

# HOUSE BILL 582

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5lr1931

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By: **Delegates Vogel, Boaf, and Stewart**

Introduced and read first time: January 23, 2025

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Exemptions From Overtime Pay – Administrative,**  
3 **Executive, or Professional Capacity**

4 FOR the purpose of altering the exemption from overtime pay for individuals who are  
5 employed to work in an administrative, executive, or professional capacity; and  
6 generally relating to exemptions from overtime pay.

7 BY repealing and reenacting, with amendments,  
8 Article – Labor and Employment  
9 Section 3–403  
10 Annotated Code of Maryland  
11 (2016 Replacement Volume and 2024 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 That the Laws of Maryland read as follows:

14 **Article – Labor and Employment**

15 3–403.

16 This subtitle does not apply to an individual [who]:

17 [(1) is employed in a capacity that the Commissioner defines, by regulation,  
18 to be administrative, executive, or professional;]

19 **(1) (I) WHO IS COMPENSATED ON A SALARY BASIS, AS DEFINED IN**  
20 **29 C.F.R. § 541.602, OR A FEE BASIS, AS DEFINED IN 29 C.F.R. § 541.605, AT NOT**  
21 **LESS THAN:**

22 **1. \$1,128 PER WEEK; OR**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(II) 1. WHOSE PRIMARY DUTY:

**B. INCLUDES THE EXERCISE OF DISCRETION AND INDEPENDENT JUDGMENT WITH RESPECT TO MATTERS OF SIGNIFICANCE;**

**2. A. WHOSE PRIMARY DUTY IS MANAGEMENT OF THE ENTERPRISE IN WHICH THE EMPLOYEE IS EMPLOYED OR OF A CUSTOMARILY RECOGNIZED DEPARTMENT OR SUBDIVISION OF THE ENTERPRISE;**

**B. WHO CUSTOMARILY AND REGULARLY DIRECTS THE  
WORK OF TWO OR MORE OTHER EMPLOYEES; AND**

**C. WHO HAS THE AUTHORITY TO HIRE OR FIRE OTHER EMPLOYEES OR WHOSE SUGGESTIONS AND RECOMMENDATIONS AS TO THE HIRING, FIRING, ADVANCEMENT, PROMOTION, OR ANY OTHER CHANGE OF STATUS OF OTHER EMPLOYEES ARE GIVEN PARTICULAR WEIGHT; OR**

**3. WHOSE PRIMARY DUTY IS THE PERFORMANCE OF WORK REQUIRING:**

**A. KNOWLEDGE OF AN ADVANCED TYPE IN A FIELD OF SCIENCE OR LEARNING CUSTOMARILY ACQUIRED BY A PROLONGED COURSE OF SPECIALIZED INTELLECTUAL INSTRUCTION; OR**

**B. INVENTION, IMAGINATION, ORIGINALITY, OR TALENT  
IN A RECOGNIZED FIELD OF ARTISTIC OR CREATIVE ENDEAVOR;**

(2) **WHO** is employed in a nonadministrative capacity at an organized camp, including a resident or day camp;

(3) **WHO** is under the age of 16 years and is employed no more than 20 hours in a week;

(4) **WHO** is employed as an outside salesman;

(5) **WHO** is compensated on a commission basis;

1 (6) **WHO** is a child, parent, spouse, or other member of the immediate  
2 family of the employer;

3 (7) **WHO** is employed in a drive-in theater;

4 (8) **WHO** is employed as part of the training in a special education program  
5 for emotionally, mentally, or physically handicapped students under a public school system;

6 (9) **WHO** is employed by an employer who is engaged in canning, freezing,  
7 packing, or first processing of perishable or seasonal fresh fruits, vegetables, or  
8 horticultural commodities, poultry, or seafood;

9 (10) **WHO** engages in the activities of a charitable, educational, nonprofit, or  
10 religious organization if:

11 (i) the service is provided gratuitously; and

12 (ii) there is, in fact, no employer-employee relationship;

13 (11) **WHO** is employed in a cafe, drive-in, drugstore, restaurant, tavern, or  
14 other similar establishment that:

15 (i) sells food and drink for consumption on the premises; and

16 (ii) has an annual gross income of \$400,000 or less;

17 (12) **WHO** is employed in agriculture if, during each quarter of the preceding  
18 calendar year, the employer used no more than 500 agricultural-worker days;

19 (13) **WHO** is engaged principally in the range production of livestock;

20 (14) **WHO** is employed as a hand-harvest laborer and is paid on a piece-rate  
21 basis in an operation that, in the region of employment, has been and customarily and  
22 generally is recognized as having been paid on that basis, if:

23 (i) the individual:

24 1. commutes daily from the permanent residence of the  
25 individual to the farm where the individual is employed; and

26 2. during the preceding calendar year, was employed in  
27 agriculture less than 13 weeks; or

28 (ii) the individual:

1. is under the age of 17;

2. is employed on the same farm as a parent of the individual  
or a person standing in the place of the parent; and

3. is paid at the same rate that an employee who is at least  
17 years old is paid on the same farm;

(15) **WHO** is a covered employee under the Secure Maryland Wage Act; or

(16) (i) **WHO** has entered into a contract to play baseball at the minor  
league level; and

(ii) **WHO** is compensated in accordance with the terms of a collective  
bargaining agreement that expressly states the wages and working conditions of  
employees.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
October 1, 2025.