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BILL SUMMARY

S.F. No. 258 – Prohibition Against Non-Gratuity Surcharges

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S.F. 258 prohibits restaurants from charging a surcharge that is not considered a gratuity under Minnesota Statutes, section 177.23, subdivision 9, or a tax imposed by a government entity.

Minnesota Statutes, section 177.23, subdivision 9 defines gratuities as monetary contributions received directly or indirectly by an employee from a guest, patron, or customer for services rendered. Gratuity includes an obligatory charge assessed to customers, guests, or patrons which might reasonably be construed by the guest, customer, or patron as being payment for personal services rendered by an employee and for which no clear and conspicuous notice is given by the employer to the customer, guest, or patron that the charge is not the property of the employee.