
By: **Delegates D. Davis, Doory, and Taylor**
 Introduced and read first time: January 31, 2005
 Assigned to: Economic Matters

Committee Report: Favorable with amendments
 House action: Adopted
 Read second time: March 21, 2005

CHAPTER_____

1 AN ACT concerning

2 **Labor and Employment - Minimum Wage - Increase**

3 FOR the purpose of requiring certain employers to pay certain employees at least the
 4 greater of certain wage amounts; authorizing an increase in a certain tip credit
 5 used by certain employers to compensate certain employees; providing for a
 6 delayed effective date; and generally relating to the payment of wages.

7 BY repealing and reenacting, with amendments,
 8 Article - Labor and Employment
 9 Section ~~3-413~~ 3-413 and 3-419
 10 Annotated Code of Maryland
 11 (1999 Replacement Volume and 2004 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Labor and Employment**

15 3-413.

16 Except as provided in § 3-414 of this subtitle, each employer shall pay:

17 (1) to each employee who is subject to both the federal Act and this
 18 subtitle, at least THE GREATER OF:

19 (I) the minimum wage for that employee under the federal Act; OR

20 (II) A WAGE THAT EQUALS A RATE OF \$6.15 PER HOUR; and

1 (2) each other employee who is subject to this subtitle, at least ~~THE~~
2 ~~GREATER OF:~~

3 (I) THE GREATER OF:

4 (i) 1. the highest minimum wage under the federal Act; OR

5 (ii) 2. A WAGE THAT EQUALS A RATE OF \$6.15 PER HOUR; or

6 (iii) ~~(iii)~~ a training wage under regulations that the Commissioner
7 adopts that include the conditions and limitations authorized under the federal Fair
8 Labor Standards Amendments of 1989.

9 3-419.

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

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

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

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

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

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

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

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

24 (c) The tip credit amount that the employer may include under subsection (b)
25 of this section may not exceed [\$2.77] 50% OF THE MINIMUM WAGE ESTABLISHED
26 UNDER § 3-413 OF THIS SUBTITLE FOR THE EMPLOYEE.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 January 1, 2006.

