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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5451

1.1 A bill for an act
1.2 relating to commerce; prohibiting restaurant surcharges over five percent; requiring
1.3 disclosure of a surcharge; proposing coding for new law in Minnesota Statutes,
1.4 chapter 325E.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 325E.85 RESTAURANT SURCHARGES.

1.7 (a) Restaurants must not charge a surcharge that exceeds five percent of the total cost
1.8 that a customer pays.

1.9 (b) For the purposes of this section, a surcharge does not include (1) a gratuity, as defined
1.10 in section 177.23, subdivision 9, or (2) taxes imposed by a government entity on the sale
1.11 or purchase of goods. If a restaurant charges an obligatory gratuity, the customer must be
1.12 provided the option to modify the gratuity amount charged.

1.13 (c) Prior to a customer placing an order, the restaurant must provide a clear and
1.14 conspicuous disclosure that a surcharge is applied to the total cost of the customer's purchase.
1.15 The disclosure must (1) be clearly printed, stamped, or written in bold type on the menu,
1.16 placard, or other printed material given to the customer, and (2) include the percentage that
1.17 is applied to the total cost.

1.18 (d) The penalties and remedies under section 8.31 apply to violations of this section.