


<b>FROM</b>	NAME & TITLE <i>for</i> Andrew Kleine, Chief <i>AK</i>	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	AGENCY NAME & ADDRESS Bureau of the Budget and Management Research Room 432, City Hall (410) 396-4941		
	SUBJECT City Council Bill #08-0145 – Minimum, Prevailing, And Living Wages - Penalties		

**TO** The Honorable President and  
Members of the City Council  
Room 400, City Hall

DATE: August 15, 2008

Attention: Ms. Karen Randle:

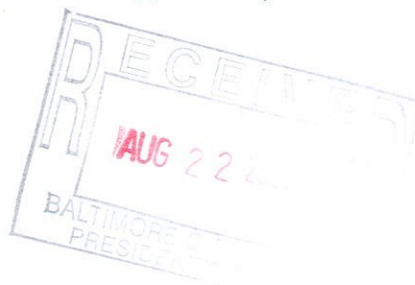
City Council Bill #08-0145 has been introduced for the purpose of modifying the penalties applicable to violations of certain hour and wage laws; clarifying, correcting, and conforming related language; and generally relating to enforcement of the laws governing minimum, prevailing, and living wages.

- Per Article 5, § 25-11(b) and 26-11(b) of the Baltimore City Code, if a contractor is delinquent in submitting any payroll, the contractor must pay a \$10 penalty to the City for each calendar day that the payroll is late, which is applicable to hours and wages related to both construction and service contracts.
- Per Article 11, § 6-2 of the Baltimore City Code, if an employer/employee violates the Division I - Minimum Wage Law, he/she must pay a penalty to the City based on the following amended schedule:

The penalty for the 1<sup>st</sup> offense is increased from \$50 to \$250 for each violation;  
The penalty for the 2<sup>nd</sup> offense is increased from \$250 to \$500 for each violation; and  
The penalty for each offense thereafter is increased from \$500 to \$1,000 for each violation.

The Department of Finance has determined that this bill will not have a significant fiscal impact on the City for the following reasons. First, the Wage Commission has already been requiring contractors to pay a \$10 penalty for each calendar day that any payroll is late; therefore, the wording in the law has been amended to be consistent with current practices. Secondly, the Director of the Wage Commission has communicated that the penalties which are levied for Division I - Minimum Wage Violations comprise an extremely small portion of the revenue collected for the agency due to the compliance of the law by the majority of employers/employees. The Department of Finance does recognize that passage of this legislation will continue to require contractors (construction or service) to adhere to the timely submission of payrolls and encourage employers/employees to comply with the mandated Division I - Minimum Wage Laws; therefore, it supports City Council Bill #08-0145.

cc: Edward J. Gallagher  
Angela Gibson



*F*