

(PRE-FILED)

By: **Delegate D. Davis**
 Requested: July 14, 2005
 Introduced and read first time: January 11, 2006
 Assigned to: Economic Matters

A BILL ENTITLED

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; defining the term
6 "employer" to include certain governmental units for purposes of certain
7 minimum wage requirements; and generally relating to the payment of wages.

8 BY repealing and reenacting, without amendments,
9 Article - Labor and Employment
10 Section 1-101(a), (b), and (c)
11 Annotated Code of Maryland
12 (1999 Replacement Volume and 2005 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Labor and Employment
15 Section 3-413 and 3-419
16 Annotated Code of Maryland
17 (1999 Replacement Volume and 2005 Supplement)

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

20 **Article - Labor and Employment**

21 1-101.

22 (a) In this article the following words have the meanings indicated.

23 (b) "County" means a county of the State and, unless expressly provided
24 otherwise, Baltimore City.

25 (c) "Governmental unit" means:

- 1 (1) the State;
- 2 (2) a county, municipal corporation, or other political subdivision of the
3 State; or
- 4 (3) a unit of the State government or of a political subdivision.

5 3-413.

6 (A) IN THIS SECTION, "EMPLOYER" INCLUDES A GOVERNMENTAL UNIT.

7 (B) Except as provided in § 3-414 of this subtitle, each employer shall pay:

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

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

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

12 (2) each other employee who is subject to this subtitle, at least:

13 (I) THE GREATER OF:

14 [(i)] 1. the highest minimum wage under the federal Act; or

15 2. A WAGE THAT EQUALS A RATE OF \$6.15 PER HOUR; OR

16 (ii) a training wage under regulations that the Commissioner
17 adopts that include the conditions and limitations authorized under the federal Fair
18 Labor Standards Amendments of 1989.

19 3-419.

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

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

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

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

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

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

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

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

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

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 July 1, 2006.