

(PRE-FILED)

By: **Delegate Franchot**

Requested: October 28, 2004

Introduced and read first time: January 12, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment - Minimum Wage**

3 FOR the purpose of requiring certain employers to pay certain employees at least the
4 greater of certain wage amounts; authorizing certain employers to pay
5 employees under a certain age at least the greater of certain wage amounts for
6 a certain period of time; prohibiting certain actions for the purpose of hiring
7 certain employees; authorizing an increase in a certain tip credit used by certain
8 employers to compensate certain employees; and generally relating to the
9 payment of wages.

10 BY repealing and reenacting, with amendments,

11 Article - Labor and Employment

12 Section 3-413 and 3-419

13 Annotated Code of Maryland

14 (1999 Replacement Volume and 2004 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Labor and Employment**

18 3-413.

19 (A) Except as provided in SUBSECTION (B) OF THIS SECTION AND § 3-414 of
20 this subtitle, each employer shall pay TO EACH EMPLOYEE, AT LEAST THE GREATER
21 OF:

22 (1) [to each employee who is subject to both the federal Act and this
23 subtitle, at least] the minimum wage for that employee under the federal Act; and

24 (2) [each other employee who is subject to this subtitle, at least:

25 (i) the highest minimum wage under the federal Act; or

1 (ii) a training wage under regulations that the Commissioner
2 adopts that include the conditions and limitations authorized under the federal Fair
3 Labor Standards Amendments of 1989] A WAGE THAT EQUALS A RATE OF \$7.00 PER
4 HOUR.

5 (B) (1) THIS SUBSECTION APPLIES ONLY TO AN EMPLOYEE UNDER THE AGE
6 OF 20 YEARS.

7 (2) INSTEAD OF THE RATE REQUIRED BY SUBSECTION (A) OF THIS
8 SECTION, DURING THE FIRST 90 CONSECUTIVE CALENDAR DAYS AFTER THE
9 EMPLOYEE IS INITIALLY EMPLOYED, AN EMPLOYER MAY PAY AN EMPLOYEE, AT
10 LEAST THE GREATER OF:

11 (I) THE MINIMUM WAGE FOR THAT EMPLOYEE UNDER THE
12 FEDERAL ACT; AND

13 (II) A WAGE THAT EQUALS A RATE OF \$5.75 PER HOUR.

14 (3) AN EMPLOYER MAY NOT TAKE ANY ACTION TO DISPLACE
15 EMPLOYEES, INCLUDING REDUCING HOURS, WAGES, OR EMPLOYMENT BENEFITS,
16 FOR THE PURPOSE OF HIRING INDIVIDUALS AT THE WAGE AUTHORIZED UNDER
17 PARAGRAPH (2) OF THIS SUBSECTION.

18 3-419.

19 (a) (1) This section applies to each employee who:

20 (i) is engaged in an occupation in which the employee customarily
21 and regularly receives more than \$30 each month in tips;

22 (ii) has been informed by the employer about the provisions of this
23 section; and

24 (iii) has kept all of the tips that the employee received.

25 (2) Notwithstanding paragraph (1)(iii) of this subsection, this section
26 does not prohibit the pooling of tips.

27 (b) Subject to the limitations in this section, an employer may include, as part
28 of the wage of an employee to whom this section applies:

29 (1) an amount that the employer sets to represent the tips of the
30 employee; or

31 (2) if the employee or representative of the employee satisfies the
32 Commissioner that the employee received a lesser amount in tips, the lesser amount.

33 (c) The tip credit amount that the employer may include under subsection (b)
34 of this section may not exceed [\$2.77] \$3.25.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2005.