protections for workers, including adding criminal penalties for  
7 employers that commit this offense. Now, in Minnesota, an  
8 employer may be criminally charged based on the amount of money  
9 withheld from the employee. This escalating penalty scale is  
10 analogous to the various theft charges in which a stolen \$10  
11 item could result in a misdemeanor charge and a \$1000 item could  
12 result in a felony charge.

13           In 2019, Colorado passed the Human Right to Work With  
14 Dignity Act, which reclassified the intentional nonpayment of  
15 over \$2,000 in wages as a felony theft. The purpose of the  
16 Colorado law was to ensure accountability for unscrupulous  
17 employers who purposefully withhold wages, underpay workers,



1 engage in tax fraud, and deny workers fair compensation and  
2 ultimately hurt the economy by undercutting the bids of lawful  
3 employers.

4 The legislature further finds that Hawaii should provide  
5 workers the same protections as Minnesota, Colorado, and other  
6 states that have increased penalties for employers who fail to  
7 pay their employees their lawfully earned wages.

8 Accordingly, the purpose of this Act is to increase to a  
9 class C felony the penalty for violation of wages and hours  
10 laws.

11 SECTION 2. Section 387-12, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13 "(a) Criminal.

14 (1) Any person divulging information in violation of  
15 section 387-8;

16 (2) Any employer who wilfully violates this chapter or of  
17 any rule, regulation, or order issued under the  
18 authority of this chapter;

19 (3) Any employer or the employer's agent or any officer or  
20 agent of a corporation who discharges or in any other  
21 manner discriminates against any employee because the



1 employee has made a complaint to the employee's  
2 employer, to the director, or to any other person that  
3 the employee has not been paid wages in accordance  
4 with this chapter, or has instituted or caused to be  
5 instituted any proceeding under or related to this  
6 chapter, or has testified or is about to testify in  
7 any such proceedings; or

8 (4) Any employer or the employer's agent or any officer or  
9 agent of a corporation who pays or agrees to pay any  
10 employee compensation less than that which the  
11 employee is entitled to under this chapter,  
12 shall be guilty of a [~~misdemeanor and, upon conviction thereof,~~  
13 ~~shall be punished by a fine of~~] class C felony; provided that  
14 the fine shall be not less than \$50 nor more than \$500 [~~or by~~  
15 ~~imprisonment for a period not to exceed one year or by both such~~  
16 ~~fine and imprisonment~~]."

17 SECTION 3. Section 388-10, Hawaii Revised Statutes, is  
18 amended by amending subsection (b) to read as follows:

19 "(b) Criminal. Any employer who does not pay the wages of  
20 any of the employer's employees in accordance with this chapter,  
21 or any officer of any corporation who knowingly permits the



1 corporation to violate this chapter by failing to pay wages of  
2 any of its employees in accordance with this chapter, or any  
3 employer or the employer's agent or any officer or agent of a  
4 corporation who discharges or in any other manner discriminates  
5 against any employee because the employee has made a complaint  
6 to the employee's employer, or to the director, or to any other  
7 person that the employee has not been paid wages in accordance  
8 with this chapter, or has instituted or caused to be instituted  
9 any proceeding under or related to this chapter, or has  
10 testified or is about to testify in any such proceedings, or any  
11 employer who wilfully fails to comply with any other  
12 requirements of this chapter shall be ~~[fined]~~ guilty of a class  
13 C felony; provided that the fine shall be not less than \$100 nor  
14 more than \$10,000 ~~[or imprisoned for not more than one year, or~~  
15 ~~punished by both fine and imprisonment for each such offense]."~~

16 SECTION 4. This Act does not affect rights and duties that  
17 matured, penalties that were incurred, and proceedings that were  
18 begun before its effective date.

19 SECTION 5. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect upon its approval.

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# H.B. NO. 2273

**Report Title:**

Wages; Penalties

**Description:**

Increases the penalty for violation of wages and hours laws to a class C felony.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

