

HOUSE BILL 1372

K3, P4

6lr0343
CF SB 940

By: Delegates Waldstreicher, Tarlau, Anderson, Angel, Atterbeary, B. Barnes, D. Barnes, Barron, Barve, Branch, Brooks, Carr, Carter, Clippinger, Conaway, Cullison, Ebersole, Fennell, Fraser-Hidalgo, Frick, Frush, Gaines, Glenn, Gutierrez, Hammen, Hayes, Haynes, Healey, Hettleman, Hixson, Holmes, C. Howard, Jackson, Jalisi, Jones, Kaiser, Kelly, Knotts, Korman, Lafferty, Lierman, Luedtke, McCray, McIntosh, A. Miller, Moon, Morales, Morhaim, Oaks, Patterson, Pena-Melnyk, Pendergrass, Platt, Proctor, Reznik, B. Robinson, S. Robinson, Rosenberg, Sample-Hughes, Sanchez, Smith, Sydnor, Turner, Valderrama, Valentino-Smith, Vallario, A. Washington, M. Washington, and P. Young

Introduced and read first time: February 12, 2016

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Payment of Wages – Minimum Wage and Repeal of Tip**
3 **Credit**
4 **(Fight for Fifteen)**

5 FOR the purpose of specifying the State minimum wage rate that is in effect for certain
6 time periods; increasing, except under certain circumstances, the State minimum
7 wage rate in effect for certain periods of time based on the annual growth in the
8 Consumer Price Index; requiring the Commissioner of Labor and Industry, annually
9 beginning on a certain date, to determine and announce the growth in the Consumer
10 Price Index, if any, and the new State minimum wage rate; defining a certain term;
11 repealing the authority of an employer to include, as part of an employee's wage, a
12 certain amount to represent the tips of the employee; and generally relating to the
13 payment of wages.

14 BY repealing and reenacting, with amendments,
15 Article – Labor and Employment
16 Section 3–413
17 Annotated Code of Maryland
18 (2008 Replacement Volume and 2015 Supplement)

19 BY repealing
20 Article – Labor and Employment

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 3–419
2 Annotated Code of Maryland
3 (2008 Replacement Volume and 2015 Supplement)

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

6 **Article – Labor and Employment**

7 3–413.

8 (a) **(1)** In this section[, “employer”] **THE FOLLOWING WORDS HAVE THE**
9 **MEANINGS INDICATED.**

10 **(2) “CONSUMER PRICE INDEX” MEANS THE CONSUMER PRICE INDEX**
11 **FOR ALL URBAN CONSUMERS FOR THE WASHINGTON–BALTIMORE METROPOLITAN**
12 **AREA OR A SUCCESSOR INDEX PUBLISHED BY THE FEDERAL BUREAU OF LABOR**
13 **STATISTICS.**

14 **(3) “EMPLOYER”** includes a governmental unit.

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

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

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

20 (ii) the State minimum wage rate set under subsection (c) of this
21 section; and

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

23 (i) the greater of:

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

25 2. the State minimum wage rate set under subsection (c) of
26 this section; or

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

30 (c) **(1)** The State minimum wage rate is:

1 [(1)] (I) for the 6-month period beginning January 1, 2015, \$8.00 per
2 hour;

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

4 [(3)] (III) for the 12-month period beginning July 1, 2016, [~~\$8.75~~] **\$10.10**
5 per hour;

6 [(4)] (IV) for the 12-month period beginning July 1, 2017, [~~\$9.25~~] **\$11.90**
7 per hour; [and]

8 (V) **FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2018,**
9 **\$13.25 PER HOUR;**

10 (VI) **FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,**
11 **\$14.25 PER HOUR;**

12 [(5)] (VII) **FOR THE 24-MONTH PERIOD** beginning July 1, [2018, \$10.10]
13 **2020, \$15.00** per hour; AND

14 (VIII) **FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022, AND**
15 **EACH SUBSEQUENT 12-MONTH PERIOD, THE RATE DETERMINED AND ANNOUNCED**
16 **BY THE COMMISSIONER UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.**

17 (2) (I) **EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS**
18 **PARAGRAPH, FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022, AND EACH**
19 **SUBSEQUENT 12-MONTH PERIOD, THE STATE MINIMUM WAGE RATE SHALL BE**
20 **INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST CENT, THAT EQUALS THE**
21 **PRODUCT OF:**

22 1. **THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE**
23 **PRECEDING 12-MONTH PERIOD; AND**

24 2. **THE AVERAGE PERCENT GROWTH IN THE CONSUMER**
25 **PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, AS**
26 **DETERMINED BY THE COMMISSIONER UNDER SUBPARAGRAPH (II)1 OF THIS**
27 **PARAGRAPH.**

28 (II) **BEGINNING MARCH 1, 2022, AND EACH SUBSEQUENT**
29 **MARCH 1, THE COMMISSIONER SHALL DETERMINE AND ANNOUNCE:**

1 **1. THE AVERAGE PERCENT GROWTH, IF ANY, IN THE**
2 **CONSUMER PRICE INDEX BASED ON THE MOST RECENT 12-MONTH PERIOD FOR**
3 **WHICH DATA IS AVAILABLE ON MARCH 1; AND**

4 **2. THE STATE MINIMUM WAGE RATE EFFECTIVE FOR**
5 **THE 12-MONTH PERIOD BEGINNING THE FOLLOWING JULY 1.**

6 **(III) IF THERE IS A DECLINE OR NO GROWTH IN THE CONSUMER**
7 **PRICE INDEX, THE STATE MINIMUM WAGE RATE SHALL REMAIN THE SAME AS THE**
8 **RATE THAT WAS IN EFFECT FOR THE PRECEDING 12-MONTH PERIOD.**

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

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

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

18 1. operates for no more than 7 months in a calendar year; or

19 2. for any 6 months during the preceding calendar year, has
20 average receipts that do not exceed one-third of the average receipts for the other 6 months.

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

23 1. 85% of the State minimum wage established under this
24 section; or

25 2. \$7.25.

26 [3-419.

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

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

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

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

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

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

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

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

10 (c) The tip credit amount that the employer may include under subsection (b) of
11 this section may not exceed the minimum wage established under § 3–413 of this subtitle
12 for the employee less \$3.63.]

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
14 1, 2016.