

# FINAL BILL REPORT

## SHB 1583

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C 390 L 07

Synopsis as Enacted

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

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representatives Moeller, Conway, Darneille, Wood, Green, Ormsby and Morrell).

**House Committee on Commerce & Labor**

**Senate Committee on Consumer Protection & Housing**

**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:**

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.

**Votes on Final Passage:**

House	91	7
Senate	41	3

**Effective:** July 22, 2007