A BILL ENTITLED

AN ACT concerning

Maryland Wage and Hour Law and Maryland Wage Payment and Collection Law – Revisions
(Maryland Wage Protection Act)

FOR the purpose of altering certain provisions related to the payment of wages, including the application, penalty, and enforcement provisions of the Maryland Wage and Hour Law and the Maryland Wage Payment and Collection Law, the provision of information related to the payment of wages by employers to employees, and adverse actions by an employer; and generally relating to employer requirements concerning prohibited employer conduct, wage records, wages, and paydays.

BY repealing and reenacting, with amendments,

Article – Labor and Employment
Section 3–103, 3–403(14) and (15), 3–423, 3–428, 3–504, 3–507.2(a) and (b), and 3–508
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

BY adding to

Article – Labor and Employment
Section 3–403(16) and 3–501.1
Annotated Code of Maryland
(2016 Replacement Volume and 2021 Supplement)

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

Article – Labor and Employment

3–103.
(a) Except as otherwise provided in this section, the Commissioner may conduct an investigation to determine whether a provision of this title has been violated on the Commissioner’s own initiative or may require a written complaint.

(b) The Commissioner may conduct an investigation under Subtitle 3 of this title, 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.

[(c)] (D) The Commissioner may conduct an investigation to determine whether Subtitle 5 of this title has been violated on the Commissioner’s own initiative or 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.

[(e)] (F) (1) The Commissioner may investigate whether § 3–701 of this title has been violated on receipt of a written complaint of an applicant for employment.

(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.

(3) The Commissioner may investigate whether § 3–704 of this title has been violated on receipt of a written complaint of an employee.

(4) The Commissioner may investigate whether § 3–710 of this title has been violated on receipt of a written complaint of an employee as provided in § 3–710(d)(1) of this title.

(5) The Commissioner may investigate whether § 3–711 of this title has been violated on receipt of a written complaint of an employee as provided in § 3–711(d)(1) of this title.

(6) The Commissioner may investigate whether § 3–712 of this title has 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.

(2) The Commissioner may investigate whether § 3–802 of this title has been violated on receipt of a written complaint of an employee.
The Commissioner may investigate whether Subtitle 9 of this title has been violated:

1. (1) on the Commissioner’s own initiative;

2. (2) on receipt of a written complaint signed by the person submitting the complaint; or

3. (3) on referral from another unit of State government.

The Commissioner may conduct an investigation to determine whether Subtitle 10 of this title has been violated on receipt of a written complaint of an employee.

The Commissioner may conduct an investigation to determine whether Subtitle 12 of this title has been violated on receipt of a written complaint of an employee.

The Commissioner may conduct an investigation to determine whether Subtitle 14 of this title has been violated on receipt of a written complaint of an applicant or employee.

The Commissioner, on the Commissioner’s own initiative or on receipt of a written complaint, may conduct an investigation of whether a local minimum wage law has been violated.

(1) The Commissioner may conduct an investigation to determine whether Subtitle 13 of this title has been violated on receipt of a written complaint by an employee.

(2) To the extent practicable, the Commissioner shall keep confidential the identity of an employee who has filed a written complaint alleging a violation of Subtitle 13 of this title unless the employee waives confidentiality.

The Commissioner may conduct an investigation to determine whether Subtitle 16 of this title has been violated on receipt of a written complaint by an employee.

3–403.

This subtitle does not apply to an individual who:

(14) is employed as a hand–harvest laborer and is paid on a piece–rate basis in an operation that, in the region of employment, has been and customarily and generally is recognized as having been paid on that basis, if:

(i) the individual:
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1. commutes daily from the permanent residence of the individual to the farm where the individual is employed; and

2. during the preceding calendar year, was employed in agriculture less than 13 weeks; or

(ii) the individual:

1. is under the age of 17;

2. is employed on the same farm as a parent of the individual or a person standing in the place of the parent; and

3. is paid at the same rate that an employee who is at least 17 years old is paid on the same farm; [or]

(15) is a covered employee under the Secure Maryland Wage Act; OR

(16) IS AN INDEPENDENT CONTRACTOR UNDER § 8–205 OF THIS ARTICLE.

3–423.

(a) On request by an employer, the Commissioner shall provide without charge a copy of any summary or regulation to the employer.

(b) Each employer shall keep posted conspicuously in each place of employment:

(1) a summary of this subtitle that:

(I) the Commissioner approves; and

(II) INCLUDES THE ANTIRETALIATION PROVISIONS UNDER § 3–428(B)(1)(III) OF THIS SUBTITLE; AND

(2) a copy or summary of each regulation that is adopted to carry out this subtitle.

3–428.

(a) (1) In this section[, “complaint”] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COMPLAINT” includes a written or oral complaint, claim, or assertion of right by, OR ON BEHALF OF, an employee, regarding the payment of wages under this subtitle, that is made to:
(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

(2) (II) the commissioner or an authorized representative of the commissioner.

(3) “Employee” includes a former employee of the employer.

(b) (1) An employer may not:

(i) pay or agree to pay less than the wage required under this subtitle;

(ii) hinder or delay the commissioner or an authorized representative of the commissioner in the enforcement of this subtitle;

(iii) take adverse action against an employee because the employee:

1. makes, has made, or is the subject of a complaint:

   A. that the employee has not been paid in accordance with this subtitle; or

   B. in good faith, that the employer engaged in conduct that violates any provision of this subtitle;

2. brings an action under this subtitle or a proceeding that relates to the subject of this subtitle; [or]

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]

4. assisted another employee in making a complaint related to the alleged violations of this subtitle;

5. has been informed or has informed another employee of the rights provided under this subtitle; or

6. opposed or refused to commit any unlawful
PRACTICE UNDER THIS SUBTITLE;

(IV) TAKE ADVERSE ACTION AGAINST AN EMPLOYEE TO PREVENT THE EMPLOYEE FROM TAKING ANY ACTION PROTECTED UNDER THIS SUBTITLE; OR

[(iv)] (V) violate any other provision of this subtitle.

(2) Adverse action prohibited under paragraph (1) of this subsection includes:

(i) discharge;

(ii) demotion;

[(iii) threatening the employee with discharge or demotion; and]

(III) DISCIPLINE;

(IV) A REDUCTION IN WORK HOURS OR OTHER SCHEDULE CHANGES, NOT IN THE ORDINARY COURSE OF BUSINESS, THAT ARE LESS FAVORABLE TO THE EMPLOYEE;

(V) REPORTING THE SUSPECTED CITIZENSHIP OR IMMIGRATION STATUS OF AN EMPLOYEE, A FORMER EMPLOYEE, OR A FAMILY MEMBER OF AN EMPLOYEE OR FORMER EMPLOYEE TO A FEDERAL, STATE, OR LOCAL AGENCY BECAUSE THE EMPLOYEE EXERCISED OR ATTEMPTED TO EXERCISE A RIGHT UNDER THIS SUBTITLE;

(VI) THREATENING ANY OF THE ACTIONS DESCRIBED IN ITEMS (I) THROUGH (IV) OF THIS PARAGRAPH; AND

[(iv)] (VII) any other retaliatory action OR THREATS OF ACTION AGAINST AN EMPLOYEE OR ANOTHER INDIVIDUAL FOR EXERCISING OR ATTEMPTING 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 from making a complaint, bringing an action, or testifying in an action under this subtitle.

(c) An [employee] INDIVIDUAL may not:

(1) make a groundless or malicious complaint to the Commissioner or an authorized representative of the Commissioner;

(2) in bad faith, bring an action under this subtitle or a proceeding related to the subject of this subtitle; or
in bad faith, testify in an action under this subtitle or a proceeding related to the subject of this subtitle.

(d) (1) A person who violates any provision of this section is guilty of a 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.

(3) TO PREVAIL IN AN ACTION FOR A VIOLATION OF SUBSECTION (B)(1)(III) OF THIS SECTION, THE PLAINTIFF MUST DEMONSTRATE BY A PREPONDERANCE OF THE EVIDENCE THAT AN ACTIVITY PROTECTED UNDER SUBSECTION (B)(1)(III) OF THIS SECTION WAS A CONTRIBUTING FACTOR IN THE ALLEGED RETALIATION OR ADVERSE ACTION AGAINST THE INDIVIDUAL SUBJECT OF THE ACTION.

(E) THE NAME OF THE EMPLOYEE OR ANOTHER PERSON IDENTIFIED IN THE COMPLAINT OR AN INVESTIGATION BY THE COMMISSIONER UNDER THIS SECTION SHALL BE KEPT CONFIDENTIAL UNLESS THE COMMISSIONER DETERMINES THAT THE EMPLOYEE’S NAME MUST BE DISCLOSED, WITH THE EMPLOYEE’S CONSENT, TO FURTHER INVESTIGATE THE COMPLAINT.

(F) (1) (I) NOTWITHSTANDING § 3–103(C) OF THIS TITLE, IF AN EMPLOYER’S ACTION VIOLATES SUBSECTION (B) OF THIS SECTION, AN AFFECTED EMPLOYEE MAY BRING AN ACTION AGAINST AN EMPLOYER.

(II) AN EMPLOYEE MAY BRING AN ACTION ON BEHALF OF THE EMPLOYEE AND OTHER EMPLOYEES SIMILARLY AFFECTED.

(2) EXCEPT AS PROVIDED UNDER PARAGRAPH (3) OF THIS SUBSECTION, AN ACTION UNDER THIS SUBSECTION:

(I) SHALL BE FILED WITHIN 3 YEARS AFTER THE EMPLOYEE KNEW OR SHOULD HAVE KNOWN OF THE EMPLOYER’S ACTION; AND

(II) MAY ENCOMPASS ALL VIOLATIONS THAT OCCURRED AS PART OF A CONTINUING COURSE OF EMPLOYER CONDUCT REGARDLESS OF THE DATE OF THE VIOLATION.

(3) THE LIMITATION PERIOD UNDER PARAGRAPH (2) OF THIS SUBSECTION DOES NOT APPLY DURING AN INVESTIGATION UNDER § 3–103(C) OF THIS TITLE.
(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.

(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:

(I) actual damages plus liquidated damages; or

(II) $500 for each day that the violation continued.

(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.

(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.

3–501.1.

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.

3–504.

(a) An employer shall give to each employee:

(1) [at the time of hiring.] Within 30 days after the first day of employment, written notice of:

(i) the rate of pay of the employee;

(II) Whether the employee is paid by:

1. the hour;

2. the shift;
3. THE DAY;
4. THE WEEK;
5. SALARY;
6. THE PIECE;
7. COMMISSION; OR
8. ANY OTHER BASIS OF PAY;

(III) ALLOWANCES CLAIMED AS PART OF THE EMPLOYEE’S WAGE, INCLUDING:

1. TIP ALLOWANCES;
2. MEAL ALLOWANCES; AND
3. LODGING ALLOWANCES;

[(ii)] (IV) the regular paydays that the employer sets; [and

(iii)] (V) leave benefits;

(VI) THE NAME OF THE EMPLOYER;

(VII) THE PHYSICAL ADDRESS OF THE EMPLOYER’S MAIN OFFICE OR PRINCIPAL PLACE OF BUSINESS AND, IF DIFFERENT, THE MAILING ADDRESS OF THE EMPLOYER; AND

(VIII) THE TELEPHONE NUMBER OF THE EMPLOYER;

(2) for each pay period[,]:

(I) a statement of the gross earnings of the employee and deductions from those gross earnings; [and]

(II) THE DATES OF THE WORK COVERED BY THE PAYMENT OF WAGES FOR THE PAY PERIOD;

(III) THE NAME OF THE EMPLOYEE;

(IV) THE NAME OF THE EMPLOYER;
(V) THE ADDRESS AND TELEPHONE NUMBER OF THE EMPLOYER;

(VI) THE RATE OR RATES OF PAY, INCLUDING WHETHER THE RATE OF PAY IS BY:

1. THE HOUR;
2. THE SHIFT;
3. THE DAY;
4. THE WEEK;
5. SALARY;
6. THE PIECE;
7. COMMISSION; OR
8. ANY OTHER BASIS OF PAY;

(VII) A STATEMENT OF THE NET EARNINGS OF THE EMPLOYEE;

(VIII) ALLOWANCES CLAIMED AS PART OF THE EMPLOYEE’S WAGE, INCLUDING:

1. TIP ALLOWANCES;
2. MEAL ALLOWANCES; AND
3. LODGING ALLOWANCES;

(IX) THE NUMBER OF HOURS WORKED PER WORKWEEK IN THE PAY PERIOD; AND

(X) FOR EACH EMPLOYEE PAID AT A PIECE RATE, THE APPLICABLE PIECE RATES OR PIECE RATES OF PAY AND THE NUMBER OF PIECES COMPLETED AT EACH PIECE RATE; AND

(3) at least 1 pay period in advance, notice of any change in a payday or wage.
(b) This section does not prohibit an employer from increasing a wage without advance notice.

3–507.2.

(a) (1) Notwithstanding any remedy available under § 3–507 of this subtitle, if an employer fails to pay an employee in accordance with § 3–502 or § 3–505 of this subtitle, after 2 weeks have elapsed from the date on which the employer is required to have paid the wages, the employee may bring an action against the employer to recover the unpaid wages.

(2) IN AN ACTION FOR UNPAID WAGES UNDER PARAGRAPH (1) OF THIS SUBSECTION, IF AN EMPLOYER FAILS TO MEET THE REQUIREMENTS OF § 3–504(A)(2) OF THIS SUBTITLE, THE EMPLOYEE MAY ALSO RECOVER LIQUIDATED DAMAGES OF $100 FOR EACH PAY PERIOD THAT A VIOLATION OCCURRED, NOT EXCEEDING $2,500.

(b) If, in an action under subsection (a) of this section, a court finds that an employer withheld the wage of an employee in violation of this subtitle [and not] THE COURT MAY AWARD THE EMPLOYEE:

(1) REASONABLE ATTORNEY’S FEES AND OTHER COSTS; AND

(2) UNLESS THE WAGE WAS WITHHELD as a result of a bona fide dispute, [the court may award the employee] an amount not exceeding 3 times the wage[, and reasonable counsel fees and other costs].

3–508.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COMPLAINT” HAS THE MEANING STATED IN § 3–428 OF THIS TITLE.

(3) “EMPLOYEE” INCLUDES A FORMER EMPLOYEE OF THE EMPLOYER.

[(a)] (B) (1) An employer may not:

(1) willfully violate this subtitle;

(II) PAY OR AGREE TO PAY AN EMPLOYEE IN A MANNER THAT VIOLATES THIS SUBTITLE;
(III) hinder or delay the Commissioner or an authorized representative of the Commissioner in the enforcement of this subtitle;

(IV) take adverse action against an employee because the employee:

1. makes, has made, or is the subject of a complaint:

   A. that the employee has not been paid in accordance with this subtitle; or

   B. in good faith, that the employer engaged in conduct that violates any provision of this subtitle;

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;

3. assisted another employee in making a complaint related to violations of this subtitle;

4. has been informed or informed another employee of the rights provided under this subtitle; or

5. opposed or refused to commit any unlawful practice under this subtitle; or

(V) take adverse action against an employee to prevent the employee from taking any action protected under this subtitle.

(2) Adverse action prohibited under paragraph (1) of this subsection includes:

(I) discharge;

(II) demotion;

(III) discipline;

(IV) a reduction in work hours or other schedule
CHANGES, NOT IN THE ORDINARY COURSE OF BUSINESS, THAT ARE LESS FAVORABLE TO THE EMPLOYEE;

(V) REPORTING THE SUSPECTED CITIZENSHIP OR IMMIGRATION STATUS OF AN EMPLOYEE, A FORMER EMPLOYEE, OR A FAMILY MEMBER OF AN EMPLOYEE OR FORMER EMPLOYEE TO A FEDERAL, STATE, OR LOCAL AGENCY BECAUSE THE EMPLOYEE EXERCISED OR ATTEMPTED TO EXERCISE A RIGHT UNDER THIS SUBTITLE;

(VI) THREATENING ANY OF THE ACTIONS DESCRIBED IN ITEMS (I) THROUGH (IV) OF THIS PARAGRAPH; AND

(VII) ANY OTHER RETALIATORY ACTION OR THREAT OF ACTION AGAINST AN EMPLOYEE OR ANOTHER INDIVIDUAL FOR EXERCISING OR ATTEMPTING TO EXERCISE ANY RIGHT UNDER THIS SUBTITLE THAT WOULD DISSUADE A REASONABLE INDIVIDUAL FROM MAKING A COMPLAINT, BRINGING AN ACTION, OR TESTIFYING IN AN ACTION UNDER THIS SUBTITLE.

[b] (C) An employee may not knowingly make to a governmental unit or official of a governmental unit a false statement with respect to any investigation or proceeding under this subtitle, with the intent that the governmental unit or official consider or otherwise act in connection with the statement.

[c] (D) (1) An employer who violates subsection [(a)] (B) of this section is guilty of a misdemeanor and on conviction is subject to a fine not exceeding $1,000.

(II) IN ADDITION TO SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE ENFORCEMENT PROVISIONS, CIVIL PENALTIES, AND REMEDIES PROVIDED UNDER § 3–428 OF THIS TITLE APPLY TO VIOLATIONS OF SUBSECTION (B)(1) OF THIS SECTION IN THE SAME MANNER AS VIOLATIONS OF § 3–428(B) OF THIS TITLE.

(III) 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.

(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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2022.