

JAN 23 2025

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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 **portage service charge; disposition[-]; party size; limits.**

5 (a) Any:

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

8 (2) Hotel that applies a service charge for portage  
9 services[+],

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

14 (b) No restaurant shall impose a mandatory gratuity  
15 service charge for the sale of food or beverage services on a  
16 party unless:

17 (1) The party includes ten or more customers;



1        (2) The mandatory gratuity service charge does not exceed  
2        eighteen per cent of the total bill for food or  
3        beverage services;

4        (3) The server verbally notifies the customer before the  
5        bill is paid that a mandatory gratuity service charge  
6        is automatically applied to the bill; and

7        (4) The menu contains clear and conspicuous notice in  
8        large font indicating that a mandatory gratuity  
9        service charge is automatically applied to the bill  
10       and the exact percentage that will be charged.

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

16       SECTION 2. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18       SECTION 3. This Act shall take effect upon its approval.



# S.B. NO. 1256

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INTRODUCED BY: *Amra Mercado Kim*  
*By Request*



# S.B. NO. 1256

**Report Title:**

Restaurants; Mandatory Gratuity Service Charge; Party Size; Limit; Notification

**Description:**

Prohibits restaurants from imposing a mandatory gratuity service charge for the sale of food or beverage services unless the party includes ten or more customers, the service charge does not exceed eighteen per cent, and the customer is notified of the service charge.

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

