

Overview of Hospitality Law

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Key concepts, major statutes, and practical implications for hotels, restaurants, resorts, and other hospitality businesses.

1. Foundations of Hospitality Law

Element	Description	Why It Matters
Legal Framework	Combination of federal, state, and local statutes, regulations, and case law.	Determines the rights and obligations of owners, employees, guests, and vendors.
Common Law vs. Statutory Law	Common law (court decisions) fills gaps; statutes provide specific rules (e.g., health codes).	Both sources shape daily operations and risk management strategies.
Regulatory Agencies	• Federal: FTC, Department of Labor (DOL), FDA, EPA, OSHA, DOJ (civil rights). • State: Labor departments, health departments, licensing boards. • Local: City/County health inspectors, zoning boards, fire marshals.	Compliance is jurisdiction-specific; failure can lead to fines, license loss, or litigation.

2. Core Areas of Regulation

2.1. Licensing & Permits

- **Business License** – General permission to operate in a municipality.
- **Alcohol Beverage License** – State-issued; includes on-sale vs. off-sale, beer-only, wine-only, full-liquor.
- **Food Service Permit / Health Permit** – Required after health department inspection; must be renewed periodically.
- **Occupancy & Building Permits** – Fire safety, accessibility (ADA), zoning compliance.

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Best Practice: Keep a master compliance calendar; assign a “permit officer” to monitor renewal dates.

2.2. Employment & Labor Law

Topic	Primary Statutes	Key Obligations
Minimum Wage & Overtime	FLSA (Fair Labor Standards Act)	Pay at least federal/state minimum; overtime after 40 hrs (or state-specific thresholds).
Child Labor	FLSA (Youth provisions)	Age limits, hour restrictions, hazardous?job bans.
Anti-Discrimination	Title VII, ADA, ADEA, State Human Rights Acts	Prohibit discrimination based on race, gender, disability, age, etc.; provide reasonable accommodations.
Workplace Safety	OSHA standards	Provide safe environment; training on fire safety, food?handling, ergonomics.
Wage & Hour Record-Keeping	FLSA	Maintain timecards, pay?stub records for at least 3 years.
Union Relations	NLRA (National Labor Relations Act)	Recognize employee organizing rights; bargain in good faith.

Tip: Adopt a written employee handbook that references all applicable statutes and internal policies.

2.3. Guest Rights & Liability

Issue	Legal Basis	Typical Hotel/Restaurant Response
Negligence (e.g., slip?and?fall)	Tort law – duty of care	Maintain clean, well-lit premises; regular inspections; liability insurance.
Breach of Contract (room reservation, event catering)	Contract law – offer, acceptance, consideration	Clear reservation policies, cancellation terms, and written contracts for events.
Privacy & Data Security	FTC (GLBA, GDPR for foreign guests), state data?breach statutes	Encrypt guest data, limit access, have an incident?response plan.

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Issue	Legal Basis	Typical Hotel/Restaurant Response
Consumer Protection	FTC Act, state “unfair trade” statutes	Accurate advertising, truthful menu descriptions,