



AN ACT REVISING LAWS FOR PROVIDING FOR TIP POOLS; PROVIDING REQUIREMENTS FOR TIP POOLS; PROVIDING THAT EMPLOYERS MAY NOT PARTICIPATE IN THE TIP POOL; PROVIDING NOTICE REQUIREMENTS; DISTINGUISHING COMPULSORY CHARGES FROM TIP POOLS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1. Tip pools allowed -- requirements -- prohibitions -- compulsory charges**

**distinguished.** (1) An employer may impose a tip pooling arrangement as provided in this section.

(2) A tip pooling arrangement may include employees involved in providing customer service or food preparation, including but not limited to servers, hosts, bussers, dishwashers, cooks, or other employees. This section does not impose a minimum or maximum contribution percentage on mandatory tip pools; however, employees may not be required to contribute to a tip pool more than the amount received in tips.

(3) An employer:

(a) shall notify its employees of any required tip pooling arrangement;

(b) may not participate in a tip pool;

(c) may not include exempt salaried supervisors or managers in a tip pool. However, an employer does not violate this subsection (3) if the employer, supervisors, or managers keep tips they receive directly from customers based on the service directly provided by them.

(d) may control an employee's tips only to distribute tips to the employee who received them or when the employer facilitates tip pooling by collecting and distributing tips to employees in a tip pool. An employer that facilitates tip pooling by collecting and redistributing employees' tips must fully distribute any tips the employer collects no later than the regular payday for the workweek in which the tips were collected. An employer that collects tips received by the employees to operate a mandatory tip pooling arrangement shall

maintain and preserve payroll or other records evidencing tips received and distributed pursuant to the tip pool.

**Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 39, chapter 3, part 2, and the provisions of Title 39, chapter 3, part 2, apply to [section 1].

**Section 3. Effective date.** [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,  
SB 190, originated in the Senate.

---

Secretary of the Senate

---

President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

---

Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

SENATE BILL NO. 190

INTRODUCED BY T. GAUTHIER

AN ACT REVISING LAWS FOR PROVIDING FOR TIP POOLS; PROVIDING REQUIREMENTS FOR TIP POOLS; PROVIDING THAT EMPLOYERS MAY NOT PARTICIPATE IN THE TIP POOL; PROVIDING NOTICE REQUIREMENTS; DISTINGUISHING COMPULSORY CHARGES FROM TIP POOLS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.