



Auto Consumer Alliance
13900 Laurel Lakes Avenue, Suite 100
Laurel, MD 20707

Testimony to the Senate Finance Committee
HB 385 – Consumer Protection – Automatic Tip Prompt Screen – Requirements Motor:
Position: Favorable

The Honorable Pam Beidle
Senate Finance Committee
3 East, Miller Senate Building
Annapolis, MD 21401
cc: Members, Senate Finance Committee

March 19, 2025

Honorable Chair Beidle and Members of the Committee:

I'm a consumer advocate and Executive Director of Consumer Auto, a nonprofit group that works to secure safety, transparency, and fair treatment for Maryland drivers and car buyers.

We support **HB 385** because it will prevent the unfair and misleading practice we have seen from some service providers of asking for "tips" at the point of sale – gratuities that most consumers surely think go to help the relatively low-wage people who provide them with a service – but using that money not to compensate those workers but to defray overhead or other business expenses or simply add to their revenue.

It would also make sure that consumers see, on the same screen that discloses that the tips will go to employees, a prominent tip amount set at zero or a no-tip option. This will help see to it that the "tips" consumers pay are truly a voluntary choice on the purchaser's part to offer the employees they work with some additional compensation, not (as sometimes seems to be the case today) a confusing device some merchants may use to pad their bills.

With point of service payments now more and more commonplace across a wide range of services, consumers are more and more frequently pushed to add tips to bills for all kinds of products. This bill will provide some additional transparency to the tipping process, clarify that a tip must go to the employees who provide the service, and reinforce the idea that a tip ought to be a voluntary choice, not a prerequisite of adequate service.

We support HB 385 and ask you to give it a FAVORABLE report.

Sincerely,

Franz Schneiderman
Consumer Auto