

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 789
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 789, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MINIMUM WAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to provide for increases in the minimum wage.

More specifically, this measure:

- (1) Increases the minimum wage to \$12.00 per hour beginning January 1, 2020;
- (2) Increases the minimum wage to \$15.00 per hour beginning January 1, 2023; and
- (3) Establishes a nonrefundable income tax credit for qualifying small businesses to offset the increase in the minimum hourly wage that employers must pay their employees.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Aloha State Association of the Deaf, American Association of University Women of Hawaii, Catholic Charities Hawaii, Democratic Party of Hawaii Education Caucus, Democratic Party of Hawaii,



Democratic Party of Hawaii Labor Caucus, Drug Policy Forum of Hawaii, Hawaii Alliance for Community-Based Economic Development, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii Women's Coalition, ILWU Local 142, IMUAlliance, League of Women Voters of Hawaii, LGBT Caucus of the Democratic Party of Hawaii, Living Wage Hawaii, Midwives Alliance of Hawaii, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, PHOCUSED, and numerous individuals.

Your Committee received written comments in opposition to this measure from The Chamber of Commerce Hawaii, Hawaii Food Industry Association, Hawaiian Chip Company, Honolulu County Republican Party, Maui Chamber of Commerce, National Federation of Independent Business, PCG Enterprises LLC, Retail Merchants of Hawaii, and four individuals.

Your Committee received written comments on this measure from the Department of Taxation and one individual.

Your Committee finds that this measure is intended to strike a balance between the interests of employees and employers by increasing the minimum wage in two increments over three years, while providing a tax credit to help qualified small businesses adjust to the increased labor cost.

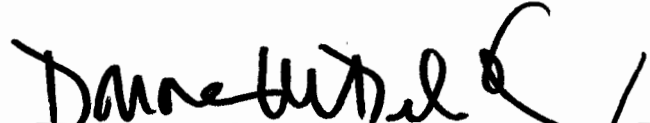
Your Committee has amended this measure by:

- (1) Amending the definition of "qualified small business" by changing the gross income requirement to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 789, S.D. 2.




Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 789, SD 1	LCA, WAM	2/25/19		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.				X
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MORIWAKI, Sharon Y.		X		
RIVIERE, Gil		X		
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt		X		
TOTAL	7	3		3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes