

# SENATE BILL 543

K3, P4

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CF HB 664

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By: **Senators Madaleno, Benson, Conway, Currie, Feldman, Ferguson, Kagan, King, Lee, Manno, McFadden, Muse, Oaks, Peters, Pinsky, Ramirez, Robinson, Rosapepe, Smith, Young, and Zucker**

Introduced and read first time: January 31, 2018

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Payment of the Minimum Wage Required**  
3 **(Fight for Fifteen)**

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 annual growth in a certain  
7 consumer price index; requiring the Commissioner of Labor and Industry, beginning  
8 at a certain time, to annually determine and announce the growth in the consumer  
9 price index, if any, and the new State minimum wage rate; repealing certain  
10 provisions of law that authorize certain employers to pay certain employees a certain  
11 wage that is less than the State minimum wage under certain circumstances;  
12 specifying the tip credit amount that is in effect for certain time periods; prohibiting  
13 an employer, beginning on a certain date, from including a tip credit amount as part  
14 of the wage of certain employees; requiring an employer, beginning at a certain time,  
15 to pay certain employees a wage that is at least equal to the State minimum wage  
16 rate; requiring the Governor, in certain fiscal years, to include in a certain budget  
17 proposal certain funding increases to reimburse community services; defining  
18 certain terms; and generally relating to the payment of wages.

19 BY repealing and reenacting, with amendments,  
20 Article – Health – General  
21 Section 7–307  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2017 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article – Labor and Employment  
26 Section 3–413 and 3–419  
27 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2016 Replacement Volume and 2017 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

3 That the Laws of Maryland read as follows:

4 **Article – Health – General**

5 7-307.

6 (a) (1) In this section the following words have the meanings indicated.

7 (2) “Community direct service worker” means an employee of a community  
8 provider that provides treatment or services to developmentally disabled individuals.

9 (3) “Community provider” means a community-based agency or program  
10 funded by the Administration to serve individuals with developmental disabilities.

11 (4) “Rate” means the reimbursement rate paid by the Department to a  
12 community provider from the State General Fund, Maryland Medical Assistance Program  
13 funds, other State or federal funds, or a combination of funds.

14 (b) Notwithstanding the provisions of this title or any other provision of law, the  
15 Department shall reimburse community providers as provided in this section.

16 (c) Subject to subsection (d) of this section, the Department shall increase the rate  
17 of reimbursement for community services providers each fiscal year by the amount of rate  
18 increase included in the State budget for that fiscal year.

19 (d) (1) The Governor’s proposed budget for fiscal year 2016 shall include a  
20 3.5% rate increase for community service providers over the funding provided in the  
21 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
22 Community Services for fiscal year 2015.

23 (2) The Governor’s proposed budget for fiscal year 2017 shall include a  
24 3.5% rate increase for community service providers over the funding provided in the  
25 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
26 Community Services for fiscal year 2016.

27 (3) The Governor’s proposed budget for fiscal year 2018 shall include a  
28 3.5% rate increase for community service providers over the funding provided in the  
29 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
30 Community Services for fiscal year 2017.

31 (4) The Governor’s proposed budget for fiscal year 2019 shall include a  
32 3.5% rate increase for community service providers over the funding provided in the  
33 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
34 Community Services for fiscal year 2018.

6 (6) THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2021  
7 SHALL INCLUDE A 5.5% RATE INCREASE FOR COMMUNITY SERVICES OVER THE  
8 FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR OBJECT 08  
9 CONTRACTUAL SERVICES IN PROGRAM M00M01.02 COMMUNITY SERVICES FOR  
10 FISCAL YEAR 2020.

34 (e) The Governor's proposed budget for fiscal year 2016 and thereafter for  
35 community service providers shall be presented in the same manner, including object and  
36 program information, as provided for in the fiscal year 2015 budget.

## Article – Labor and Employment

6 3-413.

13 (3) "EMPLOYER" includes a governmental unit.

16 (1) to each employee who is subject to both the federal Act and this subtitle,  
17 at least the greater of:

18 (i) the minimum wage for that employee under the federal Act; or

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

22 (i) the greater of:

23 1. the highest minimum wage under the federal Act; or

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

29 (c) (1) The State minimum wage rate is:

30 (1) for the 6-month period beginning January 1, 2015, \$8.00 per hour;

(2) for the 12-month period beginning July 1, 2015, \$8.25 per hour;

(3) for the 12-month period beginning July 1, 2016, \$8.75 per hour;]

[4] (I) for the 12-month period beginning July 1, 2017, \$9.25 per hour;

[and]

[(5)] (II) FOR THE 12-MONTH PERIOD beginning July 1, 2018, \$10.10

(III) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,  
;

(IV) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2020,  
;

(V) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2021,  
;

(VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022,  
;

(VII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023,  
; AND

**(VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024, AND REAFTER, THE RATE DETERMINED BY THE COMMISSIONER UNDER I) OF THIS SUBSECTION.**

(2) (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS  
H, FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024, AND EACH  
NT 12-MONTH PERIOD, THE STATE MINIMUM WAGE RATE SHALL BE  
BY THE AMOUNT, ROUNDED TO THE NEAREST MULTIPLE OF 5 CENTS,  
LS THE PRODUCT OF:

## 1. THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE MING 12-MONTH PERIOD; AND

2. THE AVERAGE PERCENT GROWTH IN THE CONSUMER  
THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, AS  
COMMISSIONER UNDER SUBPARAGRAPH (II)1 OF THIS

12        [d] (1) (i) Except as provided in paragraph (2) of this subsection and  
13 subject to subparagraph (ii) of this paragraph, an employer may pay an employee a wage  
14 that equals a rate of 85% of the State minimum wage established under this section if the  
15 employee is under the age of 20 years.

16 (ii) An employer may pay to an employee the wage provided under  
17 subparagraph (i) of this paragraph only for the first 6 months that the employee is  
18 employed.

19 (2) (i) This paragraph applies only to an employer that is an  
20 amusement or a recreational establishment, including a swimming pool, if the employer:

24 (ii) An employer may pay an employee a wage that equals the  
25 greater of:

29 3-419.

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

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

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

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

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

12 (c) (1) The tip credit amount that the employer may include under subsection  
13 (b) of this section may not exceed the minimum wage established under § 3-413 of this  
14 subtitle for the employee less:

(I) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2018,  
\$3.63;

17 (II) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,  
18 \$5.25;

19 (III) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2020,  
20 \$7.50:

21 (IV) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2021,  
22 \$9.00;

23 (v) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022,  
24 ~~12-50~~

25 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023,

27 (VII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024,

29 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2025,

**(2) BEGINNING JULY 1, 2026, AN EMPLOYER:**

2 (I) MAY NOT INCLUDE A TIP CREDIT AMOUNT AS PART OF THE  
3 WAGE OF AN EMPLOYEE TO WHOM THIS SECTION APPLIES; AND

4 (II) SHALL PAY AN EMPLOYEE A WAGE THAT IS AT LEAST EQUAL  
5 TO THE STATE MINIMUM WAGE ESTABLISHED UNDER § 3-413 OF THIS SUBTITLE.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 October 1, 2018.