

# HOUSE BILL No. 4657

April 24, 2001, Introduced by Reps. Anderson, Rich Brown, Neumann, Adamini, Basham, Plakas, Bogardus, Daniels, Murphy and Zelenko and referred to the Committee on Regulatory Reform.

A bill to require food service establishments to give notice of certain charges; and to prescribe penalties for a violation of this act.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. As used in this act:

2       (a) "Automatic gratuity" means a sum that is required by a  
3 food service establishment in addition to the charge for a meal,  
4 drink, or other product and is given by the food service estab-  
5 lishment to its staff in recognition of the service provided by  
6 the staff to a customer or group of customers.

7       (b) "Food service establishment" means that term as defined  
8 in section 1107 of the food law of 2000, 2000 PA 92,  
9 MCL 289.1107.

1 (c) "Service charge" means a charge imposed by a food  
2 service establishment that is not related to a specific service  
3 or product.

4 Sec. 2. (1) Subject to subsections (2) to (4), if a food  
5 service establishment charges an automatic gratuity or imposes a  
6 service charge, the food service establishment shall include on  
7 each bill and on each menu or on a poster placed conspicuously in  
8 the customer service area of the food service establishment a  
9 notice of the automatic gratuity or service charge.

10 (2) A food service establishment shall include in the notice  
11 required under subsection (1) at least the amount of the auto-  
12 matic gratuity or service charge, expressed either as a fixed  
13 dollar amount or as a percentage of the total bill.

14 (3) If a food service establishment charges an automatic  
15 gratuity, the food service establishment shall ensure that all of  
16 the automatic gratuity is distributed to appropriate staff. If  
17 the food service establishment imposes a service charge and if  
18 only a portion of the service charge will be given to staff, the  
19 food service establishment shall include in the notice required  
20 under subsection (1) the percentage of the service charge that  
21 will be retained by the food service establishment.

22 (4) A food service establishment shall print the notice  
23 required under subsection (1) on each bill and on each menu or on  
24 the poster required under subsection (1) in a size and format  
25 that is conspicuous and easily readable.

26 Sec. 3. (1) A food service establishment that violates  
27 section 2 is subject to a civil fine of not more than \$500.00. A

1 food service establishment that violates section 2 a second or  
2 subsequent time within a 2-year period is subject to a civil fine  
3 of not more than \$1,000.00.

4 (2) A violation of section 2 is enforceable as a state civil  
5 infraction under chapter 88 of the revised judicature act of  
6 1961, 1961 PA 236, MCL 600.8801 to 600.8835.