

HOUSE BILL No. 4111

February 1, 2005, Introduced by Reps. Anderson, Clack, Accavitti, Miller, Farrah, Hopgood, Gillard, Gonzales, Sak, Gleason, Vagnozzi and Byrnes and referred to the Committee on Commerce.

A bill to require certain 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
5 establishment to its staff in recognition of the service provided
6 by the staff to a customer or group of customers.

7 (b) "Banquet" means an event not open generally to the public
8 and occurring in a food service establishment where the
9 establishment is hired to serve food in honor or commemoration of a

1 particular guest, group of individuals, or occasion.

2 (c) "Food service establishment" means that term as defined in
3 section 1107 of the food law of 2000, 2000 PA 92, MCL 289.1107.

4 (d) "Service charge" means a charge imposed by a food service
5 establishment that is not related to a specific service or product.

6 Sec. 2. (1) If a food service establishment charges an
7 automatic gratuity or imposes a service charge, the food service
8 establishment shall include upon each bill and upon either the menu
9 or upon a poster placed conspicuously in the customer service area
10 of the food service establishment a notice of the automatic
11 gratuity or service charge. The notice required under this
12 subsection shall be printed in a size and format that is
13 conspicuous and easily readable. The notice required under this
14 subsection shall include at least the amount of the automatic
15 gratuity or service charge, expressed either as a fixed dollar
16 amount or as a percentage of the total bill.

17 (2) If a food service establishment imposes a service charge
18 and if only a portion of the service charge will be given to staff,
19 the food service establishment shall include in the notice required
20 under subsection (1) the percentage of the service charge that will
21 be retained by the food service establishment.

22 (3) If a food service establishment charges an automatic
23 gratuity, it shall ensure that all of the automatic gratuity is
24 distributed to the appropriate staff.

25 (4) This section does not apply to a food service
26 establishment or caterer when serving a banquet but does apply to
27 that part of a food service establishment open to the general

1 public and not serving the banquet.

2 Sec. 3. A food service establishment that violates section 2
3 is responsible for a state civil infraction and may be ordered to
4 pay a civil fine of not more than \$50.00 for a first violation and
5 not more than \$500.00 for a second or subsequent violation
6 occurring within a 24-month period.

7 Sec. 4. This act takes effect 90 days after the date it is
8 enacted.