

# SENATE BILL REPORT

## HB 2699

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, February 28, 2008

**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:** Representatives Moeller and Conway.

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

**Committee Activity:** Labor, Commerce, Research & Development: 2/28/08 [DP, DNP].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin, Murray and Prentice.

**Minority Report:** Do not pass.

Signed by Senators Holmquist, Ranking Minority Member; King.

**Staff:** Ingrid Mungia (786-7423)

**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 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 Washington Minimum Wage Act.

**Appropriation:** None.

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*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.*

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill moves the service charge regulation to an agency that can enforce the law. Right now there is no enforcement for this provision, and putting the language in the Minimum Wage Act allows for enforcement. This is a technical fix bill. The Department of Labor & Industries has indicated they can absorb the cost of enforcement.

**Persons Testifying:** PRO: Representative Moeller, prime sponsor; Jeff Johnson, Washington State Labor Council, AFL-CIO.