

HOUSE BILL 233

L3

(1lr1485)

ENROLLED BILL

— Economic Matters/Finance —

Introduced by **Delegates Barve, Gilchrist, and Simmons**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Counties and Municipal Corporations – Direct Deposit of Wages**

3 FOR the purpose of authorizing counties and municipal corporations to pay wages of
4 employees by direct deposit and to require an employee to receive the payment of
5 wages by direct deposit as a condition of employment; prohibiting a county or
6 municipal corporation from requiring the payment of wages by direct deposit for
7 an employee unless the employee was hired after a certain date, received
8 certain notice, and has not requested an exemption from direct deposit who was
9 hired before a certain date under certain circumstances, whose employment is
10 not conditioned on the employee receiving the payment of wages by direct deposit,
11 or who does not have a certain bank account and opts out of direct deposit in a
12 certain manner; authorizing certain employees of certain counties and
13 municipal corporations to elect to receive the payment of wages by direct
14 deposit; requiring counties and municipal corporations that elect to pay wages
15 by direct deposit to provide certain employees with a certain form, deposit the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 wages in a certain personal bank ~~accounts~~ account, and provide certain
 2 employees with a certain direct deposit statement at certain times; requiring
 3 certain employees to complete and submit to a county or municipal corporation
 4 a certain form; requiring certain employees to select a personal bank account for
 5 the direct deposit of the employee's wages that is at a financial institution that
 6 participates in a certain network; specifying that an employee may change a
 7 certain personal bank account ~~number~~ or financial institution by completing
 8 and submitting a certain form; and generally relating to the payment of wages
 9 by direct deposit by counties and municipal corporations.

10 BY repealing and reenacting, with amendments,
 11 Article – Labor and Employment
 12 Section 3–502
 13 Annotated Code of Maryland
 14 (2008 Replacement Volume and 2010 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 3–502.

19 (a) (1) Each employer:

20 (i) shall set regular pay periods; and

21 (ii) except as provided in paragraph (2) of this subsection, shall
 22 pay each employee at least once in every 2 weeks or twice in each month.

23 (2) An employer may pay an administrative, executive, or professional
 24 employee less frequently than required under paragraph (1)(ii) of this subsection.

25 (b) If the regular payday of an employee is a nonworkday, an employer shall
 26 pay the employee on the preceding workday.

27 (c) Each employer shall pay a wage:

28 (1) in United States currency; or

29 (2) by a check that, on demand, is convertible at face value into United
 30 States currency.

31 **(D) (1) (I) A SUBJECT TO SUBPARAGRAPH (II) OF THIS**
 32 **PARAGRAPH, A COUNTY OR MUNICIPAL CORPORATION MAY:**

1 1. PAY THE WAGE OF AN EMPLOYEE BY DIRECT
2 DEPOSIT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION; AND

3 2. REQUIRE AN EMPLOYEE TO RECEIVE THE
4 PAYMENT OF WAGES BY DIRECT DEPOSIT AS A CONDITION OF EMPLOYMENT.

5 (II) A COUNTY OR MUNICIPAL CORPORATION MAY NOT
6 REQUIRE THE PAYMENT OF WAGES BY DIRECT DEPOSIT FOR AN EMPLOYEE
7 UNLESS THE EMPLOYEE:

8 1. WAS HIRED AFTER SEPTEMBER 30, 2011;

9 2. RECEIVED NOTICE OF THE EMPLOYEE'S RIGHT TO
10 REQUEST AN EXEMPTION FROM THE PAYMENT OF WAGES BY DIRECT DEPOSIT;
11 AND

12 3. HAS NOT REQUESTED AN EXEMPTION FROM THE
13 PAYMENT OF WAGES BY DIRECT DEPOSIT.

14 1. WHO WAS HIRED BEFORE OCTOBER 1, 2011,
15 UNLESS THE COUNTY OR MUNICIPAL CORPORATION, BEFORE OCTOBER 1, 2011,
16 REQUIRED BY LOCAL LAW, REGULATION, OR COLLECTIVE BARGAINING
17 AGREEMENT, THE PAYMENT OF WAGES BY DIRECT DEPOSIT;

18 2. WHOSE EMPLOYMENT IS NOT CONDITIONED ON
19 THE EMPLOYEE RECEIVING THE PAYMENT OF WAGES BY DIRECT DEPOSIT; OR

20 3. WHO:

21 A. DOES NOT HAVE A PERSONAL BANK ACCOUNT;
22 AND

23 B. INFORMS THE EMPLOYEE'S EMPLOYER THAT THE
24 EMPLOYEE WISHES TO OPT OUT OF DIRECT DEPOSIT.

25 (III) IF A COUNTY OR MUNICIPAL CORPORATION ELECTS TO
26 PAY WAGES BY DIRECT DEPOSIT, AN EMPLOYEE WHO IS NOT REQUIRED TO
27 RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT MAY ELECT TO RECEIVE
28 THE PAYMENT OF WAGES BY DIRECT DEPOSIT IN ACCORDANCE WITH
29 PARAGRAPH (3) OF THIS SUBSECTION.

30 (2) IF A COUNTY OR MUNICIPAL CORPORATION ELECTS TO PAY
31 THE WAGES OF ITS EMPLOYEES BY DIRECT DEPOSIT, THE COUNTY OR
32 MUNICIPAL CORPORATION SHALL:

1 (I) PROVIDE AN EMPLOYEE WHO IS REQUIRED OR ELECTS
 2 TO RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT WITH AN
 3 ELECTRONIC FUND TRANSFER AUTHORIZATION FORM;

4 (II) DEPOSIT THE WAGE OF AN EMPLOYEE INTO A PERSONAL
 5 BANK ACCOUNT ~~OF THE EMPLOYEE THAT IS:~~

6 ~~(I)~~ SELECTED BY THE EMPLOYEE; ON THE ELECTRONIC
 7 FUND TRANSFER AUTHORIZATION FORM; AND

8 (III) EACH TIME ~~A~~ THE COUNTY OR MUNICIPAL
 9 CORPORATION PAYS THE WAGE OF AN EMPLOYEE BY DIRECT DEPOSIT, PROVIDE
 10 THE EMPLOYEE WITH A DIRECT DEPOSIT STATEMENT THAT INCLUDES:

11 1. THE TOTAL AMOUNT OF THE WAGE;

12 2. ANY AMOUNT DEDUCTED FROM THE WAGE; AND

13 3. THE AMOUNT OF THE WAGE DIRECTLY DEPOSITED
 14 INTO THE PERSONAL BANK ACCOUNT ~~OF~~ SELECTED BY THE EMPLOYEE.

15 ~~(II) PROVIDED BY THE EMPLOYER IN ACCORDANCE WITH AN~~
 16 ~~AUTHORIZATION OF THE EMPLOYEE; OR~~

17 ~~(III) PROVIDED BY THE EMPLOYER IF THE EMPLOYEE FAILS~~
 18 ~~TO SELECT OR ACCEPT A PERSONAL BANK ACCOUNT UNDER ITEM (I) OR (II) OF~~
 19 ~~THIS PARAGRAPH.~~

20 (3) (I) AN EMPLOYEE WHO IS REQUIRED OR ELECTS TO
 21 RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT SHALL COMPLETE AND
 22 SUBMIT TO THE COUNTY OR MUNICIPAL CORPORATION THE ELECTRONIC FUND
 23 TRANSFER AUTHORIZATION FORM PROVIDED TO THE EMPLOYEE UNDER
 24 PARAGRAPH (2) OF THIS SUBSECTION.

25 (II) AN EMPLOYEE WHO IS REQUIRED OR ELECTS TO
 26 RECEIVE THE PAYMENT OF WAGES BY DIRECT DEPOSIT SHALL SELECT A
 27 PERSONAL BANK ACCOUNT FOR THE DIRECT DEPOSIT OF THE EMPLOYEE'S
 28 WAGES THAT IS AT A FINANCIAL INSTITUTION THAT PARTICIPATES IN THE
 29 ~~AUTOMATIC CLEARINGHOUSE~~ AUTOMATED CLEARING HOUSE NETWORK.

30 (III) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
 31 AN EMPLOYEE MAY CHANGE THE PERSONAL BANK ACCOUNT ~~NUMBER~~ OR THE
 32 FINANCIAL INSTITUTION DESIGNATED ON AN ELECTRONIC FUND TRANSFER

1 AUTHORIZATION FORM BY COMPLETING AND SUBMITTING A NEW ELECTRONIC
2 FUND TRANSFER AUTHORIZATION FORM TO THE COUNTY OR MUNICIPAL
3 CORPORATION.

4 **[(d)] (E)** (1) In this subsection, “employer” includes a governmental unit.

5 (2) An employer may not print or cause to be printed an employee’s
6 Social Security number on the employee’s wage payment check, an attachment to an
7 employee’s wage payment check, a notice of direct deposit of an employee’s wage, or a
8 notice of credit of an employee’s wage to a debit card or card account.

9 **[(e)] (F)** This section does not prohibit the:

10 (1) direct deposit of the wage of an employee into a personal bank
11 account of the employee in accordance with an authorization of the employee; or

12 (2) credit of the wage of an employee to a debit card or card account
13 from which the employee is able to access the funds through withdrawal, purchase, or
14 transfer if:

15 (i) authorized by the employee; and

16 (ii) any fees applicable to the debit card or card account are
17 disclosed to the employee in writing in at least 12 point font.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.