A BILL FOR AN ACT

RELATING TO SERVICE CHARGES.

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

SECTION 1. 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:

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

(2) Hotel that applies a service charge for porterage services;

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) No hotel or restaurant shall apply a service charge for the sale of food or beverage services that will be used to pay for costs or expenses other than wages and tips of employees."
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 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

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 Statutory material to be repealed is bracketed and stricken.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.

INTRODUCED BY:
Report Title:
Hotels; Restaurants; Service Charges

Description:
Prohibits restaurants and hotels from applying service charges for the sale of food or beverage services unless they are distributed as tip income directly to their employees.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.