#### MEMORANDUM

June 24, 2016

TO:

County Council

FROM:

Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Introduction: Bill 27-16, Human Rights and Civil Liberties – Earned Sick and Safe Leave – Eligibility

Bill 27-16, Human Rights and Civil Liberties – Earned Sick and Safe Leave - Eligibility, sponsored by Lead Sponsor Councilmember Leventhal and Co-Sponsor Vice President Berliner, is scheduled to be introduced on June 28, 2016. A public hearing is tentatively scheduled for July 19 at 1:30 p.m.

Bill 27-16 would exempt a seasonal employee who works for less than 120 calendar days in a year at an amusement or recreational program that operates for less than 120 calendar days each year in the County from the earned sick and safe leave law. It would also provide that an employee working in the County who is paid exclusively on a commission basis accrues only unpaid sick and safe leave.

### **Background**

Bill 60-14, Human Rights and Civil Liberties – Earned Sick and Safe Leave, enacted on June 23, 2015 and signed into law on July 2, 2015, requires an employer doing business in the County to provide a minimum amount of earned sick and safe leave for an employee who works in the County. Bill 60-14 was enacted with a delayed effective date of October 1, 2016 to give employers time to adapt their payroll systems to the new law. The County Office of Human Rights has been meeting with County businesses over the past year to explain the new law and answer questions.

Bill 27-16 would amend eligibility requirements in the law to exempt a seasonal employee who works for less than 120 calendar days in a year at an amusement or recreational program that operates for less than 120 calendar days each year in the County from the earned sick and safe leave law. This exemption would apply to workers at a seasonal business, such as a summer camp or swimming pool that operates for less than 120 days each year.

One of the questions that arose from discussions with employers was how to treat an employee who is paid exclusively by a commission on sales. Bill 60-14 is silent on this issue. Bill 27-16 would provide that an employee who is paid exclusively by commission on sales would earn only unpaid sick and safe leave.

This packet contains:
Bill 27-16
Legislative Request Report

Circle #

1

4

Bill No.	27-	<u> 16 </u>			
Concerning:	Human	Right	S	and	Civil
Liberties	<ul><li>Earn</li></ul>	ed Sid	ck	and	Safe
Leave - E					
Revised: Jun	e 24, 20	<u>16</u> Dra	ft N	lo	<u>3</u>
Introduced: _					
Expires:	Decen	nber 2	B, 2	2017	
Enacted:					
Executive:					
Effective:	Octob	er 1, 2	016	3	
Sunset Date:	None				
Ch La	ws of M	ont Co	2		

# COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Leventhal Co-Sponsor: Vice President Berliner

# AN ACT to:

- (1) exempt certain seasonal employees who work for certain amusement or recreational establishments in the County from the earned sick and safe leave law;
- (2) provide that certain employees who are paid exclusively on a commission basis accrue only unpaid sick and safe leave; and
- (2) generally regulate the eligibility for sick and safe leave benefits provided to an employee working in the County for certain employers.

## By amending

Montgomery County Code Chapter 27, Human Rights and Civil Liberties Article XIII, Earned Sick and Safe leave Sections 27-76 and 27-77

Boldface
Underlining
Added to existing law by original bill.

[Single boldface brackets]
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:

1	Sec.	1. Sections 27-76 and 27-77 are amended as follows:
2	<u>27-76.</u>	Findings and Definitions.
3		* *
4	<u>(b)</u>	Definitions. As used in this Article:
5		* * *
6		Abuse has the meaning defined in Section 4-501 of the Family Law
7		Article of the Maryland Code, as amended.
8		* * *
9		Commission employee means an individual who is paid by an employer
10		exclusively on a commission basis based upon sales.
11		* * *
12		Employee means any person permitted or instructed to work or be present
13		by an employer in the County, including a domestic worker as defined in
14		Section 11-4B(b). Employee does not include:
15		(1) an individual who:
16		(A) does not have a regular work schedule with the employer;
17		(B) contacts the employer for work assignments and is
18		scheduled to work the assignments within 48 hours after
19		contacting the employer;
20		(C) has no obligation to work for the employer if the individual
21		does not contact the employer for work assignments; and
22		(D) is not employed by a temporary placement agency;
23		(2) an individual who regularly works 8 hours or less each week; [or]
24		(3) an individual who is an independent contractor; or
25		(4) an individual who works for less than 120 calendar days in a year
26		at an amusement or recreational program that operates for less than
27		120 calendar days each year.

		* * *
27	7-77.	Earned Sick and Safe Leave Required.
	(a)	Earned sick and safe leave. An employer must provide each employee
		earned sick and safe leave for work performed in the County paid at the
		same rate and with the same benefits as the employee normally earns. A
		tipped employee must be paid at least the County minimum wage
		required under Section 27-68 for each hour the employee uses earned sick
		and safe leave. A commission employee must accrue only unpaid sick
		and safe leave. An employer with fewer than 5 employees must provide
		each employee with both paid and unpaid sick and safe leave for work
		performed in the County as required in subsection (c). An employee must
		accrue paid leave before accruing unpaid leave in a calendar year.
		* * *
	Sec.	2. Effective date.
	This	Act takes effect on October 1, 2016.
Аp	pproved:	
Nε	ancy Floree	n, President, County Council Date
Ap	pproved:	
Isi	ah Leggett,	County Executive Date
Th	is is a corre	ect copy of Council action.
Lir	nda M. Lau	er, Clerk of the Council Date

## LEGISLATIVE REQUEST REPORT

Expedited Bill 27-16

Human Rights and Civil Liberties - Earned Sick and Safe Leave - Eligibility

**DESCRIPTION:** 

Bill 27-16 would exempt a seasonal employee who works for less than 120 calendar days in a year at an amusement or recreational program that operates for less than 120 calendar days each year in the County from the earned sick and safe leave law. It would also provide that an employee working in the County who is paid exclusively on a commission basis accrues only unpaid sick and safe leave.

PROBLEM:

Questions have arisen as to how to apply the Earned Sick and Safe Leave Law to a seasonal employee who works for an operation that is open less than 120 days each year and an employee who is paid exclusively by a commission on sales.

GOALS AND OBJECTIVES:

The goal is to resolve questions that have been asked since the Earned

Sick and Safe Leave Law was enacted.

**COORDINATION:** 

Office of Human Rights

FISCAL IMPACT:

To be requested.

ECONOMIC IMPACT:

To be requested.

**EVALUATION:** 

To be requested.

**EXPERIENCE ELSEWHERE:** 

To be researched.

SOURCE OF INFORMATION:

Robert H. Drummer, Senior Legislative Attorney

APPLICATION

WITHIN

**MUNICIPALITIES:** 

To be researched.

**PENALTIES:** 

None.