

ACT 16

H.B. NO. 2123

A Bill for an Act Relating to Wages and Tips of Employees.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that Hawaii's hotel and restaurant employees may not be receiving tips or gratuities during the course of their employment

from patrons because patrons believe their tips or gratuities are being included in the service charge and being passed on to the employees.

The purpose of this Act is to require hotels and restaurants that apply a service charge for food or beverage services, not distributed to employees as tip income, to advise customers that the service charge is being used to pay for costs or expenses other than wages and tips of employees.

SECTION 2. Section¹ 481B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§481B- Service charge. Any hotel or restaurant that applies a service charge for the sale of food or beverage 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.”

SECTION 3. New statutory material is underscored.²

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

(Approved April 11, 2000.)

Notes

1. So in original.
2. Edited pursuant to HRS §23G-16.5.