

HOUSE BILL 385

I3
HB 419/24 – ECM

5lr1812

By: **Delegates Lehman, Acevero, Allen, Bagnall, Foley, Guyton, Harris, Ivey, D. Jones, Kaufman, R. Lewis, J. Long, Pena–Melnik, Phillips, Pruski, Schmidt, Stewart, Taveras, Taylor, Williams, Woods, Wu, and Ziegler**

Introduced and read first time: January 16, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – 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 display a tip amount that is set at zero by default; establishing that a
6 violation of this Act is an unfair, abusive, or deceptive trade practice; and generally
7 relating to automatic tip prompt screen requirements.

8 BY repealing and reenacting, with amendments,

9 Article – Commercial Law

10 Section 13–301(14)(xlv)

11 Annotated Code of Maryland

12 (2013 Replacement Volume and 2024 Supplement)

13 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the

14 General Assembly of 2024)

15 BY repealing and reenacting, without amendments,

16 Article – Commercial Law

17 Section 13–301(14)(xlv)

18 Annotated Code of Maryland

19 (2013 Replacement Volume and 2024 Supplement)

20 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the

21 General Assembly of 2024)

22 BY adding to

23 Article – Commercial Law

24 Section 13–301(14)(xlv) and 14–1328

25 Annotated Code of Maryland

26 (2013 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Commercial Law**

4 13–301.

5 Unfair, abusive, or deceptive trade practices include any:

6 (14) Violation of a provision of:

7 (xiv) Title 14, Subtitle 49 of this article; [or]

8 (xlv) Section 12–6C–09.1 of the Health Occupations Article; or

9 **(XLVI) SECTION 14–1328 OF THIS ARTICLE; OR**

10 **14–1328.**

11 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
12 **INDICATED.**

13 **(2) “POINT–OF–SALE SYSTEM” MEANS A DIGITAL DEVICE USED TO**
14 **PROCESS ELECTRONIC TRANSACTIONS FOR THE PURCHASE OF GOODS OR SERVICES.**

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

17 **(B) BEGINNING JANUARY 1, 2026, EACH BUSINESS THAT USES A**
18 **POINT–OF–SALE SYSTEM THAT DURING A TRANSACTION AUTOMATICALLY DISPLAYS**
19 **A SCREEN PROMPTING THE CUSTOMER TO SELECT AN AMOUNT FOR A TIP SHALL**
20 **CONSPICUOUSLY DISPLAY ON THE SAME SCREEN:**

21 **(1) INFORMATION DISCLOSING TO WHOM THE TIP WILL BE**
22 **ALLOCATED; AND**

23 **(2) A TIP AMOUNT SET AT ZERO BY DEFAULT.**

24 **(C) A DISCLOSURE UNDER SUBSECTION (B) OF THIS SECTION IS SUBJECT TO**
25 **THE RECORD–KEEPING REQUIREMENTS UNDER § 3–424 OF THE LABOR AND**
26 **EMPLOYMENT ARTICLE.**

27 **(D) THE DIVISION OF CONSUMER PROTECTION SHALL ADOPT**
28 **REGULATIONS NECESSARY TO ADMINISTER AND ENFORCE THIS SECTION.**

1 **(E) A VIOLATION OF THIS SECTION IS:**

2 **(1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN**
3 **THE MEANING OF TITLE 13 OF THIS ARTICLE; AND**

4 **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**
5 **CONTAINED IN TITLE 13 OF THIS ARTICLE.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2025.