

Section 13-301(14)(xlvii)
Annotated Code of Maryland
(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)(xlii) 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32 Code of Maryland be repealed.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:

Declaration of Rights

37 ARTICLE 49.

1 THAT EVERY PERSON, AS A CENTRAL COMPONENT OF AN INDIVIDUAL'S RIGHT
2 TO LIBERTY AND EQUALITY, HAS THE FUNDAMENTAL RIGHT WHILE ENGAGED IN
3 EMPLOYMENT IN THE STATE TO BE PAID AT A WAGE RATE THAT IS AT LEAST EQUAL
4 TO THE STATE MINIMUM WAGE RATE SET BY LAW WITHOUT REGARD TO TIPS THAT
5 THE INDIVIDUAL RECEIVES. THE STATE MAY NOT, DIRECTLY OR INDIRECTLY, DENY,
6 BURDEN, OR ABRIDGE THE RIGHT UNLESS JUSTIFIED BY A COMPELLING STATE
7 INTEREST ACHIEVED BY THE LEAST RESTRICTIVE MEANS.

8 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
9 as follows:

Article – Commercial Law

11 13-301.

Unfair, abusive, or deceptive trade practices include any:

13 (14) Violation of a provision of:

(xlvii) Title 14, Subtitle 50 of this article; [or]

(xlviii) Section 13–411.1(c)(2) of the Transportation Article; or

(XLIX) SECTION 14–1330 OF THIS ARTICLE; OR

17 14-1330.

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

(2) "FOOD SERVICE FACILITY" HAS THE MEANING STATED IN § 21-301 OF THE HEALTH - GENERAL ARTICLE.

22 (3) "SERVICE FEE" MEANS A FEE ADDED BY A FOOD SERVICE
23 FACILITY TO A CUSTOMER'S TOTAL CHARGE THAT IS SEPARATE FROM:

26 (II) ANY SALES TAX THE FOOD SERVICE FACILITY IS REQUIRED
27 TO COLLECT

28 (B) A FOOD SERVICE FACILITY MAY NOT CHARGE A SERVICE FEE UNLESS
29 THE FOOD SERVICE FACILITY PROMINENTLY DISCLOSES TO THE CUSTOMER THE

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:

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 ~~2025~~ 2026 AND HAVING ANNUAL

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:

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.

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

12 3-419.

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

(2) if the employee or representative of the employee satisfies the
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.