

Little Lightbulb: Highlighting Five Trends in Hospitality



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As part of our practice, we like to keep an eye on significant legislative, regulatory, and judicial developments affecting our clients in the hospitality industry. Based on our monitoring of these legal trends, we are shining a light on five key issues that are, or should be, top of mind right now for hospitality employers.

- **The panic over panic buttons!** In the last three years, we've seen several cities (such as Chicago, Miami Beach, [Oakland](#) and Long Beach)¹ implement ordinances requiring hotel employers to provide panic buttons to staff members—usually housekeeping staff—at no charge to employees. These measures often obligate employers to take other steps, including offering paid leave under specified circumstances. Illinois is currently weighing a panic button bill for hotels and casinos, and employers should not be shocked if this trend spreads. Notably, hospitality employers may find this issue crops up in labor negotiations (as it has in NYC and Las Vegas) long before it appears in draft legislation.
- **The tip-credit tipping point?** Tip credits remain confounding at the state level, with rate changes and various amendments constantly percolating. North Carolina is contemplating a bill to scrap the tip credit, for example, and thus would join the seven states that prohibit it. On the other hand, the U.S. Department of Labor recently provided [clarity](#) on the federal tip credit in “dual job” scenarios. In scuttling the 80/20 rule, the DOL [stressed](#) that it does “not intend to place a limitation on the amount of duties related to a tip-producing occupation that may be performed, so long as they are performed contemporaneously with direct customer-service duties.” Note, however, that a few courts have questioned the new guidance, and expected formal rulemaking on tip-related issues at the federal level may address this issue.
- **Is nightlife anti-harassment training the next big thing?** Lawmakers continue to search for creative ways to combat sexual harassment, and NYC is leading the charge. Proposals in the Big Apple would impose anti-harassment measures for nightlife businesses, including bars, restaurants, and clubs. The broadest [bill](#) would require these establishments to post notices informing patrons about harassment and annually train employees about protecting patrons from harassment. It remains to be seen whether these measures will take off in NYC—or elsewhere.
- **The unpredictable business of predictive scheduling.** While restaurant, retail, and hospitality employers already are grappling with new fair scheduling laws in Oregon and assorted municipalities, they can't turn their backs on this wave. Scheduling-related proposals were introduced in no less than 11 states, from Hawaii to New Hampshire. On the whole, these bills profoundly impact employers' ability to schedule and hire staff. For example, they typically require employers to provide employees with at least seven days' advance notice of their schedules and to pay workers extra compensation if those hours change.
- **The fight against human trafficking.** Legislators across the [globe](#) are exploring avenues to eradicate human trafficking and other forms of modern slavery. Some opportunities have presented themselves in the hospitality industry. More than 20 states, for example, require or recommend that certain businesses (sometimes hotels, or entities with a liquor license) post a visible notice concerning human trafficking and how to find help or report suspected trafficking. Not only does California require such notice, but it also added a [training component](#) for hotel and motel employers. Beginning this year, such employers must provide at least 20 minutes of interactive training regarding human trafficking awareness to employees likely to interact with victims of human trafficking. Hospitality employers should ensure compliance with these laws, and prepare for the likelihood of future similar duties.

¹ Seattle also adopted such a law, by voter initiative, but a state appellate court invalidated the entire ballot initiative because it violated a procedural rule in the Seattle City Charter.