

# HOUSE BILL 419

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4lr0787

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By: **Delegates Lehman, Terrasa, Allen, Bagnall, Boafo, Charkoudian, Foley, Guyton, S. Johnson, D. Jones, Kaufman, R. Lewis, Lopez, McCaskill, Pena-Melnyk, Schmidt, Simpson, Stewart, Taveras, Taylor, Vogel, Williams, and Wu**

Introduced and read first time: January 18, 2024

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Automatic Tip Prompt Screen – Requirements**

3 FOR the purpose of requiring certain businesses that use a point-of-sale system that  
4 automatically prompts a customer to leave a tip to disclose to whom the tip will be  
5 allocated; and generally relating to automatic tip prompt screen requirements.

6 BY adding to

7 Article – Business Regulation

8 Section 19–107

9 Annotated Code of Maryland

10 (2015 Replacement Volume and 2023 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
12 That the Laws of Maryland read as follows:

13 **Article – Business Regulation**

14 **19–107.**

15 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
16 INDICATED.

17 (2) “POINT-OF-SALE SYSTEM” MEANS A DIGITAL DEVICE USED TO  
18 PROCESS ELECTRONIC TRANSACTIONS FOR THE PURCHASE OF GOODS OR SERVICES.

19 (3) “TIP” MEANS AN ADDITIONAL PAYMENT VOLUNTARILY MADE BY A  
20 CUSTOMER IN RECOGNITION OF SERVICE PROVIDED TO THE CUSTOMER.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) BEGINNING JANUARY 1, 2025, EACH BUSINESS LICENSED BY THE**  
2 **DEPARTMENT THAT USES A POINT-OF-SALE SYSTEM THAT DURING A TRANSACTION**  
3 **AUTOMATICALLY DISPLAYS A SCREEN PROMPTING THE CUSTOMER TO SELECT AN**  
4 **AMOUNT FOR A TIP SHALL CONSPICUOUSLY DISPLAY ON THE SAME SCREEN**  
5 **INFORMATION DISCLOSING TO WHOM THE TIP WILL BE ALLOCATED.**

6           **(C) A PERSON WHO VIOLATES THIS SECTION IS SUBJECT TO A CIVIL**  
7 **PENALTY NOT EXCEEDING \$1,000.**

8           **(D) THE DEPARTMENT SHALL ADOPT REGULATIONS NECESSARY TO**  
9 **ADMINISTER AND ENFORCE THIS SECTION.**

10           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 2024.