

Expedited Bill No. 24-15
Concerning: Human Rights – Minimum
Wage – Tipped Employee –
Amendments
Revised: June 16, 2015 Draft No. 3
Introduced: May 21, 2015
Enacted: June 23, 2015
Executive: June 30, 2015
Effective: July 1, 2015
Sunset Date: None
Ch. 30, Laws of Mont. Co. 2015

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Councilmembers Berliner, Katz, Council Vice President Floreen, and
Councilmember Rice

AN EXPEDITED ACT to:

- (1) modify the amount of the tip credit an employer can use to calculate the minimum wage for a tipped employee working in the County;
- (2) require an employer of a tipped employee to submit quarterly wage reports;
- (3) require the Executive to establish an online reporting system for quarterly wage reports; and
- (4) generally amend the law governing the minimum wage for a tipped employee working in the County.

By amending

Montgomery County Code
Chapter 27, Human Rights and Civil Liberties
Section 27-69

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 27-69 is amended as follows:**

2 **27-69. Tipped Employees.**

3 (a) *Definition.* As used in this Section, *tipped employee* means:

4 (1) an employee who:

5 (A) is engaged in an occupation in which the employee
6 customarily and regularly receives more than \$30 each
7 month in tips;

8 (B) has been informed by the employer about the provisions of
9 this Section; and

10 (C) has kept all of the tips that the employee received.

11 (2) Notwithstanding paragraph (1)(C), this Section does not prohibit
12 the pooling of tips.

13 (b) *Computation of wage.* Except as provided in subsection (c), an employer
14 may include, as part of the wage of a tipped employee:

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

17 (2) if the employee or representative of the employee satisfies the
18 Director that the employee received a lesser amount in tips, the
19 lesser amount.

20 (c) *Limit.* The tip credit amount that the employer may include under
21 subsection (b) must not exceed the County minimum wage less [50% of
22 the minimum wage required for that employee under the State Act] \$4.00
23 per hour.

24 (d) *Reports.* An employer who employs a tipped employee in the County
25 must submit a quarterly wage report within 30 days after the end of each
26 quarter to the Director certifying that each tipped employee was paid the
27 minimum wage required by this Section.

28 (e) Online reporting system. The Executive must establish an internet based
29 reporting system as an optional method for an employer of a tipped
30 employee to submit the quarterly wage report required by subsection (d).

31 **Sec. 2. Expedited Effective Date.**

32 The Council declares that this legislation is necessary for the immediate
33 protection of the public interest. This Act takes effect on July 1, 2015.

34 *Approved:*

35 George Leventhal 6/24/2015
George Leventhal, President, County Council Date

36 *Approved:*

37 Isiah Leggett 6/30/2015
Isiah Leggett, County Executive Date

38 *This is a correct copy of Council action.*

39 Linda M. Lauer 7/7/15
Linda M. Lauer, Clerk of the Council Date