

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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 20, 2025

CHAPTER _____

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~~ that the tip is for employees and display a tip amount that is set at zero ~~by~~
6 ~~default~~; or a “no-tip” option, subject to certain conditions; requiring the Maryland
7 Department of Labor and the Division of Consumer Protection in the Office of the
8 Attorney General to make certain information available on the agencies’ public
9 websites; establishing that a violation of this Act is an unfair, abusive, or deceptive
10 trade practice; and generally relating to automatic tip prompt screen requirements.

11 BY repealing and reenacting, with amendments,

12 Article – Commercial Law

13 Section 13–301(14)(xlv)

14 Annotated Code of Maryland

15 (2013 Replacement Volume and 2024 Supplement)

16 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the
17 General Assembly of 2024)

18 BY repealing and reenacting, without amendments,

19 Article – Commercial Law

20 Section 13–301(14)(xlv)

21 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2013 Replacement Volume and 2024 Supplement)
 (As enacted by Chapters 262, 454, 455, 460, 461, 463, and 962 of the Acts of the
 General Assembly of 2024)

BY adding to

Article – Commercial Law
 Section 13–301(14)(xlvi) and 14–1328
 Annotated Code of Maryland
 (2013 Replacement Volume and 2024 Supplement)

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

Article – Commercial Law

13–301.

Unfair, abusive, or deceptive trade practices include any:

(14) Violation of a provision of:

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

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

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

14–1328.

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

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

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

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

(1) INFORMATION DISCLOSING TO WHOM THE TIP WILL BE ALLOCATED ON THE SAME SCREEN OR ON A PREVIOUS SCREEN, A NOTICE DISCLOSING THAT THE TIP IS FOR EMPLOYEES; AND

1 **(2) ~~A~~ ON THE SAME SCREEN, A TIP AMOUNT SET AT ZERO ~~BY DEFAULT~~**
2 **OR A “NO-TIP” OPTION.**

3 **(C) A DISCLOSURE UNDER SUBSECTION (B) OF THIS SECTION IS SUBJECT TO**
4 **THE RECORD-KEEPING REQUIREMENTS UNDER § 3-424 OF THE LABOR AND**
5 **EMPLOYMENT ARTICLE.**

6 **~~(D) THE DIVISION OF CONSUMER PROTECTION SHALL ADOPT~~**
7 **~~REGULATIONS NECESSARY TO ADMINISTER AND ENFORCE THIS SECTION~~ THIS**
8 **SECTION DOES NOT APPLY TO PAYMENT TRANSACTIONS:**

9 **(1) FOR GOODS OR SERVICES PROVIDED TO CUSTOMERS SEATED AT**
10 **A TABLE OR BAR; OR**

11 **(2) MADE BY A CUSTOMER FOR GOODS OR SERVICES:**

12 **(i) THROUGH A CUSTOMER’S MOBILE DEVICE; OR**

13 **(ii) ONLINE.**

14 **(E) THE MARYLAND DEPARTMENT OF LABOR AND THE DIVISION OF**
15 **CONSUMER PROTECTION IN THE OFFICE OF THE ATTORNEY GENERAL SHALL MAKE**
16 **INFORMATION ABOUT THE REQUIREMENTS OF THIS SECTION AVAILABLE ON THE**
17 **AGENCIES’ PUBLIC WEBSITES.**

18 **~~(E)~~ (F) A VIOLATION OF THIS SECTION IS:**

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

21 **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**
22 **CONTAINED IN TITLE 13 OF THIS ARTICLE, EXCEPT §§ 13-408 AND 13-411 OF THIS**
23 **ARTICLE.**

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