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** *Heading or defined term.*

Underlining *Added to existing law by original bill.*

**[**Single boldface brackets**]** *Deleted from existing law by original bill.*

Double underlining *Added by amendment.*

**[[**Double boldface brackets**]]** *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:*

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

**27-69. Tipped Employees.**

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

(1) an employee who:

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

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

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

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

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

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

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

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

(d) *Reports.* An employer who employs a tipped employee in the County must submit a quarterly wage report within 30 days after the end of each quarter to the Director certifying that each tipped employee was paid the 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:*

/s/ 6/24/15

George Leventhal, President, County Council Date

*Approved:*

/s/ 6/30/15

Isiah Leggett, County Executive Date

*This is a correct copy of Council action.*

/s/ 7/7/15

Linda M. Lauer, Clerk of the Council Date