

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: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

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**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**

Underlining

[Single boldface brackets]

Double underlining

[[Double boldface brackets]]

\* \* \*

*Heading or defined term.*

*Added to existing law by original bill.*

*Deleted from existing law by original bill.*

*Added by amendment.*

*Deleted from existing law or the bill by amendment.*

*Existing law unaffected by bill.*

*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.

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

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

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

*Approved:*

*George Leventhal*

*6/24/2015*

George Leventhal, President, County Council

Date

*Approved:*

Isiah Leggett, County Executive

Date

*This is a correct copy of Council action.*

Linda M. Lauer, Clerk of the Council

Date