HOUSE BILL 72

 $\begin{array}{ccc} \text{K3} & & & 2 \text{lr} 1073 \\ \text{HB } 1097/20 - \text{ECM} & & (\text{PRE-FILED}) & & \text{CF } 2 \text{lr} 1182 \\ \end{array}$

By: **Delegate Charkoudian** Requested: October 29, 2021

Introduced and read first time: January 12, 2022

Assigned to: Economic Matters

A BILL ENTITLED

1	AN ACT concerning
2 3 4	Maryland Wage and Hour Law and Maryland Wage Payment and Collection Law – Revisions (Maryland Wage Protection Act)
1	(Maryland Wage Protection Ret)
5	FOR the purpose of altering certain provisions related to the payment of wages, including
6	the application, penalty, and enforcement provisions of the Maryland Wage and
7	Hour Law and the Maryland Wage Payment and Collection Law, the provision of
8	information related to the payment of wages by employers to employees, and adverse
9	actions by an employer; and generally relating to employer requirements concerning
0	prohibited employer conduct, wage records, wages, and paydays.
1	BY repealing and reenacting, with amendments,
12	Article – Labor and Employment
13	Section 3-103, 3-403(14) and (15), 3-423, 3-428, 3-504, 3-507.2(a) and (b), and
4	3-508
$_{15}$	Annotated Code of Maryland
16	(2016 Replacement Volume and 2021 Supplement)
L 7	BY adding to
18	Article – Labor and Employment
9	Section 3–403(16) and 3–501.1
20	Annotated Code of Maryland
21	(2016 Replacement Volume and 2021 Supplement)
22	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
23	That the Laws of Maryland read as follows:
24	Article – Labor and Employment

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

25

3-103.



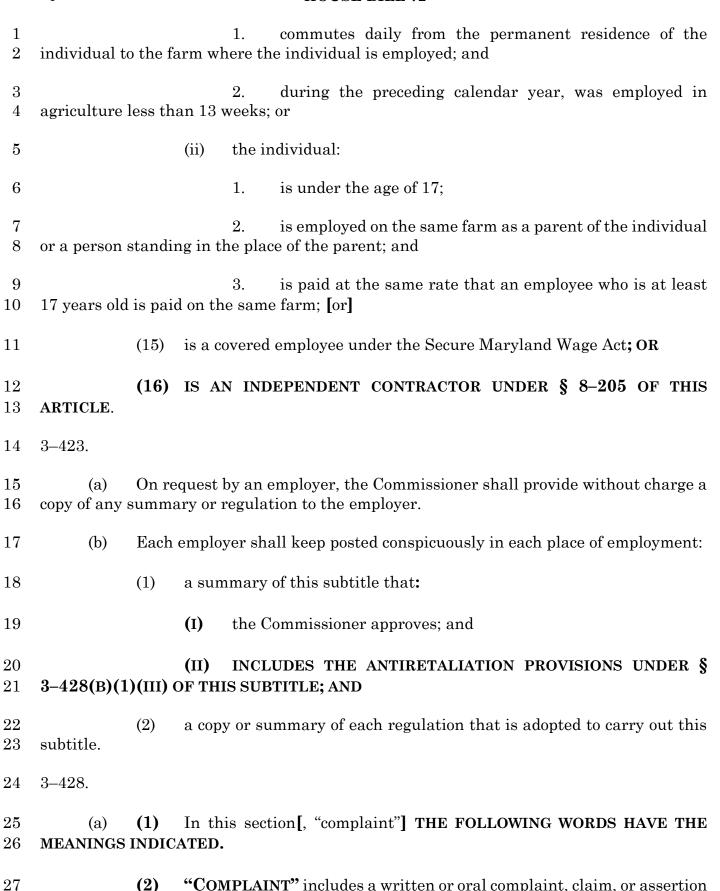
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- 1 (a) Except as otherwise provided in this section, the Commissioner may conduct 2 an investigation to determine whether a provision of this title has been violated on the 3 Commissioner's own initiative or may require a written complaint.
- 4 (b) The Commissioner may conduct an investigation under Subtitle 3 of this title, 5 on the Commissioner's own initiative or on receipt of a written complaint of an employee.
 - (C) THE COMMISSIONER MAY CONDUCT AN INVESTIGATION UNDER SUBTITLE 4 OF THIS TITLE ON THE COMMISSIONER'S OWN INITIATIVE OR ON RECEIPT OF A WRITTEN COMPLAINT OF AN EMPLOYEE.
- 9 [(c)] (D) The Commissioner may conduct an investigation to determine whether 10 Subtitle 5 of this title has been violated ON THE COMMISSIONER'S OWN INITIATIVE OR 11 on receipt of a written complaint of an employee.
- [(d)] (E) The Commissioner may conduct an investigation to determine whether Subtitle 6 of this title has been violated on receipt of a written complaint of a sales representative.
- 15 **[(e)] (F)** (1) The Commissioner may investigate whether § 3–701 of this title 16 has been violated on receipt of a written complaint of an applicant for employment.
- 17 (2) The Commissioner may investigate whether § 3–702 of this title has been violated on receipt of a written complaint of an applicant for employment or an employee.
- 20 (3) The Commissioner may investigate whether § 3–704 of this title has 21 been violated on receipt of a written complaint of an employee.
- 22 (4) The Commissioner may investigate whether § 3–710 of this title has 23 been violated on receipt of a written complaint of an employee as provided in § 3–710(d)(1) 24 of this title.
- 25 (5) The Commissioner may investigate whether § 3–711 of this title has 26 been violated on receipt of a written complaint of an employee as provided in § 3–711(d)(1) 27 of this title.
- 28 (6) The Commissioner may investigate whether § 3–712 of this title has 29 been violated on receipt of a written complaint of an employee or applicant.
- [(f)] (G) (1) The Commissioner may investigate whether § 3–801 of this title has been violated on receipt of a written complaint of an employee.
- 32 (2) The Commissioner may investigate whether § 3–802 of this title has 33 been violated on receipt of a written complaint of an employee.

$\frac{1}{2}$	[(g)] (H) been violated:	The Commissioner may investigate whether Subtitle 9 of this title has
3	(1)	on the Commissioner's own initiative;
4 5	(2) complaint; or	on receipt of a written complaint signed by the person submitting the
6	(3)	on referral from another unit of State government.
7 8	[(h)] (I) Subtitle 10 of this	The Commissioner may conduct an investigation to determine whether title has been violated on receipt of a written complaint of an employee.
9 10	[(i)] (J) Subtitle 12 of this	The Commissioner may conduct an investigation to determine whether title has been violated on receipt of a written complaint of an employee.
11 12 13	[(j)] (K) Subtitle 14 of this or employee.	The Commissioner may conduct an investigation to determine whether title has been violated on receipt of a written complaint of an applicant
14 15 16	[(k)] (L) of a written complete has been violated.	The Commissioner, on the Commissioner's own initiative or on receipt aint, may conduct an investigation of whether a local minimum wage law
17 18 19	[(l)] (M) whether Subtitle employee.	(1) The Commissioner may conduct an investigation to determine 13 of this title has been violated on receipt of a written complaint by an
20 21 22		To the extent practicable, the Commissioner shall keep confidential the loyee who has filed a written complaint alleging a violation of Subtitle 13 the employee waives confidentiality.
23 24	[(m)] (N) Subtitle 16 of this	The Commissioner may conduct an investigation to determine whether title has been violated on receipt of a written complaint by an employee.
25	3–403.	
26	This subtitl	e does not apply to an individual who:
27 28 29	=	is employed as a hand-harvest laborer and is paid on a piece-rate basis at, in the region of employment, has been and customarily and generally aving been paid on that basis, if:
30		(i) the individual:

subtitle, that is made to:



of right by, OR ON BEHALF OF, an employee, regarding the payment of wages under this

1 2 3 4 5	[(1)] (I) the employer or a supervisor, A manager, [or] A foreman, OR AN INDIVIDUAL DESIGNATED BY THE EMPLOYER, THROUGH WRITING OR SIGNAGE PROVIDED OR MADE AVAILABLE TO THE EMPLOYEE, TO RECEIVE COMPLAINTS employed by the employer whether it is made through the employer's internal grievance process or otherwise; or
6 7	[(2)] (II) the Commissioner or an authorized representative of the Commissioner.
8 9	(3) "EMPLOYEE" INCLUDES A FORMER EMPLOYEE OF THE EMPLOYER.
10	(b) (1) An employer may not:
11 12	(i) pay or agree to pay less than the wage required under this subtitle;
13 14	(ii) hinder or delay the Commissioner or an authorized representative of the Commissioner in the enforcement of this subtitle;
15	(iii) take adverse action against an employee because the employee:
16	1. makes, HAS MADE, OR IS THE SUBJECT OF a complaint:
17 18	A. that the employee has not been paid in accordance with this subtitle; OR
19 20	B. IN GOOD FAITH, THAT THE EMPLOYER ENGAGED IN CONDUCT THAT VIOLATES ANY PROVISION OF THIS SUBTITLE;
21 22	2. brings an action under this subtitle or a proceeding that relates to the subject of this subtitle; [or]
23 24 25	3. has PARTICIPATED, testified, OR IS PREPARING TO TESTIFY in an INVESTIGATION OR action under this subtitle or a proceeding related to the subject of this subtitle; [or]
26 27	4. ASSISTED ANOTHER EMPLOYEE IN MAKING A COMPLAINT RELATED TO THE ALLEGED VIOLATIONS OF THIS SUBTITLE;
28 29	5. HAS BEEN INFORMED OR HAS INFORMED ANOTHER EMPLOYEE OF THE RIGHTS PROVIDED UNDER THIS SUBTITLE; OR

30 **6.** OPPOSED OR REFUSED TO COMMIT ANY UNLAWFUL

EMPLOYEE OF THE RIGHTS PROVIDED UNDER THIS SUBTITLE; OR

1 PRACTICE UNDER THIS SUBTITLE;

- 2 (IV) TAKE ADVERSE ACTION AGAINST AN EMPLOYEE TO
- 3 PREVENT THE EMPLOYEE FROM TAKING ANY ACTION PROTECTED UNDER THIS
- 4 SUBTITLE; OR
- 5 [(iv)] (V) violate any other provision of this subtitle.
- 6 (2) Adverse action prohibited under paragraph (1) of this subsection 7 includes:
- 8 (i) discharge;
- 9 (ii) demotion:
- [(iii) threatening the employee with discharge or demotion; and
- 11 (III) DISCIPLINE;
- 12 (IV) A REDUCTION IN WORK HOURS OR OTHER SCHEDULE
- 13 CHANGES, NOT IN THE ORDINARY COURSE OF BUSINESS, THAT ARE LESS FAVORABLE
- 14 TO THE EMPLOYEE;
- 15 (V) REPORTING THE SUSPECTED CITIZENSHIP OR
- 16 IMMIGRATION STATUS OF AN EMPLOYEE, A FORMER EMPLOYEE, OR A FAMILY
- 17 MEMBER OF AN EMPLOYEE OR FORMER EMPLOYEE TO A FEDERAL, STATE, OR LOCAL
- 18 AGENCY BECAUSE THE EMPLOYEE EXERCISED OR ATTEMPTED TO EXERCISE A
- 19 RIGHT UNDER THIS SUBTITLE;
- 20 (VI) THREATENING ANY OF THE ACTIONS DESCRIBED IN ITEMS
- 21 (I) THROUGH (IV) OF THIS PARAGRAPH; AND
- [(iv)] (VII) any other retaliatory action OR THREATS OF ACTION
- 23 AGAINST AN EMPLOYEE OR ANOTHER INDIVIDUAL FOR EXERCISING OR ATTEMPTING
- 24 TO EXERCISE ANY RIGHT UNDER THIS SUBTITLE that [results in a change to the terms
- or conditions of employment that would dissuade a reasonable [employee] INDIVIDUAL
- 26 from making a complaint, bringing an action, or testifying in an action under this subtitle.
- 27 (c) An [employee] INDIVIDUAL may not:
- 28 (1) make a groundless or malicious complaint to the Commissioner or an authorized representative of the Commissioner;
- 30 (2) in bad faith, bring an action under this subtitle or a proceeding related 31 to the subject of this subtitle; or

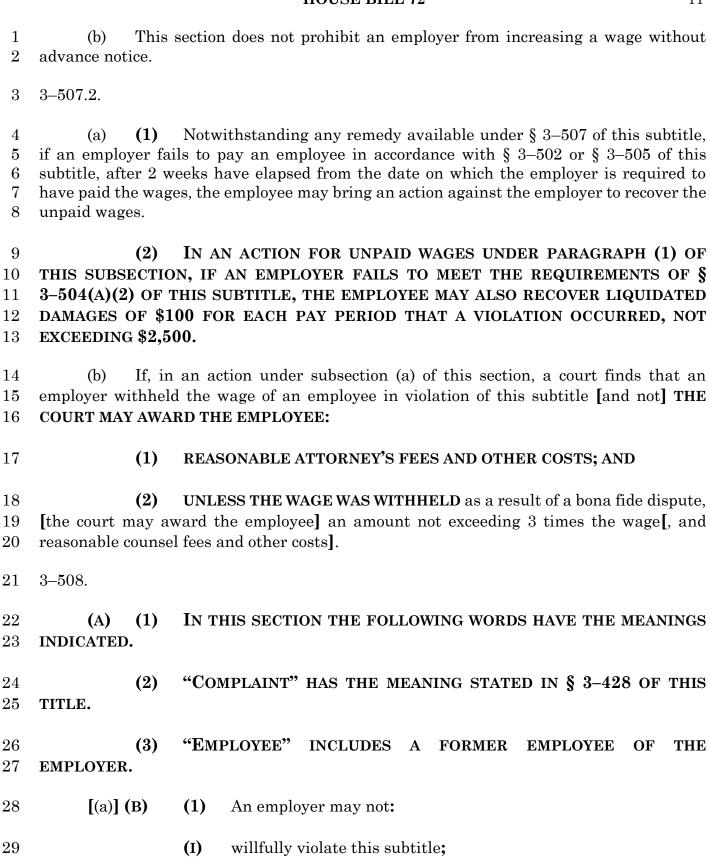
- 1 (3) in bad faith, testify in an action under this subtitle or a proceeding 2 related to the subject of this subtitle.
- 3 (d) (1) A person who violates any provision of this section is guilty of a 4 misdemeanor and on conviction is subject to a fine not exceeding \$1,000.
- [(e)] (2) An employer may not be convicted under this section unless the evidence demonstrates that the employer had knowledge of the relevant complaint, testimony, or action for which the prosecution for retaliation is sought.
- 8 (3) TO PREVAIL IN AN ACTION FOR A VIOLATION OF SUBSECTION 9 (B)(1)(III) OF THIS SECTION, THE PLAINTIFF MUST DEMONSTRATE BY A 10 PREPONDERANCE OF THE EVIDENCE THAT AN ACTIVITY PROTECTED UNDER 11 SUBSECTION (B)(1)(III) OF THIS SECTION WAS A CONTRIBUTING FACTOR IN THE 12 ALLEGED RETALIATION OR ADVERSE ACTION AGAINST THE INDIVIDUAL SUBJECT OF 13 THE ACTION.
- 14 (E) THE NAME OF THE EMPLOYEE OR ANOTHER PERSON IDENTIFIED IN THE
 15 COMPLAINT OR AN INVESTIGATION BY THE COMMISSIONER UNDER THIS SECTION
 16 SHALL BE KEPT CONFIDENTIAL UNLESS THE COMMISSIONER DETERMINES THAT
 17 THE EMPLOYEE'S NAME MUST BE DISCLOSED, WITH THE EMPLOYEE'S CONSENT, TO
 18 FURTHER INVESTIGATE THE COMPLAINT.
- 19 **(F) (1) (I) NOTWITHSTANDING § 3–103(C) OF THIS TITLE, IF AN** 20 EMPLOYER'S ACTION VIOLATES SUBSECTION (B) OF THIS SECTION, AN AFFECTED 21 EMPLOYEE MAY BRING AN ACTION AGAINST AN EMPLOYER.
- 22 (II) AN EMPLOYEE MAY BRING AN ACTION ON BEHALF OF THE 23 EMPLOYEE AND OTHER EMPLOYEES SIMILARLY AFFECTED.
- 24 (2) EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS 25 SUBSECTION, AN ACTION UNDER THIS SUBSECTION:
- 26 (I) SHALL BE FILED WITHIN 3 YEARS AFTER THE EMPLOYEE 27 KNEW OR SHOULD HAVE KNOWN OF THE EMPLOYER'S ACTION; AND
- 28 (II) MAY ENCOMPASS ALL VIOLATIONS THAT OCCURRED AS 29 PART OF A CONTINUING COURSE OF EMPLOYER CONDUCT REGARDLESS OF THE 30 DATE OF THE VIOLATION.
- 31 (3) THE LIMITATION PERIOD UNDER PARAGRAPH (2) OF THIS 32 SUBSECTION DOES NOT APPLY DURING AN INVESTIGATION UNDER § 3–103(C) OF 33 THIS TITLE.

1 2 3 4	(4) If a court determines that an employee is entitled to Judgment in an action under this subsection, the court shall allow against the employer reasonable counsel fees and other costs of the action.
5 6 7	(G) (1) IF A PERSON IS FOUND TO HAVE VIOLATED SUBSECTION (B) OF THIS SECTION, THE COMMISSIONER OR COURT SHALL REQUIRE THE PERSON TO PAY THE GREATER OF:
8	(I) ACTUAL DAMAGES PLUS LIQUIDATED DAMAGES; OR
9	(II) \$500 FOR EACH DAY THAT THE VIOLATION CONTINUED.
10 11 12 13	(2) (I) IF AN EMPLOYER WAS FOUND TO HAVE SUBSEQUENTLY VIOLATED THE PROVISIONS OF THIS SUBTITLE WITHIN 6 YEARS AFTER A PREVIOUS VIOLATION, THE COMMISSIONER OR COURT SHALL ASSESS AGAINST THE EMPLOYER A CIVIL PENALTY OF NOT LESS THAN \$10,000.
14 15 16	(II) EACH CIVIL PENALTY ASSESSED UNDER THIS PARAGRAPH SHALL BE PAID TO THE GENERAL FUND OF THE STATE TO OFFSET THE COST OF FINANCING THE ENFORCEMENT OF THIS SUBTITLE.
17	3–501.1.
18 19 20	This subtitle may not be construed to create any legal right for an individual who is an independent contractor under § $8-205$ of this article.
21	3–504.
22	(a) An employer shall give to each employee:
23 24	(1) [at the time of hiring,] WITHIN 30 DAYS AFTER THE FIRST DAY OF EMPLOYMENT, WRITTEN notice of:
25	(i) the rate of pay of the employee;
26	(II) WHETHER THE EMPLOYEE IS PAID BY:
27	1. THE HOUR;
28	2. THE SHIFT;

1		3.	THE DAY;	
2		4.	THE WEEK;	
3		5.	SALARY;	
4		6.	THE PIECE;	
5		7.	COMMISSION; OR	
6		8.	ANY OTHER BASIS OF PAY;	
7 8	(III) INCLUDING:		DWANCES CLAIMED AS PART OF THE EMPLOYEE'S WAGE,	
9		1.	TIP ALLOWANCES;	
10		2.	MEAL ALLOWANCES; AND	
11		3.	LODGING ALLOWANCES;	
12	[(ii)]	(IV)	the regular paydays that the employer sets; [and	
13	(iii)]	(v)	leave benefits;	
14	(VI)	THE	NAME OF THE EMPLOYER;	
15 16 17	, ,		PHYSICAL ADDRESS OF THE EMPLOYER'S MAIN OFFICE SINESS AND, IF DIFFERENT, THE MAILING ADDRESS OF	
18	(VIII) THE	TELEPHONE NUMBER OF THE EMPLOYER;	
19	(2) for ea	ach pay	y period[,]:	
20 21	(I) a statement of the gross earnings of the employee and deductions from those gross earnings; [and]			
22 23	(II) WAGES FOR THE PAY P		DATES OF THE WORK COVERED BY THE PAYMENT OF ;	
24	(III)	THE	NAME OF THE EMPLOYEE;	
25	(IV)	THE	NAME OF THE EMPLOYER;	

wage.

1 2	EMPLOYER;	(v)	THE	ADDRESS	AND	TELEPHONE	NUMBER	OF	THE
3 4	RATE OF PAY IS E	(VI) BY:	THE	RATE OR R.	ATES C	OF PAY, INCLU	DING WHE	THER	THE
5			1.	THE HOUR	;				
6			2.	THE SHIFT	;				
7			3.	THE DAY;					
8			4.	THE WEEK;	;				
9			5.	SALARY;					
10			6.	THE PIECE	;				
11			7.	COMMISSIO	ON; OR				
12			8.	ANY OTHER	R BASIS	OF PAY;			
13		(VII)	A STA	ATEMENT OF	THE N	ET EARNINGS	OF THE EM	PLOYI	Ξ Ε ;
14 15	INCLUDING:	(VIII)	ALLO	OWANCES CL	AIMED	AS PART OF TH	E EMPLOYI	EE'S W	AGE,
16			1.	TIP ALLOW	ANCES	•			
17			2.	MEAL ALLO	OWANC:	ES; AND			
18			3.	LODGING A	ALLOW!	ANCES;			
19 20	PAY PERIOD; ANI	(IX)	THE	NUMBER OF	HOUR	S WORKED PE	R WORKWE	EK IN	THE
21 22 23	APPLICABLE PIE COMPLETED AT I		TES O	R PIECE RA		E PAID AT A PAY AND THE		•	
24	(3)	at lea	st 1 p	ay period in	advanc	e, notice of any	change in a	ιpayd	ay or



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(II)

VIOLATES THIS SUBTITLE;

PAY OR AGREE TO PAY AN EMPLOYEE IN A MANNER THAT

	12 II O O D D D D V Z
1 2 3	(III) HINDER OR DELAY THE COMMISSIONER OR AN AUTHORIZED REPRESENTATIVE OF THE COMMISSIONER IN THE ENFORCEMENT OF THIS SUBTITLE;
4 5	(IV) TAKE ADVERSE ACTION AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE:
6 7	1. MAKES, HAS MADE, OR IS THE SUBJECT OF A COMPLAINT:
8 9	A. THAT THE EMPLOYEE HAS NOT BEEN PAID IN ACCORDANCE WITH THIS SUBTITLE; OR
10 11	B. IN GOOD FAITH, THAT THE EMPLOYER ENGAGED IN CONDUCT THAT VIOLATES ANY PROVISION OF THIS SUBTITLE;
12 13 14	2. HAS PARTICIPATED OR TESTIFIED OR IS PREPARING TO TESTIFY IN AN INVESTIGATION OR ACTION UNDER THIS SUBTITLE OR A PROCEEDING RELATED TO THE SUBJECT OF THIS SUBTITLE;
15 16	3. ASSISTED ANOTHER EMPLOYEE IN MAKING A COMPLAINT RELATED TO VIOLATIONS OF THIS SUBTITLE;
17 18	4. HAS BEEN INFORMED OR INFORMED ANOTHER EMPLOYEE OF THE RIGHTS PROVIDED UNDER THIS SUBTITLE; OR
19 20	5. OPPOSED OR REFUSED TO COMMIT ANY UNLAWFUL PRACTICE UNDER THIS SUBTITLE; OR
21 22 23	(V) TAKE ADVERSE ACTION AGAINST AN EMPLOYEE TO PREVENT THE EMPLOYEE FROM TAKING ANY ACTION PROTECTED UNDER THIS SUBTITLE.
24 25	(2) ADVERSE ACTION PROHIBITED UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDES:
26	(I) DISCHARGE;
27	(II) DEMOTION;
28	(III) DISCIPLINE;

(IV) A REDUCTION IN WORK HOURS OR OTHER SCHEDULE

- 1 CHANGES, NOT IN THE ORDINARY COURSE OF BUSINESS, THAT ARE LESS FAVORABLE
- 2 TO THE EMPLOYEE;
- 3 (V) REPORTING THE SUSPECTED CITIZENSHIP OR
- 4 IMMIGRATION STATUS OF AN EMPLOYEE, A FORMER EMPLOYEE, OR A FAMILY
- 5 MEMBER OF AN EMPLOYEE OR FORMER EMPLOYEE TO A FEDERAL, STATE, OR LOCAL
- 6 AGENCY BECAUSE THE EMPLOYEE EXERCISED OR ATTEMPTED TO EXERCISE A
- 7 RIGHT UNDER THIS SUBTITLE;
- 8 (VI) THREATENING ANY OF THE ACTIONS DESCRIBED IN ITEMS
- 9 (I) THROUGH (IV) OF THIS PARAGRAPH; AND
- 10 (VII) ANY OTHER RETALIATORY ACTION OR THREAT OF ACTION
- 11 AGAINST AN EMPLOYEE OR ANOTHER INDIVIDUAL FOR EXERCISING OR ATTEMPTING
- 12 TO EXERCISE ANY RIGHT UNDER THIS SUBTITLE THAT WOULD DISSUADE A
- 13 REASONABLE INDIVIDUAL FROM MAKING A COMPLAINT, BRINGING AN ACTION, OR
- 14 TESTIFYING IN AN ACTION UNDER THIS SUBTITLE.
- [(b)] (C) An employee may not knowingly make to a governmental unit or official
- 16 of a governmental unit a false statement with respect to any investigation or proceeding
- 17 under this subtitle, with the intent that the governmental unit or official consider or
- 18 otherwise act in connection with the statement.
- 19 [(c)] (D) (1) (I) An employer who violates subsection [(a)] (B) of this
- 20 section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding
- 21 \$1,000.
- 22 (II) IN ADDITION TO SUBPARAGRAPH (I) OF THIS PARAGRAPH,
- 23 THE ENFORCEMENT PROVISIONS, CIVIL PENALTIES, AND REMEDIES PROVIDED
- 24 UNDER § 3–428 OF THIS TITLE APPLY TO VIOLATIONS OF SUBSECTION (B)(1) OF THIS
- 25 SECTION IN THE SAME MANNER AS VIOLATIONS OF § 3–428(B) OF THIS TITLE.
- 26 (III) EACH CIVIL PENALTY ASSESSED UNDER THIS PARAGRAPH
- 27 SHALL BE PAID TO THE GENERAL FUND OF THE STATE TO OFFSET THE COST OF
- 28 FINANCING THE ENFORCEMENT OF THIS SUBTITLE.
- 29 (2) An employee who violates subsection [(b)] (C) of this section is guilty of
- a misdemeanor and on conviction is subject to a fine not exceeding [\$500] **\$1,000**.
- 31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 32 October 1, 2022.