
Commerce & Labor Committee

HB 1583

Brief Description: Requiring disclosure to customers of the percentage of automatic service charges paid to servers.

Sponsors: Representatives Moeller, Conway, Darneille, Wood, Green, Ormsby and Morrell.

Brief Summary of Bill

- Requires employers that provide food, beverage, entertainment, or portorage to disclose the percentage of automatic service charges that are paid directly to employees.

Hearing Date: 2/22/07

Staff: Jill Reinmuth (786-7134).

Background:

Neither federal nor state law requires businesses that impose automatic service charges to disclose the percentage of such charges that are paid to employees.

Summary of Bill:

Employers that provide food, beverages, entertainment or portorage must disclose the percentage of automatic service charges that are paid directly to the employees serving the customers. The disclosures must be in itemized receipts and menus provided to the customers. The service charges are separately designated amounts collected from customers that are for services provided by employees or are described in such a way that customers might reasonably believe that the amounts are for services provided by employees. The service charges are in addition to hourly wages paid to employees. Examples include charges designated as service charges, gratuities, delivery charges, and portorage charges.

Rules Authority: The bill does not address the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.