

## ACT 137

S.B. NO. 1009

A Bill for an Act Relating to Service Charges.

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

SECTION 1. The legislature finds that consumers should know whether, and to what extent, the money they pay hotels for portage service charges is being paid to employees. When a hotel charges service charges to customers, customers may believe that those charges are being paid to employees as tip income; however, this is not necessarily the case. Despite the fact that many employees statewide rely on tips as a crucial supplement to their wages, hotels can retain all or part of those service charges for themselves. When hotels engage in this practice, it should be transparent to consumers because this information could influence whether a consumer chooses to use portage services. The information may also be valuable to employees and potential employees of a hotel when making employment decisions.

The purpose of this Act is to ensure that hotels either distribute portage service charges to employees in full or notify customers that service charges are being used for other purposes.

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

**“[§481B-14 Hotel or restaurant service charge; hotel portage service charge; disposition.] (a) Any [hotel]:**

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

(2) Hotel that applies a service charge for portage 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.

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

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 Statutory material to be repealed is bracketed and stricken.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

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

(Approved June 19, 2015.)