

HOUSE BILL 2591

By Staples

AN ACT to amend Tennessee Code Annotated, Title 50,  
Chapter 2, relative to wages.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 2, Part 1, is amended by adding the following as a new section:

(a) On and after July 1, 2020, an employer shall pay a tipped employee a basic wage rate of not less than seven dollars and twenty-five cents (\$7.25) in addition to any tips received.

(b) An employer shall not retain tips received by the employer's tipped employees for any purpose.

(c)

(1) An employer subject to this section shall post in a conspicuous location a summary of the basic wage rate that is visible to all of the employer's employees affected by this section.

(2) An employer shall notify a prospective tipped employee of the basic wage rate.

(d) An employer that violates this section is liable to the tipped employee affected for the amount of unpaid wages. Upon a judgment being rendered in favor of a tipped employee in an action brought in a court of competent jurisdiction to recover unpaid wages under this section, the judgment must include, in addition to the unpaid wages adjudged to be due, an amount equal to such wages as damages. In addition to any judgment awarded to the tipped employee, the court shall require the employer to pay court costs and reasonable attorney's fees incurred by the tipped employee. An

action to recover damages must be brought within three (3) years from the date the wages were due.

(e) As used in this section:

(1) "Basic wage rate" is the lowest permissible hourly rate of compensation paid to an employee for the employee's labor benefitted by the employer;

(2) "Employer" includes an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons, not involved in interstate commerce, acting directly or indirectly in the interest of an employer in relation to a tipped employee; and

(3) "Tipped employee" means a person who is engaged in an occupation in which the employee customarily and regularly receives more than thirty dollars (\$30.00) a month in tips.

SECTION 2. This act shall take effect July 1, 2020, the public welfare requiring it.