

HOUSE BILL REPORT

HB 2699

As Passed Legislature

Title: An act relating to recodifying RCW 19.48.130 as a section in the Washington minimum wage act.

Brief Description: Recodifying RCW 19.48.130 as a section in the minimum wage act.

Sponsors: By Representatives Moeller and Conway.

Brief History:

Committee Activity:

Commerce & Labor: 1/24/08, 1/29/08 [DP].

Floor Activity:

Passed House: 2/19/08, 70-25.

Passed Senate: 3/6/08, 32-13.

Passed Legislature.

Brief Summary of Bill

- Moves section requiring disclosure of service charges from the hotels, lodging houses, and restaurants chapter to the Washington Minimum Wage Act.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Green, Moeller and Williams.

Minority Report: Do not pass. Signed by 2 members: Representatives Chandler, Assistant Ranking Minority Member; Crouse.

Staff: Brian Considine (786-7290).

Background:

Legislation enacted in 2007 requires businesses that provide food, beverage, entertainment, or portorage to disclose the percentage of automatic service charges that are paid directly to employees. The disclosure must be in itemized receipts and menus provided to the

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customers. The disclosure requirement is codified in a chapter relating to hotels, lodging houses, and restaurants.

The chapter relating to hotels, lodging houses, and restaurants does not include enforcement provisions or civil or criminal penalties.

The Washington Minimum Wage Act (Act) includes provisions authorizing the Director of the Department of Labor and Industries to conduct investigations necessary to determine whether the Act has been violated. An employer who violates the Act or who retaliates against an employee for filing a complaint of a violation is guilty of a gross misdemeanor.

Summary of Bill:

The disclosure requirement relating to service charges in the hotels, lodging houses, and restaurants statute is moved to the Act.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) When HB 1583 was enacted after last session, the language went into the wrong section of the code. The intent is to move the service charge regulation to an agency that can enforce the law. Right now there is no enforcement for this bill, and putting the language in the Minimum Wage Act allows for enforcement. The requirement of reporting service charges on menus is spotty at best, and making the change allows The Department of Labor and Industries to follow-up and enforce this law.

(Opposed) None.

Persons Testifying: Representative Moeller, prime sponsor; and Jeff Johnson, Washington State Labor Council.

Persons Signed In To Testify But Not Testifying: None.