
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 or not, and to what extent, the money they pay
3 hotels in porterage service charges is being paid to employees.
4 When a 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 or not a consumer
12 chooses to use porterage services. The information may also be
13 valuable to employees and potential employees of a hotel when
14 making employment decisions.

15 The purpose of this Act is to ensure that hotels either
16 distribute porterage service charges to employees in full or



1 notify customers that service charges are being used for other
2 purposes.

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

5 "~~[§]481B-14 Hotel or restaurant service charge;~~

6 ~~disposition.~~ [§] (a) Any ~~[hotel]~~:

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

9 (2) Hotel that applies a service charge for portorage
10 services,

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

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

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2020.



Report Title:

Service Charges; Porterage Services; Hotels

Description:

Requires hotels to distribute porterage service charges to employees in full or disclose to customers that the charges are being used for other purposes. (HB854 HD1)

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