

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 5378

(SENATE AUTHORS: LATZ and Klein)

| DATE | D-PG | OFFICIAL STATUS |
|------------|-------|--|
| 04/08/2024 | 13539 | Introduction and first reading Referred to Commerce and Consumer Protection |

1.1A bill for an act

1.2relating to commerce; prohibiting restaurant surcharges over five percent; requiring

1.3disclosure of a surcharge; proposing coding for new law in Minnesota Statutes,

1.4chapter 325E.

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

1.6Section 1. **[325E.85] RESTAURANT SURCHARGES.**

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

1.8that a customer pays.

1.9(b) For the purposes of this section, a surcharge does not include (1) a gratuity, as defined

1.10in section 177.23, subdivision 9, or (2) taxes imposed by a government entity on the sale

1.11or purchase of goods. If a restaurant charges an obligatory gratuity, the customer must be

1.12provided 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

1.14conspicuous disclosure that a surcharge is applied to the total cost of the customer's purchase.

1.15The disclosure must (1) be clearly printed, stamped, or written in bold type on the menu,

1.16placard, or other printed material given to the customer, and (2) include the percentage that

1.17is applied to the total cost.

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