
CITY OF BALTIMORE

BRANDON M. SCOTT
Mayor



DEPARTMENT OF LAW

EBONY THOMPSON
CITY SOLICITOR
100 N. HOLLIDAY STREET
SUITE 101, CITY HALL
BALTIMORE, MD 21202

June 4, 2025

The Honorable President and Members
of the Baltimore City Council
Attn: Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

Re: City Council Bill 25-0058 – Fair Wages for Tipped Employees

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 25-0058 for form and legal sufficiency. The bill would phase out over five years the tip credit amount an employer may deduct from the wage of a tipped employee and requires employers of tipped employees to certify their compliance quarterly to the Finance Director. Additionally, the bill would require a food service facility to disclose the existence, amount, and purpose of any service fee, and provides that a violation of this disclosure requirement constitutes as unfair, abusive, or deceptive trade practice under City Code, Article 2, Subtitle 4.

Tip Credit Phaseout

Under City Charter, Article II, Sections 27 and 47, respectively, the Mayor and City Council may “exercise within the limits of Baltimore City all the power commonly known as the Police Power to the same extent as the State has or could exercise that power within the limits of Baltimore City,” and may “pass any ordinance, not inconsistent with the provisions of this Charter or the laws of the State, which it may deem proper in the exercise of any of the powers, either express or implied, enumerated in this Charter, as well as any ordinance as it may deem proper in maintaining the peace, good government, health and welfare of Baltimore City.”

By phasing out the tip credit amount which an employer may deduct from the wage it pays a tipped employee, the bill, in effect, progressively raises the minimum wage required for tipped workers. This is within the City’s police power, even though it means tipped workers in the City will be guaranteed higher minimum wages than state law currently requires. *See* Md. Code, Labor and Employment Art., § 3-419 (“Tips”). The City’s police power extends to establishing a minimum wage. *See Mayor and City Council v. Sitnick*, 254 Md. 303, 309-10 (1969). State minimum wage laws do not preempt City legislation that establishes a more generous minimum wage because the State and the City have concurrent authority to legislate in this field. *Id.* at 322-24. Similar legislation was introduced in 2016 (Bill 16-0655) and 2017 (Bill 17-0018) and the Law Department approved both bills for form and legal sufficiency.

Requirement to Disclose Service Fees

Article II of the Charter permits the City to “license, tax and regulate all businesses, trades, vocations or professions.” City Charter, Art. II, § (17). The City is also authorized to pass any “ordinance as it may deem proper in maintaining the peace, good government, health and welfare of Baltimore City” and to “have and exercise within the limits of Baltimore City all the power commonly known as the Police Power to the same extent as the State has or could exercise that power within the limits of Baltimore City.” City Charter, Art. II, §§ (47) and (27).

The bill’s requirement for food service facilities to disclose on their menus the existence, amount, and purpose of any service fee—as well as whether that fee will be paid directly to a tipped employee—is an appropriate exercise of the City’s authority. Similar bills have recently been introduced in the General Assembly but have not passed. *See, e.g.*, 2025 Senate Bill 823; 2024 House Bill 467.

The bill makes a violation of this disclosure requirement an unfair, abusive, or deceptive trade practice under Subtitle 4 of Article 2 of the City Code, which prohibits engaging in such practices (as defined in Title 13 of the Commercial Law Article of the Maryland Code). A person who engages in unfair, abusive, or deceptive trade practices is subject to a civil penalty of not more than \$1,000. City Code, Art. 2, § 4-3. Because state law explicitly authorizes local jurisdictions, including Baltimore City, to enact and enforce local consumer protection laws that are at least as strict as the state’s, the bill’s enlargement of what constitutes local consumer protection violations is permitted. *See* Md. Code, Commercial Law, §§ 13-102(b) (“It is the intention of this legislation to set certain minimum statewide standards for the protection of consumers across the State, and the General Assembly strongly urges that local subdivisions which have created consumer protection agencies at the local level encourage the function of these agencies at least to the minimum level set forth in the standards of this title) and 13-103(b) (permitting the City to enact even more stringent consumer protection provisions than those in the State Consumer Protection Act).

The Law Department approves the bill for form and legal sufficiency.

Sincerely,



Jeffrey Hochstetler
Chief Solicitor

cc: Ebony Thompson, Acting City Solicitor
Ty’lor Schnella, Mayor’s Office of Government Relations
Hilary Ruley, Chief Solicitor, General Counsel Division
Ashlea Brown, Chief Solicitor
Michelle Toth, Assistant Solicitor
Desireé Luckey, Assistant Solicitor