
A BILL FOR AN ACT

RELATING TO SERVICE CHARGES.

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

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

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

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 porterage
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) No hotel or restaurant shall apply a service charge
14 for the sale of food or beverage services that will be used to
15 pay for costs or expenses other than wages and tips of
16 employees.



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1 ~~[(b)]~~ (c) As used in this section, unless the context
2 requires otherwise, "portage" means the act of moving luggage,
3 bags, or parcels between a guest room and a lobby, front desk,
4 or any area with vehicular access at a hotel, hotel-condominium,
5 or condominium-hotel, as defined in section 486K-1."

6 SECTION 2. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

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JAN 09 2020



H.B. NO. 1605

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.

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