

# HOUSE BILL 1229

K3, P4, L6

CONSTITUTIONAL AMENDMENT

6lr3256  
CF SB 886

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By: **Delegate Stewart**

Introduced and read first time: February 11, 2026

Assigned to: Government, Labor, and Elections

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## A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection and Labor and Employment – Food Service Facilities and**  
3 **Minimum Wage**

4 FOR the purpose of establishing that every person, as a central component of an  
5 individual’s right to liberty and equality, has the fundamental right while engaged  
6 in employment in the State to be paid at a wage rate that is at least equal to the  
7 State minimum wage rate set by law without regard to tips that the individual  
8 receives; establishing consumer protections related to service fees charged by food  
9 service facilities; repealing exemptions from Maryland Wage and Hour Law;  
10 specifying the State minimum wage rate and tip credit amount that is in effect for  
11 certain time periods; prohibiting certain employers of tipped employees, beginning  
12 on a certain date, from including a tip credit amount as part of the employees’ wages;  
13 prohibiting an employer that operates a food service facility from charging customers  
14 a service fee unless the service fee is distributed to employees in a certain manner;  
15 repealing provisions of law governing the wages required to be paid to certain  
16 individuals who are employed to perform work at a heightened security interest  
17 location and generally relating to service fees and Maryland Wage and Hour Law.

18 BY repealing

19 Article – Labor and Employment

20 Section 3–103(m) and 3–403; 3–1601 through 3–1611 and the subtitle “Subtitle 16.  
21 Secure Maryland Wage Act”; and 5–205(p)

22 Annotated Code of Maryland  
23 (2025 Replacement Volume)

24 BY proposing an addition to the Maryland Constitution

25 Declaration of Rights

26 Article 49

27 BY repealing and reenacting, with amendments,

28 Article – Commercial Law

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 13–301(14)(xlvii)  
2 Annotated Code of Maryland  
3 (2025 Replacement Volume)

4 BY repealing and reenacting, without amendments,  
5 Article – Commercial Law  
6 Section 13–301(14)(xlviii)  
7 Annotated Code of Maryland  
8 (2025 Replacement Volume)

9 BY adding to  
10 Article – Commercial Law  
11 Section 13–301(14)(xlix) and 14–1330  
12 Annotated Code of Maryland  
13 (2025 Replacement Volume)

14 BY repealing and reenacting, without amendments,  
15 Article – Labor and Employment  
16 Section 3–103(a)  
17 Annotated Code of Maryland  
18 (2025 Replacement Volume)

19 BY adding to  
20 Article – Labor and Employment  
21 Section 3–103(e)(7) and 3–718  
22 Annotated Code of Maryland  
23 (2025 Replacement Volume)

24 BY repealing and reenacting, with amendments,  
25 Article – Labor and Employment  
26 Section 3–102(a), 3–413, 3–419, and 5–604(b)  
27 Annotated Code of Maryland  
28 (2025 Replacement Volume)

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
30 That Section(s) 3–103(m); 3–1601 through 3–1611 and the subtitle “Subtitle 16. Secure  
31 Maryland Wage Act”; and 5–205(p) of Article – Labor and Employment of the Annotated  
32 Code of Maryland be repealed.

33 SECTION 2. AND BE IT FURTHER ENACTED, (Three–fifths of all the members  
34 elected to each of the two Houses concurring), That it be proposed that the Maryland  
35 Constitution read as follows:

36 **Declaration of Rights**

37 **ARTICLE 49.**



1 **AMOUNT OR PERCENTAGE RATE OF THE SERVICE FEE:**

2 **(1) ON THE MENU; OR**

3 **(2) IN A LOCATION THAT IS VISIBLE TO THE CUSTOMER BEFORE THE**  
4 **CUSTOMER PLACES AN ORDER.**

5 **(C) A VIOLATION OF THIS SECTION BY A FOOD SERVICE FACILITY IS:**

6 **(1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE WITHIN**  
7 **THE MEANING OF TITLE 13 OF THIS ARTICLE; AND**

8 **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS**  
9 **CONTAINED IN TITLE 13 OF THIS ARTICLE.**

10 **Article – Labor and Employment**

11 3–102.

12 (a) In addition to any duties set forth elsewhere, the Commissioner shall:

13 (1) enforce Subtitle 2 of this title;

14 (2) carry out Subtitle 3 of this title;

15 (3) enforce Subtitle 4 of this title;

16 (4) enforce Subtitle 9 of this title; **AND**

17 (5) **[enforce Subtitle 16 of this title; and**

18 **(6)]** enforce a local minimum wage law.

19 3–103.

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

23 (e) **(7) THE COMMISSIONER MAY INVESTIGATE WHETHER § 3–718 OF**  
24 **THIS TITLE HAS BEEN VIOLATED ON RECEIPT OF A WRITTEN COMPLAINT OF AN**  
25 **EMPLOYEE.**

26 **[3–403.**

1 This subtitle does not apply to an individual who:

2 (1) is employed in a capacity that the Commissioner defines, by regulation,  
3 to be administrative, executive, or professional;

4 (2) is employed in a nonadministrative capacity at an organized camp,  
5 including a resident or day camp;

6 (3) is under the age of 16 years and is employed no more than 20 hours in  
7 a week;

8 (4) is employed as an outside salesman;

9 (5) is compensated on a commission basis;

10 (6) is a child, parent, spouse, or other member of the immediate family of  
11 the employer;

12 (7) is employed in a drive-in theater;

13 (8) is employed as part of the training in a special education program for  
14 emotionally, mentally, or physically handicapped students under a public school system;

15 (9) is employed by an employer who is engaged in canning, freezing,  
16 packing, or first processing of perishable or seasonal fresh fruits, vegetables, or  
17 horticultural commodities, poultry, or seafood;

18 (10) engages in the activities of a charitable, educational, nonprofit, or  
19 religious organization if:

20 (i) the service is provided gratuitously; and

21 (ii) there is, in fact, no employer-employee relationship;

22 (11) is employed in a cafe, drive-in, drugstore, restaurant, tavern, or other  
23 similar establishment that:

24 (i) sells food and drink for consumption on the premises; and

25 (ii) has an annual gross income of \$400,000 or less;

26 (12) is employed in agriculture if, during each quarter of the preceding  
27 calendar year, the employer used no more than 500 agricultural-worker days;

28 (13) is engaged principally in the range production of livestock;

29 (14) is employed as a hand-harvest laborer and is paid on a piece-rate basis

1 in an operation that, in the region of employment, has been and customarily and generally  
2 is recognized as having been paid on that basis, if:

3 (i) the individual:

4 1. commutes daily from the permanent residence of the  
5 individual to the farm where the individual is employed; and

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

8 (ii) the individual:

9 1. is under the age of 17;

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

12 3. is paid at the same rate that an employee who is at least  
13 17 years old is paid on the same farm;

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

15 (16) (i) has entered into a contract to play baseball at the minor league  
16 level; and

17 (ii) is compensated in accordance with the terms of a collective  
18 bargaining agreement that expressly states the wages and working conditions of  
19 employees.]

20 3–413.

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

22 (2) **“CONSUMER PRICE INDEX” MEANS THE CONSUMER PRICE INDEX**  
23 **FOR ALL URBAN CONSUMERS FOR THE WASHINGTON–ARLINGTON–ALEXANDRIA,**  
24 **DC–VA–MD–WV METROPOLITAN AREA OR A SUCCESSOR METROPOLITAN AREA**  
25 **INDEX PUBLISHED BY THE FEDERAL BUREAU OF LABOR STATISTICS.**

26 (3) “Employer” includes a governmental unit.

27 [(3)] (4) “Small employer” means an employer that employs 14 or fewer  
28 employees.

29 (b) Except as provided in subsection (d) of this section and § 3–414 of this subtitle,  
30 each employer shall pay:

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

- 3 (i) the minimum wage for that employee under the federal Act; or  
4 (ii) the State minimum wage set under subsection (c) of this section;  
5 and

6 (2) to each other employee who is subject to this subtitle, at least the  
7 greater of:

- 8 (i) the highest minimum wage under the federal Act; or  
9 (ii) the State minimum wage set under subsection (c) of this section.

10 (c) (1) Except as provided in paragraph (2) of this subsection, the State  
11 minimum wage rate is:

12 (i) [for the 12-month period beginning January 1, 2023, \$13.25 per  
13 hour; and

14 (ii)] **FOR THE 36-MONTH PERIOD** beginning January 1, 2024,  
15 \$15.00 per hour;

16 **(II) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2027,**  
17 **\$17.00 PER HOUR;**

18 **(III) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2028,**  
19 **\$20.00 PER HOUR;**

20 **(IV) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2029,**  
21 **\$22.50 PER HOUR;**

22 **(V) FOR THE 36-MONTH PERIOD BEGINNING JANUARY 1, 2030,**  
23 **\$25.00 PER HOUR; AND**

24 **(VI) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2033,**  
25 **AND EACH SUBSEQUENT 12-MONTH PERIOD, THE RATE DETERMINED AND**  
26 **ANNOUNCED BY THE COMMISSIONER UNDER SUBSECTION (D)(2) OF THIS SECTION.**

27 (2) The State minimum wage rate for a small employer is:

28 (i) [for the 12-month period beginning January 1, 2023, \$12.80 per  
29 hour; and

1 (ii)] FOR THE 36-MONTH PERIOD beginning January 1, 2024,  
2 \$15.00 per hour;

3 (II) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2027,  
4 \$16.50 PER HOUR;

5 (III) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2028,  
6 \$18.00 PER HOUR;

7 (IV) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2029,  
8 \$19.50 PER HOUR;

9 (V) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2030,  
10 \$22.00 PER HOUR;

11 (VI) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2031,  
12 \$23.50 PER HOUR;

13 (VII) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2032,  
14 \$25.00 PER HOUR; AND

15 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2033,  
16 AND EACH SUBSEQUENT 12-MONTH PERIOD, THE RATE DETERMINED AND  
17 ANNOUNCED BY THE COMMISSIONER UNDER SUBSECTION (D)(2) OF THIS SECTION.

18 [(d) An employer may pay an employee a wage that equals a rate of 85% of the  
19 State minimum wage established under this section if the employee is under the age of 18  
20 years.]

21 (D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION,  
22 FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2033, AND EACH SUBSEQUENT  
23 12-MONTH PERIOD, THE STATE MINIMUM WAGE RATE SHALL BE INCREASED BY THE  
24 AMOUNT, ROUNDED TO THE NEAREST CENT, THAT EQUALS THE PRODUCT OF:

25 (I) THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE  
26 IMMEDIATELY PRECEDING 12-MONTH PERIOD; AND

27 (II) THE AVERAGE PERCENTAGE GROWTH IN THE CONSUMER  
28 PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, AS  
29 DETERMINED BY THE COMMISSIONER UNDER PARAGRAPH (2)(I) OF THIS  
30 SUBSECTION.

1           **(2) BEGINNING SEPTEMBER 1, 2032, AND EACH SEPTEMBER 1**  
2 **THEREAFTER, THE COMMISSIONER SHALL DETERMINE AND ANNOUNCE:**

3           **(I) THE AVERAGE PERCENT GROWTH, IF ANY, IN THE**  
4 **CONSUMER PRICE INDEX BASED ON THE IMMEDIATELY PRECEDING 12-MONTH**  
5 **PERIOD FOR WHICH DATA ARE AVAILABLE ON MARCH 1; AND**

6           **(II) THE STATE MINIMUM WAGE RATE THAT WILL BE EFFECTIVE**  
7 **FOR THE 12-MONTH PERIOD BEGINNING THE FOLLOWING JANUARY 1.**

8           **(3) IF THE COMMISSIONER DETERMINES THAT THERE IS A DECLINE**  
9 **OR NO GROWTH IN THE CONSUMER PRICE INDEX, THE STATE MINIMUM WAGE RATE**  
10 **SHALL REMAIN THE SAME AS THE RATE THAT WAS IN EFFECT FOR THE IMMEDIATELY**  
11 **PRECEDING 12-MONTH PERIOD.**

12 3-419.

13           (a) (1) [Except as provided in § 3-1604(d) of this title, this] **THIS** section  
14 applies to each employee who:

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

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

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

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

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

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

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

28           (c) **(1)** The tip credit amount that the employer may include under subsection  
29 (b) of this section may not exceed the minimum wage established under § 3-413 of this  
30 subtitle for the employee less **[\$3.63]:**

31                   **(I) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2027,**

1 **\$12.00;**

2 (II) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2028,  
3 **\$13.50;**

4 (III) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2029,  
5 **\$15.00; AND**

6 (IV) FOR THE 12-MONTH PERIOD BEGINNING JANUARY 1, 2030,  
7 **\$16.50.**

8 (2) BEGINNING JANUARY 1, 2031, AN EMPLOYER:

9 (I) MAY NOT INCLUDE A TIP CREDIT AS PART OF THE WAGE OF  
10 AN EMPLOYEE SUBJECT TO THIS SUBTITLE; AND

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

13 (3) THIS SECTION MAY NOT BE CONSTRUED AS PROHIBITING THE  
14 PAYMENT OF TIPS TO EMPLOYEES.

15 (d) (1) The Commissioner shall adopt regulations, in consultation with payroll  
16 service providers and restaurant industry trade group representatives, to require  
17 restaurant employers that include a tip credit as part of the wage of an employee to provide  
18 tipped employees with a written or electronic wage statement for each pay period that  
19 shows the effective hourly tip rate as derived from employer-paid cash wages plus all  
20 reported tips for tip credit hours worked each workweek of the pay period.

21 (2) The Commissioner shall provide notification of the tip credit wage  
22 statement regulations on the Department's website.

23 **3-718.**

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

26 (2) "EMPLOYER" MEANS AN OPERATOR OF A FOOD SERVICE  
27 FACILITY, AS DEFINED IN § 21-301 OF THE HEALTH - GENERAL ARTICLE.

28 (3) "SERVICE FEE" MEANS A FEE ADDED BY AN EMPLOYER TO A  
29 CUSTOMER'S TOTAL CHARGE THAT IS SEPARATE FROM:

30 (I) THE PRICE LISTED ON THE MENU FOR FOOD, DRINKS, OR

1 MERCHANDISE SOLD BY THE EMPLOYER; AND

2 (II) ANY SALES TAX THE EMPLOYER IS REQUIRED TO COLLECT.

3 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION AND EXCEPT  
4 AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, AN EMPLOYER MAY NOT CHARGE  
5 A SERVICE FEE UNLESS THE FULL AMOUNT OF THE SERVICE FEE IS DISTRIBUTED TO  
6 THE EMPLOYEE WHO DIRECTLY PERFORMS THE SERVICES FOR WHICH THE  
7 CUSTOMER IS PAYING THE SERVICE FEE.

8 (2) (I) 1. IF A SERVICE FEE IS CHARGED FOR TABLE SERVICE,  
9 THE SERVICE FEE SHALL BE DISTRIBUTED TO THE EMPLOYEES WHO DIRECTLY  
10 PROVIDED THE TABLE SERVICE.

11 2. IF A SERVICE FEE IS CHARGED FOR A BANQUET OR  
12 CATERED EVENT, THE SERVICE FEE SHALL BE DISTRIBUTED EQUALLY TO THE  
13 EMPLOYEES WHO PERFORMED SERVICES AT THE BANQUET OR CATERED EVENT.

14 (II) A SERVICE FEE MAY NOT BE DISTRIBUTED TO A  
15 SUPERVISORY OR MANAGERIAL EMPLOYEE.

16 (III) AN EMPLOYER MAY NOT INCLUDE A SERVICE FEE  
17 DISTRIBUTED UNDER THIS SUBSECTION AS PART OF THE WAGE OF AN EMPLOYEE  
18 SUBJECT TO SUBTITLE 4 OF THIS TITLE.

19 (C) THE SERVICE FEE DISTRIBUTION REQUIREMENTS UNDER THIS SECTION  
20 MAY BE EXPRESSLY MODIFIED THROUGH A BONA FIDE COLLECTIVE BARGAINING  
21 AGREEMENT FOR PURPOSES OF ESTABLISHING TO WHOM THE SERVICE FEE IS  
22 DISTRIBUTED.

23 (D) (1) IF AN EMPLOYER VIOLATES SUBSECTION (B) OF THIS SECTION, AN  
24 EMPLOYEE OF THE EMPLOYER MAY FILE A COMPLAINT WITH THE COMMISSIONER.

25 (2) IF THE COMMISSIONER RECEIVES A COMPLAINT UNDER  
26 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER SHALL:

27 (I) TRY TO RESOLVE THE ISSUE INFORMALLY; OR

28 (II) DETERMINE WHETHER THE EMPLOYER HAS VIOLATED THIS  
29 SECTION.

30 (3) IF THE COMMISSIONER DETERMINES THAT THE EMPLOYER HAS  
31 VIOLATED THIS SECTION, THE COMMISSIONER SHALL ISSUE AN ORDER

1 **COMPELLING COMPLIANCE WITH THIS SECTION.**

2 5–604.

3 (b) An employer or other person may not discharge or otherwise discriminate  
4 against an employee because the employee:

5 (1) files a complaint under or related to this title;

6 (2) brings an action under this title or a proceeding under or related to this  
7 title or causes the action or proceeding to be brought;

8 (3) has testified or will testify in an action under this title or a proceeding  
9 under or related to this title; **OR**

10 (4) exercises, for the employee or another, a right under this title[]; or

11 (5) is an essential worker who files a complaint or exercises a right under  
12 § 3–1604 of this article].

13 SECTION 4. AND BE IT FURTHER ENACTED, That the General Assembly  
14 determines that the amendment to the Maryland Constitution proposed by Section 2 of this  
15 Act affects multiple jurisdictions and that the provisions of Article XIV, § 1 of the Maryland  
16 Constitution concerning local approval of constitutional amendments do not apply.

17 SECTION 5. AND BE IT FURTHER ENACTED, That:

18 (a) The amendment to the Maryland Constitution proposed by Section 2 of this  
19 Act shall be submitted to the qualified voters of the State at the next general election to be  
20 held in November 2026 for adoption or rejection in accordance with Article XIV of the  
21 Maryland Constitution.

22 (b) (1) At that general election, the vote on the proposed amendment to the  
23 Constitution shall be by ballot, and on each ballot there shall be printed the words “For the  
24 Constitutional Amendment” and “Against the Constitutional Amendment”, as now  
25 provided by law.

26 (2) At that general election, a question substantially similar to the  
27 following shall be submitted to the qualified voters of the State:

28 “Question \_\_\_\_ Constitutional Amendment

29 The proposed amendment confirms an individual has a fundamental right, while engaged  
30 in employment in the State, to be paid at a wage rate that is at least equal to the State  
31 minimum wage rate without regard to the type of employment or tips the individual  
32 receives and provides that the State may not, directly or indirectly, deny, burden, or abridge

1 the right unless justified by a compelling State interest achieved by the least restrictive  
2 means.”.

3 (c) Immediately after the election, all returns shall be made to the Governor of  
4 the vote for and against the proposed amendment, as directed by Article XIV of the  
5 Maryland Constitution, and further proceedings held in accordance with Article XIV.

6 SECTION 6. AND BE IT FURTHER ENACTED, That Sections 1 and 3 of this Act  
7 are contingent on the passage of Section 2 of this Act, a constitutional amendment, and its  
8 ratification by the voters of the State.

9 SECTION 7. AND BE IT FURTHER ENACTED, That, subject to Section 6 of this  
10 Act, Sections 1 and 3 of this Act shall take effect on the proclamation of the Governor that  
11 the constitutional amendment, having received a majority of the votes cast at the general  
12 election, has been adopted by the people of Maryland.