

SENATE BILL 659

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By: **Senators Madaleno, Lee, Manno, Montgomery, Pinsky, and Raskin**

Introduced and read first time: February 6, 2015

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Wage and Hour Law – Tip Credit – Repeal**

3 FOR the purpose of repealing the authority of an employer to include as part of an
4 employee's wage a certain amount to represent the tips of the employee; and
5 generally relating to the tip credit authorized under the Maryland Wage and Hour
6 Law.

7 BY repealing

8 Article – Labor and Employment

9 Section 3–419

10 Annotated Code of Maryland

11 (2008 Replacement Volume and 2014 Supplement)

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

14 **Article – Labor and Employment**

15 **[3–419.**

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

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

9 (c) The tip credit amount that the employer may include under subsection (b) of
10 this section may not exceed the minimum wage established under § 3–413 of this subtitle
11 for the employee less \$3.63.]

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2015.