

STAND. COM. REP. NO.

3549

Honolulu, Hawaii

MAY 18 2020

RE: H.B. No. 2273  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred H.B. No. 2273, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WAGES,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the penalty for violations of wages and hours laws to a class C felony.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; United Public Workers, AFSCME Local, 646 AFL-CIO; Democratic Party of Hawaii Labor Caucus; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association. Your Committee received comments on this measure from Chamber of Commerce Hawaii.

Your Committee finds that several states have increased penalties for employers who failed to pay their employees lawfully earned wages, sometimes referred to as "wage theft". Further, your Committee finds that state labor laws should protect workers from this type of practice.

Your Committee notes that existing law treats acts of wage theft as misdemeanors punishable by fines of \$50 to \$500 for



violations of the Wage and Hour Law, and fines of \$100 to \$10,000 for violations of the Payment of Wages Law. Imprisonment for up to one year may also apply. Your Committee further finds that section 707-660, Hawaii Revised Statutes, imposes a prison sentence of up to five years for a class C felony, and section 706-640, Hawaii Revised Statutes, authorizes a fine of up to \$10,000. Your Committee has heard the concerns of the Department of Labor and Industrial Relations that these Class C felony provisions do not indicate a minimum fine amount and suggests a \$500 fine would be an appropriate minimum amount.

Your Committee has amended this measure by:

- (1) Inserting a standard of "knowingly" to clarify that the wage theft is intentional; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2273, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2273, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor, Culture and  
the Arts,



BRIAN T. TANIGUCHI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Labor, Culture and the Arts**  
**LCA**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 2273 HDI</i>	<i>LCA, JDC</i>	<i>3-10-20</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
GABBARD, Mike				✓
FEVELLA, Kurt				✓
<b>TOTAL</b>	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Andrew J.</i>				
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\*Only one measure per Record of Votes