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,

[Signature]

DAVID Y. IGE  
Governor, State of Hawai'i
A BILL FOR AN ACT

RELATING TO SERVICE CHARGES.

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

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

The purpose of this Act is to ensure that hotels either distribute porterage service charges to employees in full or notify customers that service charges are being used for other purposes.
SECTION 2. Section 481B-14, Hawaii Revised Statutes, is amended to read as follows:

"§481B-14 Hotel or restaurant service charge; hotel porterage service charge; disposition. (a) Any [hotel] shall distribute the service charge directly to its employees as tip income or clearly disclose to the purchaser of the services that the service charge is being used to pay for costs or expenses other than wages and tips of employees.

(b) As used in this section, unless the context requires otherwise, "porterage" means the act of moving luggage, bags, or parcels between a guest room and a lobby, front desk, or any area with vehicular access at a hotel, hotel-condominium, or condominium-hotel, as defined in section 486K-1." SECTION 3. Statutory material to be repealed is bracketed and stricken.

New statutory material is underscored.

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

APPROVED this 19 day of JUN, 2015

[Signature]

GOVERNOR OF THE STATE OF HAWAI'I