

JAN 17 2020

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# 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.



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 Statutory material to be repealed is bracketed  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: Roseley H. Bell

~~James J. ...~~  
James J. ...  
Anna ...

Paul E. Bell  
Clarence ...  
Kurt ...

Anna ...  
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...  
DK

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Breene ...  
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# S.B. NO. 2230

**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.*

