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**LABOR AND HOUSING**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
130TH LEGISLATURE  
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1388, L.D. 1878, “An Act To Support Restaurants in the State through Service Charge Revenues”

Amend the bill by striking out everything after the enacting clause and inserting the following:

**Sec. 1. 26 MRSA §663, sub-§15**, as enacted by PL 2011, c. 118, §2, is amended to read:

**15. Tip.** "Tip" means a sum presented voluntarily by a customer in recognition of services performed by one or more service employees, ~~including a charge automatically included in the customer's bill~~ in an amount determined by a customer. "Tip" does not include a service charge added to a customer's bill in a restaurant, banquet or private club setting by agreement between the customer and employer.

**Sec. 2. 26 MRSA §664, sub-§2**, as amended by PL 2017, c. 272, §1, is further amended by amending the first blocked paragraph to read:

The tips received by a service employee become the property of the employee and may not be shared with the employer. ~~Tips that are automatically included in the customer's bill or that~~ are charged to a credit card must be treated like tips given to the service employee. A tip that is charged to a credit card must be paid by the employer to the employee by the next regular payday and may not be held while the employer is awaiting reimbursement from a credit card company. The employer may not deduct any amount from employee tips charged to a credit card, including, but not limited to, service fees assessed to the employer in connection with the credit card transaction.

**Sec. 3. 26 MRSA §664, sub-§2-B**, as enacted by PL 2011, c. 118, §4, is amended to read:

**2-B. Service charges.** An employer in a restaurant, banquet or private club setting that adds a service charge shall notify the customer that the service charge does not represent a tip for service employees. The employer in a restaurant, banquet or private club

**COMMITTEE AMENDMENT**

1 setting may use some or all of any service charge to meet its obligation to compensate all  
2 employees at the rate required by this section.'

3 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section  
4 number to read consecutively.

5 **SUMMARY**

6 This amendment, which is the majority report of the committee, replaces the bill. It  
7 clarifies that tips do not include charges automatically included in the customer's bill and  
8 that tips do not include service charges added to a customer's bill in a restaurant. It also  
9 specifies that an employer in a restaurant may add a service charge if the employer notifies  
10 the customer that the service charge is not a tip for a service employee.