



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HOUSE BILL 419

BUSINESS REGULATION - AUTOMATIC TIP PROMPT SCREEN – REQUIREMENTS

SUPPORT

GOOD AFTERNOON CHAIR BEIDLE, VICE CHAIR KLAUSMEIER AND ESTEEMED COMMITTEE MEMBERS,

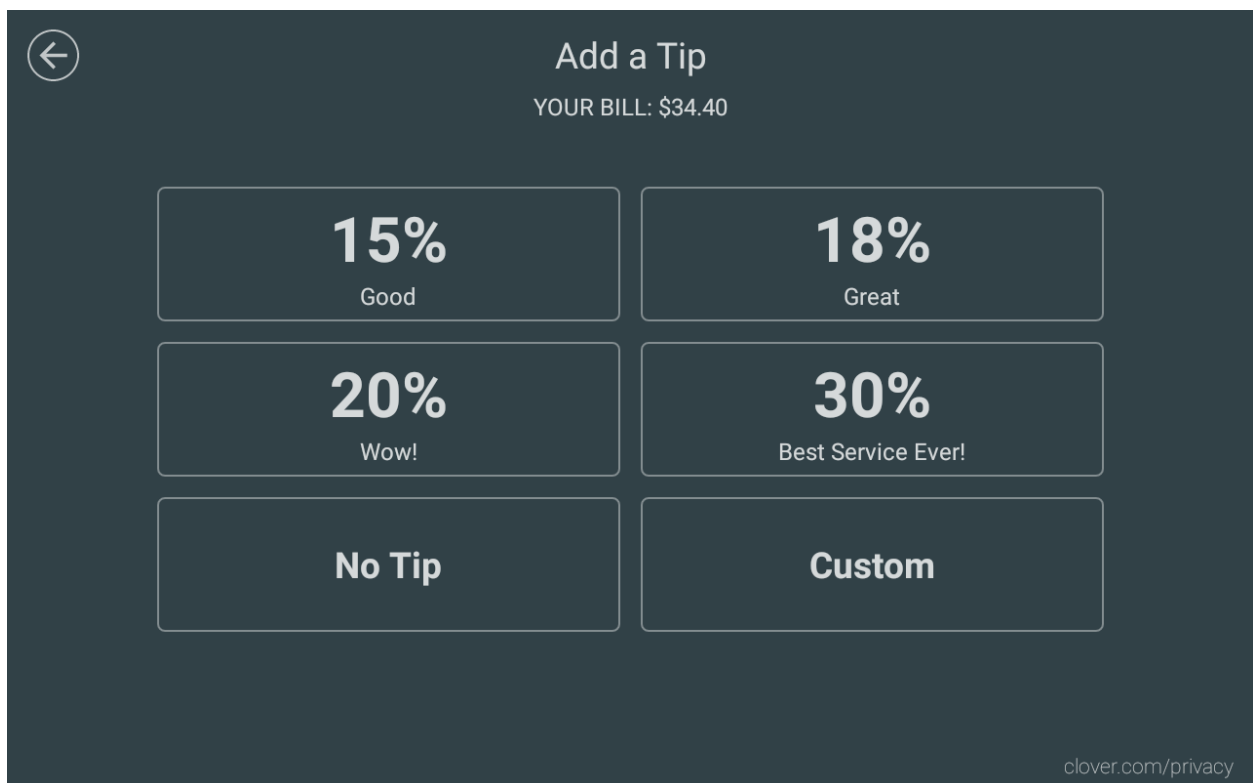
I AM ASKING FOR YOUR FAVORABLE CONSIDERATION OF HB 419 AUTOMATIC TIP PROMPT SCREEN.

MORE AND MORE EATERIES AND OTHER SERVICE-RELATED BUSINESSES ARE ASKING CUSTOMERS IF THEY WOULD LIKE TO ADD A TIP AT POINT OF SALE TRANSACTIONS. PRIOR TO COVID, TIPS FOR FOOD AND BEVERAGE SERVICES WERE MOST OFTEN ASSOCIATED WITH SIT-DOWN RESTAURANTS AND WERE VOLUNTARILY ADDED TO A BILL BY THE CUSTOMER. NOW, COFFEE SHOPS, ICE CREAM STORES, BAKERIES, DELIS, CONVENIENCE STORES, AND OTHER VENUES ASK CUSTOMERS WHETHER THEY WANT TO ADD A TIP FOR TAKE OUT FOOD AND BEVERAGES. TECHNOLOGY HAS PLAYED AN IMPORTANT ROLE IN FACILITATING TIPPING REQUESTS AT THE END OF SUCH TRANSACTIONS. THE MOST COMMON SCENARIO OCCURS WHEN THE CASHIER FLIPS A REGISTER TABLET FOR A CUSTOMER TO PAY AND SIGN FOR A PURCHASE AND THEN THE OPTION TO TIP POPS UP. THESE SCREENS RARELY SPECIFY TO WHOM THE TIP IS GOING.

HB 419 IS AN ATTEMPT TO REQUIRE TRANSPARENCY AND INFORM CONSUMERS ABOUT WHOM THEY ARE TIPPING. THE BILL REQUIRES A SIMPLE SENTENCE ON THE SAME PAY SCREEN THAT OFFERS A CHOICE OF TIPPING LEVELS (10%, 20%, ETC.), CLEARLY STATING WHO WOULD RECEIVE THE TIP. FOR EXAMPLE, IT WOULD SAY "DO YOU WANT TO TIP THE BARISTA?" OR "DO YOU WANT TO TIP THE SANDWICH MAKER?" OR SIMPLY "DO YOU WANT TO TIP THE STAFF?" PANERA DOES THIS ON ITS PAY SCREEN BY ASKING: DO YOU WANT TO TIP THE BAKERY-CAFÉ STAFF?

THIRD READER OF THE HOUSE BILL ADOPTED AMENDMENTS WHICH ADDED THAT THE TIP AMOUNT ON THE PROMPT SCREENS BE SET AT ZERO AS DEFAULT, CLARIFIES THAT THE TIP DISCLOSURE BE SUBJECT TO RECORD-KEEPING REQUIREMENTS UNDER THE WAGE RECORDS PROVISION OF THE LABOR AND EMPLOYMENT ARTICLE , IDENTIFIES THE DIVISION OF CONSUMER PROTECTION TO ADOPT REGULATIONS TO ENFORCE THE BILL, AND SPECIFIES THAT A VIOLATION OF THIS BILL CONSTITUTES AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE UNDER THE MARYLAND CONSUMER PROTECTION ACT, THEREFORE SUBJECTING VIOLATORS OF THIS BILL TO THE ACT'S CIVIL AND CRIMINAL PENALTY PROVISIONS.

THANK YOU FOR YOUR CONSIDERATION. I URGE YOUR FAVORABLE REPORT.



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