

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 7111**  
**BILL NUMBER: SB 245**

**NOTE PREPARED:** Feb 16, 2026  
**BILL AMENDED:**

**SUBJECT:** Tip Pooling.

**FIRST AUTHOR:** Sen. Freeman  
**FIRST SPONSOR:** Rep. VanNatter

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** No Fiscal Impact

**Summary of Legislation:** The bill specifically authorizes the use of tip pooling arrangements under certain circumstances.

**Effective Date:** June 27, 2024 (retroactive).

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:** Federal Register. (2024, December 17). Tip Regulations Under the Fair Labor Standards Act (FLSA); Restoration of Regulatory Language.

<https://www.federalregister.gov/documents/2024/12/17/2024-29798/tip-regulations-under-the-fair-labor-standards-act-flsa-restoration-of-regulatory-language>;

U.S. Department of Labor. Fact Sheet #15: Tipped Employees Under the Fair Labor Standards Act (FLSA). <https://www.dol.gov/agencies/whd/fact-sheets/15-tipped-employees-flsa>

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