K3, P4 6lr3021 CF 6lr3650

By: Senators Madaleno, Manno, McFadden, and Raskin

Introduced and read first time: February 5, 2016

Assigned to: Finance

A BILL ENTITLED

1	AN ACT concerning
2 3	Labor and Employment – Payment of Wages – Minimum Wage and Repeal of Tip Credit
J	Oreunt
4	FOR the purpose of specifying the State minimum wage rate that is in effect for certain
5	time periods; increasing, except under certain circumstances, the State minimum
6	wage rate in effect for certain periods of time based on the annual growth in the
7	Consumer Price Index; requiring the Commissioner of Labor and Industry, annually
8	beginning on a certain date, to determine and announce the growth in the Consumer
9	Price Index, if any, and the new State minimum wage rate; defining a certain term;
10	repealing the authority of an employer to include, as part of an employee's wage, a
11	certain amount to represent the tips of the employee; and generally relating to the
12	payment of wages.
13	BY repealing and reenacting, with amendments,
14	Article – Labor and Employment
15	Section 3–413
16	Annotated Code of Maryland
17	(2008 Replacement Volume and 2015 Supplement)
18	BY repealing
19	Article – Labor and Employment
20	Section 3–419
21	Annotated Code of Maryland
22	(2008 Replacement Volume and 2015 Supplement)
23	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24	That the Laws of Maryland read as follows:
25	Article – Labor and Employment

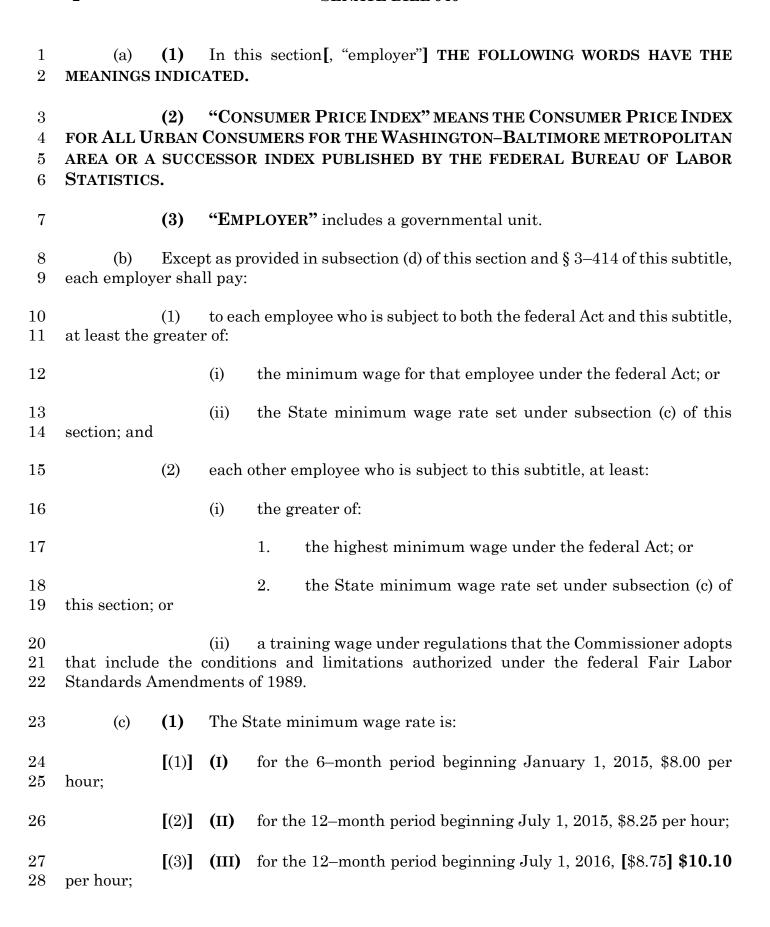
EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

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3-413.





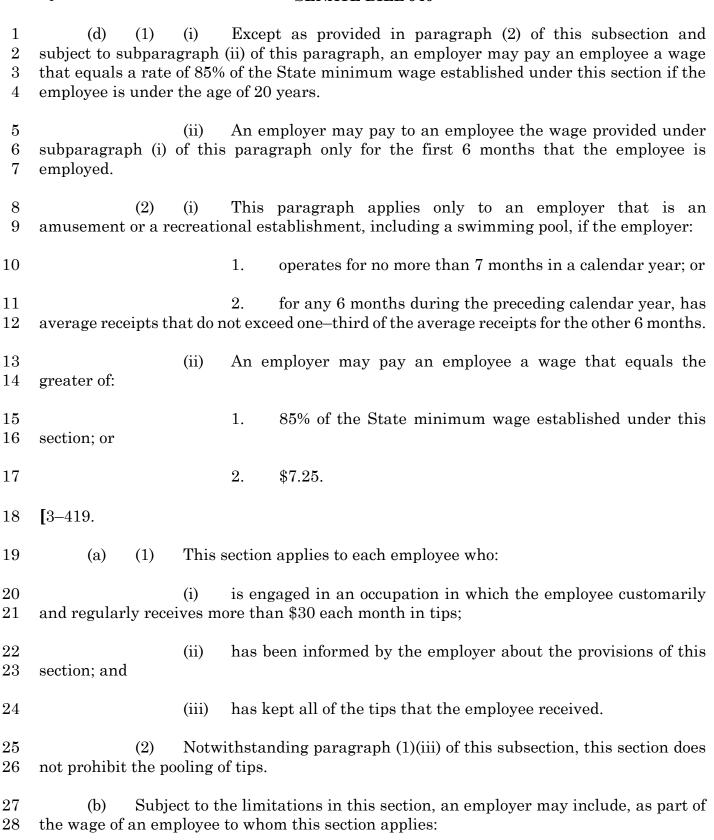
- 1 [(4)] (IV) for the 12-month period beginning July 1, 2017, [\$9.25] **\$11.90**
- 2 per hour; [and]
- 3 (V) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2018,
- 4 \$13.25 PER HOUR;
- 5 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,
- 6 \$14.25 PER HOUR;
- 7 [(5)] (VII) FOR THE 24–MONTH PERIOD beginning July 1, [2018, \$10.10]
- 8 **2020, \$15.00** per hour; AND
- 9 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022, AND
- 10 EACH SUBSEQUENT 12-MONTH PERIOD, THE RATE DETERMINED AND ANNOUNCED
- 11 BY THE COMMISSIONER UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.
- 12 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS
- 13 PARAGRAPH, FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022, AND EACH
- 14 SUBSEQUENT 12-MONTH PERIOD, THE STATE MINIMUM WAGE RATE SHALL BE
- 15 INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST CENT, THAT EQUALS THE
- 16 PRODUCT OF:
- 17 THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE
- 18 PRECEDING 12-MONTH PERIOD; AND
- 19 2. THE AVERAGE PERCENT GROWTH IN THE CONSUMER
- 20 PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, AS
- 21 DETERMINED BY THE COMMISSIONER UNDER SUBPARAGRAPH (II)1 OF THIS
- 22 PARAGRAPH.
- 23 (II) BEGINNING MARCH 1, 2022, AND EACH SUBSEQUENT
- 24 MARCH 1, THE COMMISSIONER SHALL DETERMINE AND ANNOUNCE:
- 1. THE AVERAGE PERCENT GROWTH, IF ANY, IN THE
- 26 CONSUMER PRICE INDEX BASED ON THE MOST RECENT 12-MONTH PERIOD FOR
- 27 WHICH DATA IS AVAILABLE ON MARCH 1; AND
- 2. THE STATE MINIMUM WAGE RATE EFFECTIVE FOR
- 29 THE 12-MONTH PERIOD BEGINNING THE FOLLOWING JULY 1.
- 30 (III) IF THERE IS A DECLINE OR NO GROWTH IN THE CONSUMER
- 31 PRICE INDEX, THE STATE MINIMUM WAGE RATE SHALL REMAIN THE SAME AS THE
- 32 RATE THAT WAS IN EFFECT FOR THE PRECEDING 12-MONTH PERIOD.

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or

(1)



an amount that the employer sets to represent the tips of the employee;

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

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- (c) The tip credit amount that the employer may include under subsection (b) of this section may not exceed the minimum wage established under § 3–413 of this subtitle for the employee less \$3.63.]
- $\,\,$ SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June $\,7\,$ $\,$ 1, 2016.