



GOV. MSG. NO. 1237

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 19, 2015

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 19, 2015, the following bill was signed into law:

SB1009 SD1 HD1 CD1

RELATING TO SERVICE CHARGES
ACT 137 (15)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

JUN 19 2015

on

THE SENATE

TWENTY-EIGHTH LEGISLATURE, 2015

STATE OF HAWAII

ACT 137
S.B. NO.

1009
S.D. 1
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO SERVICE CHARGES.

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

1 SECTION 1. The legislature finds that consumers should
2 know whether, and to what extent, the money they pay hotels for
3 porterage service charges is being paid to employees. When a
4 hotel charges service charges to customers, customers may
5 believe that those charges are being paid to employees as tip
6 income; however, this is not necessarily the case. Despite the
7 fact that many employees statewide rely on tips as a crucial
8 supplement to their wages, hotels can retain all or part of
9 those service charges for themselves. When hotels engage in
10 this practice, it should be transparent to consumers because
11 this information could influence whether a consumer chooses to
12 use porterage services. The information may also be valuable to
13 employees and potential employees of a hotel when making
14 employment decisions.

15 The purpose of this Act is to ensure that hotels either
16 distribute porterage service charges to employees in full or
17 notify customers that service charges are being used for other
18 purposes.



1 SECTION 2. Section 481B-14, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§~~481B-14 Hotel or restaurant service charge; hotel
4 portage service charge; disposition. (a) Any ~~hotel~~:

5 (1) Hotel or restaurant that applies a service charge for
6 the sale of food or beverage services; or

7 (2) Hotel that applies a service charge for portage
8 services;

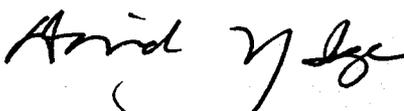
9 shall distribute the service charge directly to its employees as
10 tip income or clearly disclose to the purchaser of the services
11 that the service charge is being used to pay for costs or
12 expenses other than wages and tips of employees.

13 (b) As used in this section, unless the context requires
14 otherwise, "portage" means the act of moving luggage, bags, or
15 parcels between a guest room and a lobby, front desk, or any
16 area with vehicular access at a hotel, hotel-condominium, or
17 condominium-hotel, as defined in section 486K-1." SECTION 3.

18 Statutory material to be repealed is bracketed and stricken.
19 New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.

21 APPROVED this 19 day of JUN, 2015



GOVERNOR OF THE STATE OF HAWAII