STAND. COM. REP. NO. 741

Honolulu, Hawaii MAR 0 4 2021

RE: S.B. No. 382

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 382 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 tips or gratuities that are paid directly to an employee by a customer of the employer and reported or declared to the employer, for the purposes of an employer withholding income from an employer for payment of the employee's child or spousal support under an assignment or income withholding order.

Your Committee did not receive any testimony on this measure.

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 more than the tip credit amount are not considered earnings for purposes of the Consumer Credit Protection Act, Title III. Thus, this measure seeks to include all received tips and gratuities in the definition of "income" withheld by employers for payments of child or spousal support and allow employers to garnish the appropriate child or spousal support payments to help alleviate the financial stress and worry that many families experience.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382 and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Judiciary JDC

| Bill / Resolution No.:* | Committee Referral: | | | Date: | |
|--|--------------------------------|-------------|------------------------|--------------------------------------|----------|
| SB 382 | LCA, | JDC | | 02/25/ | 2021 |
| The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: | | | | | |
| The Recommendation is: | | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | | |
| Members | | Aye | Aye (WR) | Nay | Excused |
| RHOADS, Karl (C) | | > | | | · |
| KEOHOKALOLE, Jarrett (VC) | | | | | V |
| ACASIO, Laura | | 7 | | | |
| GABBARD, Mike | | ✓ | | | |
| KIM, Donna Mercado | | > | _ | | |
| LEE, Chris | | V | | | |
| FEVELLA, Kurt | | | | | |
| TOTAL | | 6_ | 0 | 0_ | 1_ |
| Recommendation: Adopted Not Adopted | | | | | d |
| Chair's or Designee's Signature: Hall Mhood | | | | | |
| Distribution: Original File with Committee Re | Yellow eport Clerk's Office | | Pink Drafting Agend | Goldenrod ncy Committee File Copy | |

*Only one measure per Record of Votes