

STAND. COM. REP. NO. 2459

Honolulu, Hawaii

FEB 17 2022

RE: S.B. No. 2342
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 2342 entitled:

"A BILL FOR AN ACT RELATING TO PAYMENTS OF SUPPORT,"

begs leave to report as follows:

The purpose and intent of this measure is to include in the definition of "income", tips or gratuities paid directly to an individual by a customer of the individual's employer and reported or declared to the employer, for the purposes of calculating the amount of child support and from which assignments and withholdings for payments of child or spousal support are made.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that cash wages paid directly by the employer and the amount of any tip credit claimed by the employer under federal or state law are earnings for the purposes of the wage garnishment law. However, tips received in excess of the tip credit amount are not considered earnings subject to withholding for purposes of the Consumer Credit Protection Act, Title III. This measure will include all received tips and gratuities in the definition of income withheld by employers for payments of child or spousal support. This will allow employers to garnish the appropriate child or spousal support payments to help alleviate the financial stress and worry that many families experience.



Your Committee notes the testimony of the Department of the Attorney General raising concerns that the measure in its current form may conflict with the federal law. Amendments to this measure are therefore necessary to avoid potential conflict with federal law.

Accordingly, Your Committee has amended this measure by:

- (1) Clarifying that this measure is only applicable to the extent permitted under relevant federal law;
- (2) Deleting reference to section 576B-102, Hawaii Revised Statutes, the Uniform Reciprocal Enforcement of Support Act;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) 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 S.B. No. 2342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2342, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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


BRIAN T. TANIGUCHI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

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

Bill / Resolution No.:* SB 2342	Committee Referral: LCA, JDC / WAM	Date: 2-7-22		
<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	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
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