



## HOSPITALITY LAW

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Week 10: Your Responsibilities for Guests' Property





Berly 2017), Objects Commonly Left At Hotels | Wedgewood Lodge, ,  
<http://www.wedgewoodlodge.com/wp-content/uploads/2017/09/Toiletries.jpg>

# LIABILITY FOR GUESTS ' PROPERTY

- ❑ Most hotels and restaurants are safe places to visit and work. As explained in previous topic , “**Your Responsibilities as a Hospitality Operator to Guests,**” you, as a hospitality manager, have a responsibility to make your facility as safe as possible.

- This responsibility pertains **to the well - being of the guests themselves and to the security of their property.**

# Common Law Liability

- In today ' s world, hotel and restaurant guests still face **the threat of robbery**. The number of crimes reported annually by hotels and restaurants is large and growing.

- **Jewelry, credit cards, and cash, as well as personal property such as cameras, furs, and the like all entice those who are not honest**

- **Vacationers, business travelers, or simply those dining out** are under the threat of an increasingly sophisticated type of thief
- Unfortunately, even **hospitality employees** can also be a threat to guest property.

- Hospitality managers must remain vigilant to various threats, from sophisticated con artists to “ **grab and go** ” **thieves**, because today ’ s law may still hold those in the hospitality industry **liable** for the safety of their guests ’ property

- Consider the case of Evan Gainer. Mr. Gainer checks into a hotel **carrying a bag of diamonds valued at \$ 100,000**. The bag is stolen from his room.

- Under common law, **the innkeeper could be liable to reimburse Mr. Gainer for the value of his stolen diamonds**, even if he or she was unaware that the luggage contained such valuable items

# Limits on Common Law Liability

- When innkeepers face great liability exposure, they should also have **a great deal of control over a guest ' s possessions.**

- It was this recognition of the great risk taken by innkeepers that moved **state legislatures** to modify the centuries - **old common law liability for innkeepers.**

- Beginning in the mid - 1800s, and continuing today, each state has developed its own view of the **extent of innkeeper liability for the possessions of their guests**

## **KINDLY NOTICE**

- 1. PLEASE KEEP YOUR CASH, JEWELLERY & VALUABLES WITH THE HOTEL MANAGEMENT AND TAKE PROPER RECEIPT.**
- 2. PLEASE DO NOT ALLOW YOUR VISITORS IN YOUR ROOM PLEASE MEET THEM IN THE LOBBY ONLY.**
- 3. PLEASE SWITCH OFF T.V, BATHROOM LIGHT AND A.C. WHEN NOT IN USE.**
- 4. PLEASE SWITCH OFF THE LIGHT WHEN YOU LEAVING THE ROOM.**
- 5. PLEASE DO NOT KEEP ANY ILLEGAL THINGS LIKE DRUGS, WEAPONS ETC. IN YOUR ROOM.**
- 6. PLEASE DO NOT WASH YOUR CLOTHES IN THE BATHROOM OF YOUR ROOM.**
- 7. KINDLY DEPOSIT YOUR ROOM RENT EVERYDAY.**



# Dib Anbessa Hotel

164-26

## Notice

- ▶ THE HOTEL IS NOT LIABLE FOR THE LOSS OF GUESTS' VALUABLES UNLESS DEPOSITED AGAINST RECEIPT.
- ▶ WASHING AND IRONING IS NOT ALLOWED IN THE BED ROOM.
- ▶ PLEASE AVOID SMOKING CIGARETTES LYING ON THE BED.
- ▶ CONTACT THE RECEPTIONIST FOR ROOM SERVICE.

THANK YOU  
THE  
MANAGEMENT

# ANALYZE THE SITUATION 10.1

- TRACI KENNEAR CHECKED INTO THE PULLMAN HOUSE HOTEL. During her stay, jewelry with an estimated value of **\$5,000** was stolen from her hotel room.

- Ms. Kennear maintained that the hotel should be responsible for **the jewelry's replacement** and sued the hotel for the amount of the stolen jewelry.

- The hotel stated that its liability was limited to **\$300** under state law, because Ms. Kennear failed to deposit the jewelry **in the safe deposit boxes** provided by the hotel.

- Ms. Kennear's attorney countered that the notice of the law, which the legislature stated must be **“conspicuously posted”** in order to be applied, was in fact posted on the inside of a dresser drawer **filled with extra blankets for the guestroom**, and that, further, the type size was **so small** that an average person would not be able to read the notice from a distance of 2 feet.

- The hotel replied that the notice was, in its view, conspicuously posted, and that Ms. Kennear should have **asked for help from the hotel if she could not find or read the notice.**

# Your comments:.....!

- 1 . Did the hotel comply with the state legislature's requirement that **the notice be conspicuously posted?**
- 2. How could the hotel manager in this case ensure compliance with the **“conspicuous posting”** requirement of the state legislature?

# BAILMENTS

- There are situations when a hotel or restaurant manager may **be entrusted** with a guest ' s property in circumstances not covered directly under a state ' s liability statute.

- For example, suppose that a guest arrives at a hotel and is greeted by a bellman who immediately **takes the guest ' s bags and gives the guest a receipt before checking in.**
- **Who is responsible for the luggage?**

# Bailment Relationship

- In a bailment relationship, a person gives property to someone else **for safekeeping.**
- For example, a restaurant guest may check his or her **coat in a coatroom.**

# Types of Bailments

- Bailments for the benefit of the bailor
- Bailments for the benefit of the bailee
- Bailments for the benefit of both parties

# PROPERTY WITH UNKNOWN OWNERSHIP

The three property types are:

- Mislaid property
- Lost property
- Abandoned property

# Mislaid Property

- comes into existence when the property owner **forgets** where he or she has placed it.
- A **manager is required** to use reasonable care to protect mislaid property until **the rightful owner returns to claim it**

# Lost Property

- comes into being when the rightful owner **accidentally or inadvertently** forgets where he or she has placed the belonging.
- employees who find lost property in the course of their work must **turn the property over to their employer**

- A question can arise **over the length of time** a finder of lost property must retain that property

- Many hotel operators solve this problem by requiring that **all property be held a minimum length of time before it is given to the employee who found it (as a reward for honesty) or given to charity**

# Abandoned Property

- When an owner abandons property, he or she has no intention of **returning to reclaim it.** Obviously, it can be difficult for a manager to know when property **has been abandoned and not just misplaced or lost.**

- **the finder of abandoned property is not required to seek out its true owner.**
- Broken umbrellas, magazines, worn clothing, and inexpensive toilet articles such as razors, toothbrushes, and the like are all common examples of abandoned property found in hotels

# Disposing of Unclaimed Property

- When items of value are found in a hotel or restaurant, **your first goal** as a manager or owner should be to return the property to **its rightful owner**. When that is not possible, your next goal should be to safely protect the property until the rightful owner returns for it.

- Only after it is abundantly clear that the original owner will not be returning should the property be liquidated.

## Lost-and-Found Ticket

Facility Name \_\_\_\_\_ Today's Date \_\_\_\_\_

Item Description \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Location found: \_\_\_\_\_ Room Number \_\_\_\_\_

Name of finder \_\_\_\_\_

Supervisor who received item(s) \_\_\_\_\_

\_\_\_\_\_

## DISPOSITION OF PROPERTY

Date item returned to owner \_\_\_\_\_

Owner Name \_\_\_\_\_ Owner Address \_\_\_\_\_

Owner Telephone \_\_\_\_\_

Returned to owner by \_\_\_\_\_

Date item:

Returned to finder \_\_\_\_\_ Disposed of \_\_\_\_\_

# ANALYZE THE SITUATION 10.2

- KARI RENFROE WAS EMPLOYED as a room attendant at the Lodge Inn motel. One day, as she came to work, she discovered **an expensive leather jacket stuffed inside a plastic shopping bag** in the employee section of the parking lot

- The jacket had **no ownership marks on it**, and neither did the plastic bag. Kari turned the jacket over to the manager of the motel despite the fact that there was **no policy** in place regarding items found outside the motel

- The jacket was still unclaimed **120 days later**, at which time Kari approached the manager and asked if she could have the jacket, since she found it.

- The manager refused to give Kari the jacket, stating that all unclaimed property found on **the motel's premises belonged to the motel**

# Your comments:.....!

- 1. Would the jacket be considered **mislaid, lost, or abandoned property**?
- 2. Who is the current, rightful owner of the jacket?
- 3. How could the motel manager avoid future **confusion** about handling “found” property

# References

[1] STEPHEN BARTH (2009), Hospitality Law: Managing Legal Issues in the Hospitality Industry , p 310- 322 ,<https://www.pdfdrive.com/hospitalty-law-managing-legal-issues-in-the-hospitality-industry-e157128399.html>

[2] The ILO Team (2012), Good Practices Guide for Guesthouses and Small Hotels,  
[https://www.ilo.org/wcmsp5/groups/public/ed\\_dialogue/sector/documents/instructionalmaterial/wcms\\_203969.pdf](https://www.ilo.org/wcmsp5/groups/public/ed_dialogue/sector/documents/instructionalmaterial/wcms_203969.pdf)

Thank you!

Next lecture: Your Responsibilities When  
Serving Food and Beverages

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