

**Council Bill 17-0018**

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RS OR MORE IN A CALENDAR YEAR WITHIN THE GEOGRAPHIC  
ITY OF BALTIMORE.

not include:

the activities of an educational, charitable, religious, or  
organization where the services rendered to such organization  
basis, or in return for charitable aid conferred upon such

a bona fide executive, supervisory, or professional  
EMPT FROM THE MINIMUM WAGE AND MAXIMUM HOURS  
R § 213(A)(1) OF THE FAIR LABOR STANDARDS ACT (29  
OR

any member of their immediate family[;].

upon a commission basis only; or]

domestics within a home, only to the extent that such  
pted from the Federal Fair Labor Standards Act as  
amended.]

THE MAXIMUM HOUR REQUIREMENTS UNDER  
BOR STANDARDS ACT (29 USC §§201 - 219);

CLASS F (TRACTOR), DESCRIBED IN § 13-923 OF THE  
ON ARTICLE; OR A CLASS E (TRUCK) VEHICLE, AS  
THE MARYLAND TRANSPORTATION ARTICLE,  
(K) VEHICLE DESCRIBED IN § 13-919 OF THE  
ON ARTICLE IF:

R AND A MOTOR CARRIER HAVE ENTERED INTO A  
THAT IS CURRENTLY IN EFFECT FOR PERMANENT

:

TO CREATE AN EMPLOYER-EMPLOYEE

R IS PAID RENTAL COMPENSATION;

ES, THE OWNER OPERATOR QUALIFIES AS AN  
R; AND

OLDS IT UNDER A BONA FIDE LEASE

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2. IS RESPONSIBLE FOR THE MAINTENANCE OF THE
3. BEARS THE PRINCIPAL BURDEN OF THE OPERATION OF THE VEHICLE, INCLUDING FUEL, REPAIRS, SUPPLYING INSURANCE, AND PERSONAL EXPENSES WHILE ON THE ROAD;
4. IS RESPONSIBLE FOR SUPPLYING THE NECESSARIES IN CONNECTION WITH THE OPERATION OF THE
5. GENERALLY DETERMINES THE DETAILS AND TERMS OF THE SERVICES UNDER THE AGREEMENT, INCLUDING REGULATORY REQUIREMENTS, OPERATING PROCEDURES, MOTOR CARRIER, AND SPECIFICATIONS OF

**(E) SMALL EMPLOYER.**

“SMALL EMPLOYER” MEANS ANY EMPLOYER THAT HAS:

- (1) AN ANNUAL GROSS INCOME OF \$400,000 OR LESS; OR
- (2) FEWER THAN 50 EMPLOYEES.

**(F) TIPS.**

“TIPS” MEANS A VERIFIABLE SUM PRESENTED BY A CUSTOMER AS GRATUITY IN RECOGNITION OF SOME SERVICE PERFORMED BY AN EMPLOYEE RECEIVING THE TIP.

**(G) TIPPED EMPLOYEE.**

“TIPPED EMPLOYEE” MEANS AN EMPLOYEE WHO:

- (i) CUSTOMARILY AND REGULARLY RECEIVES MORE THAN \$2.00 PER HOUR;
- (ii) HAS BEEN INFORMED BY THE EMPLOYER IN WRITING OF THE PROVISIONS REQUIRED BY THIS SUBTITLE; AND
- (iii) RETAINS ALL TIPS OR SPLITS TIPS WITH OTHER EMPLOYEES IN A TIPS POOL.

**§ 1-2. Findings; policy.**

**(a) Findings of fact.**

The Mayor and City Council, after [conducting an independent study of] the employment conditions AND THE COST OF LIVING IN BALTIMORE, find:

- (1) that many persons employed in Baltimore are unable to afford the cost of living in the City and the income necessary to support their families.



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1 of decent living conditions, are insufficient to provide adequate maintenance for  
2 themselves and their families;

3 (2) that the employment of such persons at such wages:

4 (i) impairs the health, efficiency, and well-being of the persons so employed  
5 and of their families;

6 (ii) reduces the purchasing power of such persons;

7 (iii) diminishes and depresses business, trade, and industry in the City;

8 (iv) threatens the stability and well-being of the City's economic life;

9 [(v) fosters and contributes toward slum conditions and housing evils;]

10 [(vi)] creates conditions of want and deprivation tending to weaken and  
11 undermine family life and breed crime and juvenile delinquency;]

12 (v) [(vii)] threatens the health, welfare, and well-being of the people of the  
13 City; and

14 (vi) [(viii)]injures the City economically.

15 (b) *Declaration of policy.*

16 (1) Accordingly, it is the declared policy of the Mayor and City Council that such  
17 conditions be eliminated as rapidly as practicable without substantially curtailing  
18 opportunities for employment or earning power.

19 (2) To that end, legislation is necessary in the public interest in order to end these  
20 conditions so inimical to the public health, safety, and welfare of the citizens of  
21 Baltimore, to establish minimum wage standards for all employees as herein defined  
22 at a level consistent with their health, welfare, and general well-being.

23 **§ 1-3. Severability.**

24 If any provision of this Division I or the application thereof to any person or circumstances is  
25 held invalid, the remainder of the Division I and the application thereof to other persons or  
26 circumstances shall not be affected thereby.

27 **§ 1-4. OTHER LEGAL REQUIREMENTS.**

28 THIS DIVISION I PROVIDES MINIMUM REQUIREMENTS AND SHALL NOT BE CONSTRUED TO  
29 PREEMPT, LIMIT, OR OTHERWISE AFFECT THE APPLICABILITY OF ANY OTHER LAW,  
30 REGULATION, RULE, REQUIREMENT, POLICY, OR STANDARD THAT PROVIDES FOR GREATER  
31 PROTECTIONS TO EMPLOYEES.

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- 1 2. IS RESPONSIBLE FOR THE MAINTENANCE OF THE VEHICLE;
- 2 3. BEARS THE PRINCIPAL BURDEN OF THE OPERATING COSTS OF THE  
3 VEHICLE, INCLUDING FUEL, REPAIRS, SUPPLIES, VEHICLE  
4 INSURANCE, AND PERSONAL EXPENSES WHILE THE VEHICLE IS ON  
5 THE ROAD;
- 6 4. IS RESPONSIBLE FOR SUPPLYING THE NECESSARY PERSONNEL IN  
7 CONNECTION WITH THE OPERATION OF THE VEHICLE; AND
- 8 5. GENERALLY DETERMINES THE DETAILS AND MEANS OF PERFORMING  
9 THE SERVICES UNDER THE AGREEMENT, IN CONFORMANCE WITH  
10 REGULATORY REQUIREMENTS, OPERATING PROCEDURES OF THE  
11 MOTOR CARRIER, AND SPECIFICATIONS OF THE SHIPPER.

12 (E) *SMALL EMPLOYER.*

13 "SMALL EMPLOYER" MEANS ANY EMPLOYER THAT HAS:

- 14 (1) AN ANNUAL GROSS INCOME OF \$400,000 OR LESS; OR
- 15 (2) FEWER THAN 50 EMPLOYEES.

16 (F) *TIPS.*

17 "TIPS" MEANS A VERIFIABLE SUM PRESENTED BY A CUSTOMER AS A GIFT OR VOLUNTARY  
18 GRATUITY IN RECOGNITION OF SOME SERVICE PERFORMED FOR THE CUSTOMER BY THE  
19 EMPLOYEE RECEIVING THE TIP.

20 (G) *TIPPED EMPLOYEE.*

21 "TIPPED EMPLOYEE" MEANS AN EMPLOYEE WHO:

- 22 (I) CUSTOMARILY AND REGULARLY RECEIVES MORE THAN \$30 A MONTH IN TIPS;
- 23 (II) HAS BEEN INFORMED BY THE EMPLOYER IN WRITING ABOUT THE TIP NOTICE  
24 PROVISIONS REQUIRED BY THIS SUBTITLE; AND
- 25 (III) RETAINS ALL TIPS OR SPLITS TIPS WITH OTHER TIPPED EMPLOYEES IN VALID TIP  
26 POOL.

27 **§ 1-2. Findings; policy.**

28 (a) *Findings of fact.*

29 The Mayor and City Council, after [conducting an investigation of] CONSIDERING  
30 employment conditions AND THE COST OF LIVING in the City of Baltimore, hereby find:

- 31 (1) that many persons employed in Baltimore are paid wages which, in relation to the  
32 cost of living in the City and the income necessary to sustain minimum standards

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1 EMPLOYER, FOR 25 HOURS OR MORE IN A CALENDAR YEAR WITHIN THE GEOGRAPHIC  
2 BOUNDARIES OF THE CITY OF BALTIMORE.

3 (2) "Employee" [shall] DOES not include:

4 (i) persons engaged in the activities of an educational, charitable, religious, or  
5 other nonprofit organization where the services rendered to such organization  
6 are on a voluntary basis, or in return for charitable aid conferred upon such  
7 person;

8 (ii) [persons employed in a bona fide executive, supervisory, or professional  
9 capacity] PERSONS EXEMPT FROM THE MINIMUM WAGE AND MAXIMUM HOURS  
10 REQUIREMENTS UNDER § 213(A)(1) OF THE FAIR LABOR STANDARDS ACT (29  
11 U.S.C. §§ 201 - 219); OR

12 (iii) persons employed by any member of their immediate family[;].

13 [(iv) persons compensated upon a commission basis only; or]

14 [(v) persons employed as domestics within a home, only to the extent that such  
15 persons have been exempted from the Federal Fair Labor Standards Act as  
16 amended and as hereafter amended.]

17 (IV) PERSONS EXEMPT FROM THE MAXIMUM HOUR REQUIREMENTS UNDER  
18 §213(B)(1) OF THE FAIR LABOR STANDARDS ACT (29 USC §§201 - 219);

19 (V) OWNER OPERATORS OF A CLASS F (TRACTOR), DESCRIBED IN § 13-923 OF THE  
20 MARYLAND TRANSPORTATION ARTICLE; OR A CLASS E (TRUCK) VEHICLE, AS  
21 DESCRIBED IN § 13-916 OF THE MARYLAND TRANSPORTATION ARTICLE,  
22 INCLUDING A CLASS E (TRUCK) VEHICLE DESCRIBED IN § 13-919 OF THE  
23 MARYLAND TRANSPORTATION ARTICLE IF:

24 (A) THE OWNER OPERATOR AND A MOTOR CARRIER HAVE ENTERED INTO A  
25 WRITTEN AGREEMENT THAT IS CURRENTLY IN EFFECT FOR PERMANENT  
26 OR TRIP LEASING;

27 (B) UNDER THE AGREEMENT:

28 1. THERE IS NO INTENT TO CREATE AN EMPLOYER-EMPLOYEE  
29 RELATIONSHIP; AND

30 2. THE OWNER OPERATOR IS PAID RENTAL COMPENSATION;

31 (C) FOR FEDERAL TAX PURPOSES, THE OWNER OPERATOR QUALIFIES AS AN  
32 INDEPENDENT CONTRACTOR; AND

33 (D) THE OWNER OPERATOR:

34 1. OWNS THE VEHICLE OR HOLDS IT UNDER A BONA FIDE LEASE  
35 ARRANGEMENT;



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1 (C) *ANNUAL COST OF LIVING ADJUSTMENT.*

- 2 (1) TO PREVENT INFLATION FROM ERODING ITS VALUE, BEGINNING ON JULY 1, 2023, AND  
3 ON JULY 1 OF EACH SUBSEQUENT YEAR, THE MINIMUM WAGE SHALL INCREASE BY AN  
4 AMOUNT CORRESPONDING TO THE PRIOR YEAR'S INCREASE IN THE COST OF LIVING AS  
5 MEASURED BY THE PERCENTAGE INCREASE, IF ANY, AS OF MARCH OF THE  
6 IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF MARCH OF THE PREVIOUS  
7 YEAR OF THE NON-SEASONALLY ADJUSTED CONSUMER PRICE INDEX (URBAN WAGE  
8 EARNERS AND CLERICAL WORKERS, U.S. CITY AVERAGE FOR ALL ITEMS) OR ITS  
9 SUCCESSOR INDEX AS PUBLISHED BY THE U.S. DEPARTMENT OF LABOR OR ITS  
10 SUCCESSOR AGENCY, WITH THE AMOUNT OF THE MINIMUM WAGE INCREASE ROUNDED  
11 TO THE NEAREST MULTIPLE OF 5 CENTS.
- 12 (2) THE ADJUSTED MINIMUM WAGE MUST BE DETERMINED AND ANNOUNCED BY THE  
13 COMMISSION BY MAY 1 OF EACH YEAR, AND BECOMES EFFECTIVE AS THE NEW  
14 MINIMUM WAGE ON JULY 1 OF EACH YEAR.

15 (D) *EFFECT OF MARYLAND OR FEDERAL MINIMUM WAGE INCREASE.*

- 16 (1) IN THE EVENT THAT THE MARYLAND OR FEDERAL MINIMUM WAGE IS INCREASED  
17 ABOVE THE LEVEL OF THE MINIMUM WAGE THAT IS IN FORCE UNDER THIS SUBTITLE,  
18 THE MINIMUM WAGE UNDER THIS SUBTITLE SHALL BE INCREASED TO MATCH THE  
19 HIGHER MARYLAND OR FEDERAL WAGE, EFFECTIVE ON THE SAME DATE AS THE  
20 INCREASE IN THE MARYLAND OR FEDERAL MINIMUM WAGE, AND SHALL BECOME THE  
21 NEW CITY MINIMUM WAGE IN EFFECT UNDER THIS SUBTITLE.
- 22 (2) THE NEW CITY MINIMUM WAGE SET BY PARAGRAPHS (1) OF THIS SUBSECTION IS THEN  
23 SUBJECT TO AN ANNUAL COST OF LIVING ADJUSTMENT UNDER SUBSECTION (C) OF THIS  
24 SECTION ON JULY 1 OF THE CALENDAR YEAR FOLLOWING ANY INCREASE IN THE  
25 MARYLAND OR FEDERAL MINIMUM WAGE, AND IN EACH SUBSEQUENT YEAR.

26 (E)[(b)] *Violations.*

27 It is a violation of this Division I for any employer to pay any employee a wage less than  
28 the minimum wage required by this Division I, and it is a separate violation each time an  
29 employee is not paid the wage required by this Division I at the time the employee is  
30 entitled to be paid.

31 [§ 3-2. **Exceptions.**]

32 [(a) *Allowance for employer-supplied items or services.*

- 33 (1) For purposes of this Division I, wages shall include the reasonable value, as  
34 determined by the Wage Commission, of uniforms, board, lodging, or other facilities,  
35 items, or services furnished such employee by the employer.
- 36 (2) Provided that the Wage Commission is empowered to determine such value by  
37 reference to the average cost to the employer or to groups of employers similarly  
38 situated.]



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1        [(b) *Full-time students.*

2            (1) Any employee who is a full-time student in a primary or secondary school, as such  
3            term is further defined by the Wage Commission, may be paid 85% of the minimum  
4            wage prescribed herein.

5            (2) Provided, however, that such students may not be employed for more than 28 hours  
6            per week while attending school.

7            (3) It shall be a violation of this Division I for any employer to employ such a full-time  
8            student for more than 28 hours per week while school is in session.]

9        [(c) *Work-study programs.*

10           Students enrolled in an approved work-study program shall be exempt from the  
11           limitations of subsection (b) of this section and from the minimum wage requirements of  
12           this Division I. Work study programs must be approved by the Wage Commission.]

13       [(d) *Employees customarily receiving tips.*

14           (1) With respect to any employee engaged in an occupation in which he customarily and  
15           regularly receives more than \$30 a month in tips, the employer shall pay wages in the  
16           amount not less than the amount required to be paid a tipped employee under the  
17           Federal Fair Labor Standards Act, as amended.

18           (2) It is the employer's obligation to provide evidence of any amount claimed by him as  
19           being received by his employee as tips.]

20       [(e) *Employees with disabilities.*

21           (1) The Wage Commission may, in its discretion, recognize certificates issued by the  
22           State of Maryland for payment of less than the minimum wage to persons who are  
23           mentally or physically handicapped, or the Commission may issue its own certificates.

24           (2) Provided, that the Commission's said recognition or certification may be upon such  
25           terms and for such period of time as the Commission deems appropriate.]

26       [(f) *Opportunity wages.*

27           An employer may pay an opportunity wage (i.e., a wage below the minimum wage) to any  
28           employee, but only under the conditions and limitations authorized for opportunity wages  
29           by the Federal Fair Labor Standards Act, as amended.]

30       **§ 3-2. EXCEPTION – TIPPED EMPLOYEES.**

31       (A) *TIP CREDIT.*

32           AN EMPLOYER MAY CONSIDER TIPS AS PART OF WAGES OF A TIPPED EMPLOYEE, IF:

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1 (1) THE EMPLOYER DEMONSTRATES THAT THE TIPPED EMPLOYEE RECEIVED AT LEAST  
2 THE MINIMUM WAGE ESTABLISHED BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF  
3 THIS SUBTITLE WHEN THE TIPS RECEIVED AND RETAINED BY THE TIPPED EMPLOYEE  
4 ARE COMBINED WITH THE MINIMUM CASH WAGE PAID DIRECTLY BY THE  
5 EMPLOYER; AND

6 (2) THE EMPLOYEE HAS BEEN INFORMED IN WRITING BY THE EMPLOYER OF THE  
7 PROVISIONS OF THIS SUBTITLE.

8 (B) *MINIMUM CASH WAGE RATE FOR TIPPED EMPLOYEES.*

9 PROVIDED THAT AN EMPLOYEE ACTUALLY RECEIVES TIPS IN AN AMOUNT AT LEAST EQUAL  
10 TO THE DIFFERENCE BETWEEN THE CASH WAGE PAID AND THE MINIMUM WAGE AS  
11 PROVIDED BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE, THE MINIMUM CASH  
12 WAGE THAT EMPLOYERS MUST PAY TO TIPPED EMPLOYEES BEFORE TIPS SHALL BE AN  
13 HOURLY RATE OF NOT LESS THAN AN AMOUNT EQUAL TO THE MINIMUM WAGE REQUIRED  
14 BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE MINUS THE MAXIMUM TIP  
15 CREDIT IN EFFECT UNDER STATE LABOR AND EMPLOYMENT ARTICLE §3-419(C),

16 (C) *TIP POOLS.*

17 (1) ALL TIPS RECEIVED BY TIPPED EMPLOYEES ARE THE SOLE PROPERTY OF THE TIPPED  
18 EMPLOYEE AND SHALL BE RETAINED BY THE TIPPED EMPLOYEE.

19 (2) THIS SECTION DOES NOT PROHIBIT A VALID TIP POOL UNDER WHICH TIPS ARE POOLED  
20 AND DISTRIBUTED AMONG TIPPED EMPLOYEES.

21 (3) IF AN EMPLOYEE PARTICIPATES IN A VALID TIP POOL, ONLY THE AMOUNT ACTUALLY  
22 RETAINED BY EACH EMPLOYEE IS CONSIDERED TO BE A PART OF THAT EMPLOYEE'S  
23 WAGES FOR PURPOSES OF THIS SECTION.

24 § 3-2A. **EXCEPTIONS – MISCELLANEOUS.**

25 (A) *YOUTH JOB PROGRAMS.*

26  
27 YOUTH PARTICIPANTS IN THE CITY'S YOUTHWORKS SUMMER JOBS PROGRAM, THE CITY'S  
28 HIRE ONE YOUTH PROGRAM, OR ANY OTHER CITY SPONSORED YOUTH JOB PROGRAM ARE  
29 EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.

30 (B) *WORK-STUDY PROGRAMS.*

31 STUDENTS ENROLLED IN A FEDERAL WORK-STUDY PROGRAM ARE EXEMPT FROM THE  
32 MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.

33 (C) *INTERNSHIPS.*

34 INTERNS ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I IF:

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1 (I) THE INTERNSHIP, EVEN THOUGH IT INCLUDES ACTUAL OPERATION OF THE  
2 FACILITIES OF THE EMPLOYER, IS SIMILAR TO TRAINING WHICH WOULD BE GIVEN IN  
3 AN EDUCATIONAL ENVIRONMENT;

4 (II) THE INTERNSHIP EXPERIENCE IS FOR THE BENEFIT OF THE INTERN;

5 (III) THE INTERN DOES NOT DISPLACE REGULAR EMPLOYEES, BUT WORKS UNDER CLOSE  
6 SUPERVISION OF EXISTING STAFF;

7 (IV) THE EMPLOYER THAT PROVIDES THE TRAINING DERIVES NO IMMEDIATE  
8 ADVANTAGE FROM THE ACTIVITIES OF THE INTERN; AND ON OCCASION ITS  
9 OPERATIONS MAY ACTUALLY BE IMPEDED; AND

10 (V) THE INTERN IS NOT NECESSARILY ENTITLED TO A JOB AT THE CONCLUSION OF THE  
11 INTERNSHIP.

12 (D) *YOUNG WORKERS.*

13 ANY EMPLOYEE UNDER THE AGE OF 21 IS EXEMPT FROM THE MINIMUM WAGE  
14 REQUIREMENTS OF THIS DIVISION I.

15 (E) *EMPLOYEES WITH DISABILITIES.*

16 THE WAGE COMMISSION MUST RECOGNIZE CERTIFICATES ISSUED BY THE UNITED STATES  
17 DEPARTMENT OF LABOR OR THE STATE OF MARYLAND FOR PAYMENT OF LESS THAN THE  
18 MINIMUM WAGE TO PERSONS WITH DISABILITIES IN COMPLIANCE WITH THE PHASE-OUT OF  
19 SUB-MINIMUM WAGES OCCURRING BY 2020 UNDER THE KEN CAPONE EQUAL  
20 EMPLOYMENT ACT, § 3-414 {"INDIVIDUALS WITH DISABILITIES"} OF THE STATE LABOR  
21 AND EMPLOYMENT ARTICLE, AND § 7-1012 OF THE STATE HEALTH – GENERAL ARTICLE.

22 (F) *MARYLAND ZOO IN BALTIMORE.*

23 EMPLOYEES OF THE MARYLAND ZOO IN BALTIMORE ARE EXEMPT FROM THE MINIMUM  
24 WAGE REQUIREMENTS OF THIS DIVISION I FOR THE DURATION OF THE LEASE BETWEEN THE  
25 CITY OF BALTIMORE AND THE STATE OF MARYLAND APPROVED BY THE BOARD OF  
26 ESTIMATES ON JULY 8, 1992.

27 **§ 3-2B. EXCEPTION – SMALL EMPLOYERS.**

28 (A) *IN GENERAL.*

29 (1) UNTIL JANUARY 1, 2027, THE REQUIREMENTS OF § 3-1 {"MINIMUM WAGE REQUIRED"}  
30 OF THIS SUBTITLE DO NOT APPLY TO A SMALL EMPLOYER IF THE SMALL EMPLOYER  
31 ACCURATELY DOCUMENTS IN A WRITTEN REPORT TO THE BALTIMORE CITY WAGE  
32 COMMISSION THAT IN THE PREVIOUS CALENDAR YEAR THE EMPLOYER HAD:

33 (I) AN ANNUAL GROSS INCOME OF \$400,000 OR LESS; OR

34 (II) FEWER THAN 50 EMPLOYEES.

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1 (2) THE WRITTEN REPORT REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION MUST BE:

2 (i) FILED BY APRIL 30 OF THE YEAR PRECEDING THE CALENDAR YEAR FOR WHICH  
3 A SMALL EMPLOYER CLAIMS AN EXCEPTION UNDER THIS SECTION; AND

4 (ii) IN THE FORM THE COMMISSION REQUIRES.

5 (B) *EXCEPTION NOT APPLICABLE TO CHAINS.*

6 SUBSECTION (A) OF THIS SECTION DOES NOT APPLY TO ANY EMPLOYER THAT IS PART OF A  
7 CHAIN OF ESTABLISHMENTS OPERATING UNDER THE SAME BRAND NAME THAT IS:

8 (1) AN INTEGRATED ENTERPRISE WHICH OWNS OR OPERATES 2 OR MORE  
9 ESTABLISHMENTS NATIONALLY; OR

10 (2) AN ESTABLISHMENT OPERATED PURSUANT TO A FRANCHISE WHERE THE  
11 FRANCHISOR AND THE FRANCHISEES OWN OR OPERATE 2 OR MORE  
12 ESTABLISHMENTS NATIONALLY.

13 (C) *SMALL EMPLOYER MINIMUM WAGE.*

14 EVERY SMALL EMPLOYER OPERATING AND DOING BUSINESS IN BALTIMORE CITY MUST  
15 PAY WAGES TO EACH EMPLOYEE IN THE CITY AT A RATE NOT LESS THAN THE SMALL  
16 EMPLOYER MINIMUM WAGE HOURLY RATE DEFINED AS FOLLOWS:

17 (1) STARTING JULY 1, 2018, \$10.10;

18 (2) STARTING JULY 1, 2019, \$10.70;

19 (3) STARTING JULY 1, 2020, \$11.30;

20 (4) STARTING JULY 1, 2021, \$11.90;

21 (5) STARTING JULY 1, 2022, \$12.50;

22 (6) STARTING JULY 1, 2023, \$13.10;

23 (7) STARTING JULY 1, 2024, \$13.70;

24 (8) STARTING JULY 1, 2025, \$14.30

25 (9) STARTING JULY 1, 2026, \$15.00

26 (10) STARTING JANUARY 1, 2027, THE SMALL EMPLOYER MINIMUM WAGE WILL BE  
27 EQUAL TO THE CITY MINIMUM WAGE THEN IN EFFECT.

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1     **§ 3-4. Withholding.**

2           (a) *Required consent.*

3           No employer [shall] MAY withhold any part of the wages or salary of any employee,  
4           except for those deductions:

5                   (1) REQUIRED BY LAW;

6                   (2) [in accordance with] EXPRESSLY ALLOWED BY law, AND MADE WITH THE [without]  
7                   written and signed authorization of the employee; OR

8                   (3) ORDERED BY A COURT OF COMPETENT JURISDICTION.

9           (b) *Violations.*

10           It shall be a violation of this Division I for any employer to make any such prohibited  
11           withholding from the pay of any employee, and it shall be deemed a separate violation  
12           when any such prohibited withholding is made from any paycheck of any employee.

13     **§ 3-5. Wages due on termination of employment.**

14           It shall be a violation of this Division I for any employer to FAIL TO OR refuse to pay to  
15           any employee who is terminated, resigns, retires, or who otherwise ends or suspends his  
16           employment, all wages due and owing to said employee on the next regular payday that  
17           said wages would otherwise have been paid.

18     **§ 3-6. Posting summary of law.**

19           (a) *Employer to post.*

20           Every employer subject to this Division I [shall keep] MUST POST EACH OF THE POSTERS  
21           MADE AVAILABLE BY THE COMMISSION UNDER § 2-7 {"MULTILINGUAL POSTERS"} OF THIS  
22           DIVISION CONTAINING a summary of this Division I [, furnished by the Commission  
23           without charge, posted] in a conspicuous place ACCESSIBLE TO ALL EMPLOYEES on or  
24           about the premises [wherein] WHERE any person subject to this Division I is employed.

25           (b) *Violations.*

26           Failure to so post [said summary shall be deemed] THE POSTERS REQUIRED TO BE POSTED  
27           BY SUBSECTION (A) OF THIS SECTION IS a violation of this Division I.

28     **§ 3-8. Payroll records.**

29           (a) *Required information; maintenance period.*

30           (1) Every employer subject to this Division I shall keep, for a period of not less than 3  
31           years, a true and accurate record of the:

32                   (i) name[.];

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- 1 (ii) social security number[,];
- 2 (iii) address at time of employment[,];
- 3 (iv) occupation[,];
- 4 (v) time worked each day[,]; and
- 5 (vi) rate of pay

6 for each [of his employees] EMPLOYEE.

7 (2) Any employer who fails to maintain such records shall be in violation of this Division  
8 I, and it shall be deemed a separate violation thereof as to each employee for whom  
9 records are not fully maintained.

10 (b) *Right of inspection.*

- 11 (1) The Commission or its authorized representative [shall have] HAS the right, at all  
12 reasonable times, to enter upon the premises of any employer to inspect [such] THE  
13 records REQUIRED TO BE KEPT BY SUBSECTION (A) OF THIS SECTION to ascertain  
14 whether the provisions of this Division I have been complied with.
- 15 (2) AN EMPLOYER MUST ALLOW AN EMPLOYEE TO INSPECT THE RECORDS REQUIRED TO BE  
16 KEPT BY SUBSECTION (A) OF THIS SECTION PERTAINING TO THAT EMPLOYEE AT A  
17 REASONABLE TIME AND PLACE.
- 18 (3) [(2)]It [shall be] IS a violation of this Division I to prevent, obstruct, or to attempt to  
19 prevent or obstruct [such] THE entries and inspections ALLOWED BY THIS SUBSECTION.

20 (c) *EFFECTS OF FAILURE TO MAINTAIN RECORDS.*

21 IF AN EMPLOYER FAILS TO CREATE AND RETAIN CONTEMPORANEOUS WRITTEN OR  
22 ELECTRONIC RECORDS DOCUMENTING ITS EMPLOYEES' WAGES EARNED, OR DOES NOT  
23 ALLOW THE COMMISSION REASONABLE ACCESS TO ITS RECORDS, IT SHALL BE PRESUMED  
24 THAT THE EMPLOYER HAS VIOLATED THIS DIVISION I, AND THE EMPLOYEE'S REASONABLE  
25 ESTIMATE REGARDING HOURS WORKED AND WAGES PAID SHALL BE RELIED ON, ABSENT  
26 CLEAR AND CONVINCING EVIDENCE OTHERWISE.

27 **Subtitle 4. Enforcement Procedures**

28 **§ 4-1. Complaints by employee OR OTHER PERSON.**

29 (a) *[Filing with] COMPLAINTS TO THE Commission.*

30 [Any person claiming to be aggrieved by an alleged payment of a wage of a lesser amount  
31 than required by] AN EMPLOYEE OR ANY OTHER PERSON MAY MAKE A COMPLAINT BY  
32 REPORTING ANY SUSPECTED VIOLATION OF this Division I [may, by himself or his  
33 attorney, within 1 year after the occurrence of the alleged unlawful act, make, sign, and

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1 file with] TO the Commission WITHIN 3 YEARS OF THE SUSPECTED VIOLATION [a  
2 complaint in writing, under oath].

3 (b) *Contents.*

4 The complaint shall state the name and address of the employer alleged to have paid the  
5 unlawful wage (hereinafter referred to as the respondent) and the particulars thereof, and  
6 contain such other information as may be required by the Commission.

7 (c) *COMPLAINTS TO BE ACCEPTED IN WRITING, ONLINE, OR BY TELEPHONE.*

8 THE COMMISSION MUST ESTABLISH A SYSTEM TO RECEIVE COMPLAINTS REGARDING  
9 NON-COMPLIANCE WITH THIS DIVISION I IN WRITING, ONLINE, AND BY TELEPHONE IN  
10 ENGLISH, SPANISH, AND ANY OTHER LANGUAGE SPOKEN BY MORE THAN 5% OF THE  
11 BALTIMORE CITY WORKFORCE.

12 **§ 4-2. Complaints by Commission.**

13 The Commission [shall have] HAS the right, acting upon its own initiative and without any  
14 complaint from an employee, to [file] INITIATE a complaint against an employer whenever the  
15 Commission has reasonable cause to believe that [such] THE employer is or has been in  
16 violation of the provisions of this Division I.

17 **§ 4-3. Investigation for probable cause.**

18 (A) *IN GENERAL.*

19 After the [filing] INITIATION of any [such] complaint, [either by a person claiming to be  
20 aggrieved as set forth in § 4-1 or by the Commission,] the Commission shall:

- 21 (1) investigate the facts alleged [therein]; and  
22 (2) make a finding of probable cause for the [said] complaint or lack of it.

23 (B) *TIMELY INVESTIGATIONS.*

24 (1) THE INVESTIGATIONS REQUIRED BY THIS SECTION SHALL BE UNDERTAKEN IN A TIMELY  
25 MANNER.

26 (2) FOR A COMPLAINT MADE BY AN EMPLOYEE OR OTHER PERSON, THE COMMISSION MUST  
27 MAKE EVERY EFFORT TO:

- 28 (I) CONCLUDE ITS INVESTIGATION WITHIN 120 DAYS FROM RECEIPT OF THE  
29 COMPLAINT; AND  
30 (II) SETTLE THE COMPLAINT UNDER § 4-6 {"PROBABLE CAUSE CONFERENCE;  
31 SETTLEMENT AGREEMENT"} OF THIS SUBTITLE, DISMISS THE COMPLAINT  
32 UNDER § 4-5(B) {"FINDING OF PROBABLE CAUSE: PROBABLE CAUSE NOT  
33 FOUND"} OF THIS SUBTITLE, OR ISSUE A FINAL ORDER UNDER § 4-7 {"FINAL  
34 ORDER"} OF THIS SUBTITLE, WITHIN 1 YEAR FROM RECEIPT OF THE COMPLAINT.

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1 (3) THE FAILURE OF THE COMMISSION TO MEET THESE TIMELINES IS NOT GROUNDS FOR  
2 CLOSURE OR DISMISSAL OF THE COMPLAINT.

3 (C) *NOTIFICATIONS.*

4 (1) THE COMMISSION MUST:

5 (I) PROVIDE TIMELY NOTIFICATION OF A COMPLAINT, INCLUDING ALL ALLEGED  
6 FACTS RELEVANT TO THE COMPLAINT, TO THE RESPONDENT, AND

7 (II) REQUEST THAT THE RESPONDENT MAKE A WRITTEN RESPONSE TO THE  
8 COMPLAINT WITHIN 15 DAYS FROM THE DATE OF THE NOTIFICATION .

9 (2) THE COMMISSION MUST KEEP COMPLAINANTS AND THEIR ATTORNEYS OR  
10 REPRESENTATIVES REASONABLY NOTIFIED REGARDING THE STATUS OF THE PENDING  
11 OR ONGOING INVESTIGATION OF THE COMPLAINANT'S COMPLAINT.

12 (D) *FULL INVESTIGATION OF EMPLOYER.*

13 WHERE THE COMMISSION RECEIVES OR INITIATES A COMPLAINT, IT SHALL HAVE A POLICY  
14 THAT IT INVESTIGATE ANY OTHER VIOLATIONS OR SUSPECTED VIOLATIONS BY THAT  
15 EMPLOYER.

16 **§ 4-5. [Dismissal for lack] FINDING of probable cause.**

17 (A) *PROBABLE CAUSE FOUND.*

18 IF, AFTER THE INVESTIGATION REQUIRED BY § 4-3 {"INVESTIGATION FOR PROBABLE  
19 CAUSE"} OF THIS SUBTITLE, THE COMMISSION FINDS THAT THE COMPLAINT HAS PROBABLE  
20 CAUSE, THE COMMISSION MUST:

21 (1) NOTIFY THE RESPONDENT AND COMPLAINANT THAT PROBABLE CAUSE HAS BEEN  
22 FOUND; AND

23 (2) PROVIDE THE RESPONDENT AND COMPLAINANT WITH THE TIME AND DATE WHEN  
24 THE CONFERENCE REQUIRED BY § 4-6 {"PROBABLE CAUSE CONFERENCE;  
25 SETTLEMENT AGREEMENT"} OF THIS SUBTITLE WILL BE HELD.

26 (B) *PROBABLE CAUSE NOT FOUND.*

27 [If the finding of the Commission is] IF, AFTER THE INVESTIGATION REQUIRED BY § 4-3  
28 {"INVESTIGATION FOR PROBABLE CAUSE"} OF THIS SUBTITLE, THE COMMISSION FINDS  
29 that the complaint lacks probable cause, then it [shall] MUST dismiss [said] THE complaint  
30 and mail copies of its finding to THE respondent and complainant.

31 **§ 4-6. Probable cause conference; settlement agreement.**

32 (a) *Conference.*

33 If the Commission finds probable cause for the complaint, the Commission shall attempt,  
34 by means of conference, to PERSUADE RESPONDENT TO:



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- 1 (1) [persuade respondent to] cease and desist its illegal action;
- 2 (2) commence paying [complainant such] THE IMPACTED EMPLOYEE OR EMPLOYEES  
3 THE lawful wages [as are] required by this Division I; [and]
- 4 (3) reimburse [complainant] ALL IMPACTED EMPLOYEES for the difference between  
5 what [he] THEY had been receiving as wages and what [he] THEY should have  
6 lawfully received; AND
- 7 (4) PAY ANY FINES OR PENALTIES ASSESSED BY THE COMMISSION PURSUANT TO THIS  
8 DIVISION I.

9 (b) *Settlement agreement.*

10 Any such agreement reached between respondent and the Commission shall be reduced to  
11 writing and a copy thereof furnished to complainant and respondent.

12 **§ 4-7. Final order.**

13 (a) *In general.*

14 If:

- 15 (1) the Commission and the respondent shall fail to reach agreement, or
- 16 (2) the respondent shall fail to meet his obligations under such agreement:
  - 17 (i) within 30 days thereof, or
  - 18 (ii) within such other time as may be specified therein,

19 the Commission shall make such final order in the proceedings as it deems appropriate.  
20 [to:]

21 (B) *CONTENTS OF ORDER.*

22 A FINAL ORDER ISSUED UNDER THIS SECTION WILL:

- 23 (1) [(3)] require the payment of all wages due TO the respondent's employees  
24 [hereunder] UNDER THIS DIVISION I and ALL FINES DUE TO THE CITY UNDER  
25 SUBTITLE 6 OF THIS DIVISION 1; AND
- 26 (2) [(4)] direct the cessation of all practices by the respondent which are contrary to  
27 the provisions of this Division I and/or rules and regulations of the  
28 Commission.

29 (C) *TIME FOR ISSUANCE OF ORDER.*

- 30 (1) THE COMMISSION MUST MAKE EVERY EFFORT TO ENTER FINAL ORDERS NO LATER  
31 THAN 90 DAYS AFTER THE FIRST DATE ON WHICH:

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1 (I) THE PARTIES' ATTEMPTS AT SETTLEMENT FAIL; OR

2 (II) THE RESPONDENT FAILS TO MEET ITS OBLIGATIONS UNDER ANY SETTLEMENT  
3 AGREEMENT.

4 (2) THE FAILURE OF THE COMMISSION TO MEET THIS TIMELINE IS NOT GROUNDS FOR  
5 CLOSURE OR DISMISSAL OF THE COMPLAINT.

6 (D) [(b)] *Service of order.*

7 A copy of [such] THE order [shall] MUST be furnished TO the respondent by registered  
8 mail within 3 days of its passage.

9 **§ 4-8. [Judicial] ADMINISTRATIVE, JUDICIAL, and appellate review.**

10 (A) *IN GENERAL.*

11 IF THE COMMISSION ISSUES A FINAL ORDER UNDER § 4-7 {"FINAL ORDER"} OF THIS  
12 SUBTITLE, THE COMMISSION MUST PROVIDE THE RESPONDENT WITH NOTICE OF THE FINAL  
13 ORDER AND AN OPPORTUNITY FOR A HEARING BEFORE COMMISSION.

14 (B) *PROCEDURES.*

15 IN ITS RULES AND REGULATIONS, THE COMMISSION MUST ESTABLISH PROCEDURES TO  
16 GOVERN THE CONDUCT OF HEARINGS HELD UNDER THIS SECTION.

17 (C) *DETERMINATION.*

18 IF A RESPONDENT REQUESTS A HEARING BEFORE THE COMMISSION UNDER THIS SECTION,  
19 THE COMMISSION MUST:

20 (1) GRANT THE HEARING IN ACCORDANCE WITH ITS RULES AND REGULATIONS;

21 (2) CONSIDER ALL OF THE EVIDENCE PRESENTED AT THE HEARING; AND

22 (3) MAKE WRITTEN FINDINGS OF FACT AND CONCLUSIONS OF LAW ON EACH ALLEGED  
23 VIOLATION.

24 (D) *FINDINGS.*

25 (1) IF THE COMMISSION DETERMINES THAT THE FINAL ORDER ISSUED UNDER § 4-7 IS  
26 SUPPORTED BY ITS FINDINGS OF FACT AND CONCLUSIONS OF LAW, THAT ORDER MUST  
27 BE CONFIRMED BY THE COMMISSION.

28 (2) IF THE COMMISSION DETERMINES THAT THE RESPONDENT HAS VIOLATED THIS  
29 DIVISION I, BUT THAT THE FINAL ORDER ISSUED UNDER § 4-7 IS NOT SUPPORTED BY ITS  
30 FINDINGS OF FACT AND CONCLUSIONS OF LAW, THE COMMISSION MUST ISSUE A NEW  
31 FINAL ORDER THAT CONFORMS WITH ITS FINDINGS.

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1 (3) IF THE COMMISSION DETERMINES THAT THE RESPONDENT HAS NOT VIOLATED THIS  
2 DIVISION I, THE COMMISSION MUST WITHDRAW THE FINAL ORDER AND DISMISS THE  
3 COMPLAINT.

4 (4) THE COMMISSION MUST PROMPTLY NOTIFY THE COMPLAINANT AND RESPONDENT OF  
5 ANY ACTION TAKEN UNDER THIS SUBSECTION.

6 (E) [(a)] *Judicial review.*

7 A respondent aggrieved by an order of the Commission ISSUED OR CONFIRMED UNDER  
8 SUBSECTION (D) OF THIS SECTION may seek judicial review of that order by petition to the  
9 Circuit Court for Baltimore City in accordance with the Maryland Rules of Procedure.

10 (F) [(b)] *Appellate review.*

11 A party to the judicial review may appeal the court's final judgment to the Court of  
12 Special Appeals in accordance with the Maryland Rules of Procedure.

13 **§ 4-9. Referral to Solicitor.**

14 If, within 30 days of the [passage of such order] ISSUANCE OF A FINAL ORDER UNDER §§ 4-7  
15 {"FINAL ORDER"} OR 4-8 {"ADMINISTRATIVE, JUDICIAL, AND APPELLATE REVIEW"}, the  
16 respondent shall have failed to comply [therewith] WITH THE ORDER, the Wage Commission  
17 [may] MUST certify [such] THE proceedings to the City Solicitor and request that [he] THE  
18 SOLICITOR petition the Circuit Court of Baltimore City to enforce the [said] order and direct  
19 payment OF ALL WAGES AND PENALTIES DUE UNDER THIS DIVISION I [to the aggrieved  
20 employec].

21 **§ 4-10. Confidential information.**

22 (a) *Employer's payroll.*

23 The records of the Commission in any proceeding or investigation made pursuant to the  
24 provisions of this Division I shall be kept confidential to the extent that they disclose the  
25 payroll of any employer, except for the use of a complainant employee, THE COMMISSION  
26 IN THE INVESTIGATION OF OTHER VIOLATIONS OR SUSPECTED VIOLATIONS, or [other]  
27 ANOTHER public agency.

28 (b) *Identity of complainant.*

29 (1) Neither the Commission nor any of its employees may be compelled in any hearing  
30 before the Commission or other administrative proceeding, to disclose the identity of  
31 any person filing a complaint with the Commission under the provisions of this  
32 Division I.

33 (2) The Commission shall, however, have the right in its sole discretion to make such  
34 disclosure in any instance where the Commission deems it appropriate to do so.

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Subtitle 5. Other Prohibited Conduct

§ 5-1. By employer - retaliation against employee.

(A) FAMILY MEMBER DEFINED.

IN THIS SECTION, "FAMILY MEMBER" MEANS A SPOUSE, PARENT, SIBLING, CHILD, UNCLE, AUNT, NIECE, NEPHEW, COUSIN, GRANDPARENT, OR GRANDCHILD RELATED BY BLOOD, ADOPTION, MARRIAGE, OR DOMESTIC PARTNERSHIP, OR ANY OTHER INDIVIDUAL RELATED BY AFFINITY WHOSE CLOSE ASSOCIATION WITH THE EMPLOYEE IS THE EQUIVALENT OF A FAMILY RELATIONSHIP.

(B) [(a)] In general.

[It shall be unlawful, and a violation of this Division I, for any employer to discharge or reduce the compensation of any employee for:

- (1) making a complaint to the Wage Commission;
- (2) participating in any of its proceedings; or
- (3) availing himself of any of the civil remedies provided herein.]

(1) IT IS UNLAWFUL AND A VIOLATION OF THIS DIVISION I FOR AN EMPLOYER, OR ANY OTHER PARTY, TO DISCRIMINATE IN ANY MANNER OR TAKE ADVERSE ACTION AGAINST ANY PERSON IN RETALIATION FOR EXERCISING OR ATTEMPTING TO EXERCISE ANY RIGHT PROVIDED BY THIS DIVISION I.

(2) PROHIBITED DISCRIMINATION OR RETALIATION UNDER THIS SUBSECTION INCLUDES ANY RECOMMENDED, THREATENED, OR ACTUAL ADVERSE ACTION, INCLUDING:

- (I) TERMINATION, DEMOTION, SUSPENSION, OR REPRIMAND;
- (II) INVOLUNTARY TRANSFER, REASSIGNMENT, OR DETAIL TO AN ASSIGNMENT THAT A REASONABLE PERSON WOULD FIND LESS FAVORABLE;
- (III) FAILURE TO PROMOTE, HIRE, OR TAKE OTHER FAVORABLE PERSONNEL ACTION;
- (IV) REPORTING, OR THREATENING TO REPORT, THE ACTUAL OR SUSPECTED CITIZENSHIP OR IMMIGRATION STATUS OF AN EMPLOYEE, FORMER EMPLOYEE, OR FAMILY MEMBER OF AN EMPLOYEE TO A FEDERAL, STATE, OR LOCAL AGENCY; OR
- (V) ENGAGING IN ANY CONDUCT THAT WOULD DISSUADE A REASONABLE EMPLOYEE FROM ENGAGING IN ACTIVITIES PROTECTED BY THIS DIVISION I.

(3) THE PROTECTIONS OF THIS SECTION APPLY TO ANY PERSON WHO MISTAKENLY BUT IN GOOD FAITH ALLEGES A VIOLATION OF THIS DIVISION I.

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1 (C) RIGHTS PROTECTED.

2 RIGHTS UNDER THIS DIVISION I PROTECTED BY THIS SECTION INCLUDE, BUT ARE NOT  
3 LIMITED TO:

- 4 (1) REQUESTING PAYMENT OF A MINIMUM OR OVERTIME WAGE;
- 5 (2) MAKING OR FILING A COMPLAINT TO THE COMMISSION, OR IN COURT, FOR ALLEGED  
6 VIOLATIONS OF THIS DIVISION I;
- 7 (3) PARTICIPATING IN ANY OF THE COMMISSION’S PROCEEDINGS OR IN ANY  
8 ADMINISTRATIVE OR JUDICIAL ACTION REGARDING AN ALLEGED VIOLATION OF  
9 THIS DIVISION I;
- 10 (4) MAKING USE OF ANY OF THE CIVIL REMEDIES PROVIDED IN THIS DIVISION I; OR
- 11 (5) INFORMING ANY PERSON OF HIS OR HER POTENTIAL RIGHTS UNDER THIS DIVISION I.

12 (D) REBUTTABLE PRESUMPTION.

13 TAKING ADVERSE ACTION AGAINST A PERSON WITHIN 90 DAYS OF THE PERSON’S EXERCISE  
14 OF RIGHTS PROTECTED UNDER THIS DIVISION I SHALL RAISE A REBUTTABLE PRESUMPTION  
15 OF HAVING DONE SO IN RETALIATION FOR THE EXERCISE OF THOSE RIGHTS.

16 (E) [(b)] Restitution or reinstatement with backpay.

17 In [such] a case ARISING OUT OF A VIOLATION OF THIS SECTION, the Wage Commission  
18 may, pursuant to the procedures provided in Subtitle 4 hereof, order appropriate  
19 restitution [or] INCLUDING:

- 20 (1) the reinstatement of [such] THE employee with backpay to the date of violation;  
21 AND
- 22 (2) UNPAID WAGES.

23 § 5-2. By employer - violation of rule or regulation.

24 It [shall be] IS unlawful, and a violation of this Division I, for any employer to violate the  
25 rules and regulations of the Commission.

26 [§ 5-6. By employees.]

27 [It shall be unlawful, and a violation of this Division I, for any employee to:

- 28 (1) make any groundless, unfounded, or malicious complaint to the Commission; or
- 29 (2) in bad faith, institute or testify in any proceeding before the Commission under the  
30 provisions hereof.]

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**1 Subtitle 6. Penalties and Fines**

**2 § 6-2. Fines.**

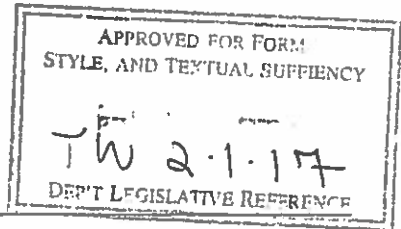
**3 Any employer [or employee] who violates this Division I shall forfeit and pay to the City of**  
**4 Baltimore a penalty as follows:**

- 5 (1) for a 1<sup>st</sup> offense, [\$250] \$300 for each violation;**
- 6 (2) for a 2<sup>nd</sup> offense, [\$500] \$550 for each violation; and**
- 7 (3) for each subsequent offense, \$1,000 for each violation.**

**8 SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance**  
**9 are not law and may not be considered to have been enacted as a part of this or any prior**  
**10 Ordinance.**

**11 SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30<sup>th</sup> day**  
**12 after the date it is enacted.**

INTRODUCTORY\*  
CITY OF BALTIMORE  
COUNCIL BILL 17-0018



Introduced by: Councilmember Clarke

A BILL ENTITLED

AN ORDINANCE concerning

**Labor and Employment – City Minimum Wage**

*Labor  
Law  
HR  
Wage comm.  
BDC  
MOED  
Finance*

FOR the purpose of setting Baltimore City's minimum wage rate for the years 2019 through 2023; setting the formula to determine Baltimore City's minimum wage rate from 2023 onward; repealing certain exceptions; creating certain exceptions; defining certain terms; setting the terms and qualifications for Wage Commission members; requiring the production and posting of multilingual posters summarizing Baltimore City's minimum wage laws; setting Baltimore City's tipped minimum wage rate; setting Baltimore City's small employer minimum wage through 2026; limiting the withholdings employers may make from employee wages; allowing any person to make a complaint to the Wage Commission; changing the Wage Commission's procedures for responding to complaints; repealing the prohibition of bad faith employee complaints to the Wage Commission; establishing certain penalties; clarifying and conforming related provisions; and generally relating to the minimum wage to be paid to employees in Baltimore City.

BY repealing and reordaining, with amendments

Article 11 - Labor and Employment

Section(s) 1-1, 1-2, 2-2, 2-5, 2-6, 3-1, 3-2, 3-4 to 3-6, 3-8, 4-1 to 4-3, 4-5 to 4-10, 5-1, 5-2, and 6-2

Baltimore City Code  
(Edition 2000)

BY repealing and reordaining, without amendments

Article 11 - Labor and Employment

Section(s) 1-3

Baltimore City Code  
(Edition 2000)

BY adding

Article 11 - Labor and Employment

Section(s) 1-4, 1-5, 2-7 to 2-9, 3-2A, and 3-2B

Baltimore City Code  
(Edition 2000)

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

\* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.  
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.

BY repealing  
Article 11 - Labor and Employment  
Section(s) 5-6  
Baltimore City Code  
(Edition 2000)

**SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the Laws of Baltimore City read as follows:

**Baltimore City Code**

**Article 11. Labor and Employment**

**Division 1. Minimum Wage law**

**Subtitle 1. Definitions; General Provisions**

**§ 1-1. Definitions.**

(a) *In general.*

The terms hereinafter set forth, wherever used in this Division I, are defined as follows.

(b) *Employ.*

“Employ” means to permit to work.

(c) *Employer.*

(1) “Employer” means any person, individual, partnership, association, corporation, business trust, or any other organized group or successor of an individual, partnership, association, corporation, OR trust of persons employing [2] 1 or more [persons] EMPLOYEES in the City of Baltimore.

(2) “Employer” [shall] DOES not include the United States, any State, or any political subdivision thereof, EXCEPT FOR THE CITY OF BALTIMORE.

(3) “EMPLOYER” INCLUDES THE CITY OF BALTIMORE.

(d) *Employee.*

(1) “Employee” means any person [permitted or instructed to work or be present by an employer] WHO WORKS FOR AN EMPLOYER, OR IS EXPECTED TO WORK FOR AN EMPLOYER, FOR 25 HOURS OR MORE IN A CALENDAR YEAR WITHIN THE GEOGRAPHIC BOUNDARIES OF THE CITY OF BALTIMORE.

(2) “Employee” [shall] DOES not include:

- (i) persons engaged in the activities of an educational, charitable, religious, or other nonprofit organization where the services rendered to such organization are on a voluntary basis, or in return for charitable aid conferred upon such person;



(ii) [persons employed in a bona fide executive, supervisory, or professional capacity] PERSONS EXEMPT FROM THE MINIMUM WAGE AND MAXIMUM HOURS REQUIREMENTS UNDER § 213(A)(1) OF THE FAIR LABOR STANDARDS ACT (29 U.S.C. §§ 201 - 219); OR

(iii) persons employed by any member of their immediate family[;].

[(iv) persons compensated upon a commission basis only; or]

[(v) persons employed as domestics within a home, only to the extent that such persons have been exempted from the Federal Fair Labor Standards Act as amended and as hereafter amended.]

(IV) PERSONS EXEMPT FROM THE MAXIMUM HOUR REQUIREMENTS UNDER §213(B)(1) OF THE FAIR LABOR STANDARDS ACT (29 USC §§201 - 219);

(V) OWNER OPERATORS OF A CLASS F (TRACTOR), DESCRIBED IN § 13-923 OF THE MARYLAND TRANSPORTATION ARTICLE; OR A CLASS E (TRUCK) VEHICLE, AS DESCRIBED IN § 13-916 OF THE MARYLAND TRANSPORTATION ARTICLE, INCLUDING A CLASS E (TRUCK) VEHICLE DESCRIBED IN § 13-919 OF THE MARYLAND TRANSPORTATION ARTICLE IF:

(A) THE OWNER OPERATOR AND A MOTOR CARRIER HAVE ENTERED INTO A WRITTEN AGREEMENT THAT IS CURRENTLY IN EFFECT FOR PERMANENT OR TRIP LEASING;

(B) UNDER THE AGREEMENT:

1. THERE IS NO INTENT TO CREATE AN EMPLOYER-EMPLOYEE RELATIONSHIP; AND
2. THE OWNER OPERATOR IS PAID RENTAL COMPENSATION;

(C) FOR FEDERAL TAX PURPOSES, THE OWNER OPERATOR QUALIFIES AS AN INDEPENDENT CONTRACTOR; AND

(D) THE OWNER OPERATOR:

1. OWNS THE VEHICLE OR HOLDS IT UNDER A BONA FIDE LEASE ARRANGEMENT;
2. IS RESPONSIBLE FOR THE MAINTENANCE OF THE VEHICLE;
3. BEARS THE PRINCIPAL BURDEN OF THE OPERATING COSTS OF THE VEHICLE, INCLUDING FUEL, REPAIRS, SUPPLIES, VEHICLE INSURANCE, AND PERSONAL EXPENSES WHILE THE VEHICLE IS ON THE ROAD;
4. IS RESPONSIBLE FOR SUPPLYING THE NECESSARY PERSONNEL IN CONNECTION WITH THE OPERATION OF THE VEHICLE; AND
5. GENERALLY DETERMINES THE DETAILS AND MEANS OF PERFORMING THE SERVICES UNDER THE AGREEMENT, IN CONFORMANCE WITH

REGULATORY REQUIREMENTS, OPERATING PROCEDURES OF THE  
MOTOR CARRIER, AND SPECIFICATIONS OF THE SHIPPER.

(E) *SMALL EMPLOYER.*

“SMALL EMPLOYER” MEANS ANY EMPLOYER THAT HAS:

- (1) AN ANNUAL GROSS INCOME OF \$400,000 OR LESS; OR
- (2) FEWER THAN 50 EMPLOYEES.

(F) *TIPS.*

“TIPS” MEANS A VERIFIABLE SUM PRESENTED BY A CUSTOMER AS A GIFT OR VOLUNTARY GRATUITY IN RECOGNITION OF SOME SERVICE PERFORMED FOR THE CUSTOMER BY THE EMPLOYEE RECEIVING THE TIP.

(G) *TIPPED EMPLOYEE.*

“TIPPED EMPLOYEE” MEANS AN EMPLOYEE WHO:

- (I) CUSTOMARILY AND REGULARLY RECEIVES MORE THAN \$30 A MONTH IN TIPS;
- (II) HAS BEEN INFORMED BY THE EMPLOYER IN WRITING ABOUT THE TIP NOTICE PROVISIONS REQUIRED BY THIS SUBTITLE; AND
- (III) RETAINS ALL TIPS OR SPLITS TIPS WITH OTHER TIPPED EMPLOYEES IN VALID TIP POOL.

**§ 1-2. Findings; policy.**

(a) *Findings of fact.*

The Mayor and City Council, after [conducting an investigation of] CONSIDERING employment conditions AND THE COST OF LIVING in the City of Baltimore, hereby find:

- (1) that many persons employed in Baltimore are paid wages which, in relation to the cost of living in the City and the income necessary to sustain minimum standards of decent living conditions, are insufficient to provide adequate maintenance for themselves and their families;
- (2) that the employment of such persons at such wages:
  - (i) impairs the health, efficiency, and well-being of the persons so employed and of their families;
  - (ii) reduces the purchasing power of such persons;
  - (iii) diminishes and depresses business, trade, and industry in the City;
  - (iv) threatens the stability and well-being of the City’s economic life;
  - [(v) fosters and contributes toward slum conditions and housing evils;]

[(vi)] creates conditions of want and deprivation tending to weaken and undermine family life and breed crime and juvenile delinquency;]

(v) [(vii)] threatens the health, welfare, and well-being of the people of the City; and

(vi) [(viii)]injures the City economically.

(b) *Declaration of policy.*

(1) Accordingly, it is the declared policy of the Mayor and City Council that such conditions be eliminated as rapidly as practicable without substantially curtailing opportunities for employment or earning power.

(2) To that end, legislation is necessary in the public interest in order to end these conditions so inimical to the public health, safety, and welfare of the citizens of Baltimore, to establish minimum wage standards for all employees as herein defined at a level consistent with their health, welfare, and general well-being.

**§ 1-3. Severability.**

If any provision of this Division I or the application thereof to any person or circumstances is held invalid, the remainder of the Division I and the application thereof to other persons or circumstances shall not be affected thereby.

**§ 1-4. OTHER LEGAL REQUIREMENTS.**

THIS DIVISION I PROVIDES MINIMUM REQUIREMENTS AND SHALL NOT BE CONSTRUED TO PREEMPT, LIMIT, OR OTHERWISE AFFECT THE APPLICABILITY OF ANY OTHER LAW, REGULATION, RULE, REQUIREMENT, POLICY, OR STANDARD THAT PROVIDES FOR GREATER PROTECTIONS TO EMPLOYEES.

**§ 1-5. NO EFFECT ON MORE GENEROUS POLICIES.**

NOTHING IN THIS DIVISION I SHALL BE CONSTRUED TO DISCOURAGE OR PROHIBIT THE ADOPTION OR RETENTION OF A WAGE POLICY MORE GENEROUS THAN THAT WHICH IS REQUIRED HEREIN.

**Subtitle 2. Wage Commission**

**§ 2-2. Members.**

(a) *In general.*

The Commission comprises 5 persons of integrity and experience, who shall be appointed by the Mayor subject to the approval of the City Council, INCLUDING:

(1) 2 REPRESENTATIVES FROM THE LABOR COMMUNITY;

(2) 2 REPRESENTATIVES FROM COMMUNITY-BASED ORGANIZATIONS; AND

(3) 1 REPRESENTATIVE FROM THE BUSINESS COMMUNITY.

(B) *TERM.*

COMMISSION MEMBERS ARE APPOINTED FOR TERMS OF 2 YEARS.

(C) [(b)] *Vacancies.*

If a vacancy occurs on the Commission, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

(D) [(c)] *Oath.*

Each member of the Commission, within 10 days after appointment, shall take an oath of office that so far as it devolves upon him or her, she or he will diligently and honestly administer the affairs of the Commission, and the oath shall be subscribed to by the member making it and certified by the Mayor before whom it is taken.

(E) [(d)] *Compensation; expenses.*

The Commission members shall serve without compensation, but shall be reimbursed for all expenses necessarily incurred.

**§ 2-5. General powers and duties.**

The Commission is authorized to and shall have the power to:

- (1) formulate and carry out a comprehensive educational and action program designed to eliminate the payment of substandard wages to employees in the City of Baltimore;
- (2) receive, investigate, and take action as herein provided on all complaints of payment of less than the minimum wage required by this Division I;
- (3) conduct such investigations on its own initiative as it deems proper to effectuate the purposes of this Division I;
- (4) monitor and assist in the fulfillment of any agreements negotiated with employers to effect their compliance with this Division I;
- (5) make appropriate findings as a result of any of its investigations; [and]
- (6) in carrying out its powers and duties, inspect payroll AND EMPLOYMENT records of any business without prior notice;
- (7) ISSUE SUBPOENAS;
- (8) EXAMINE WORKPLACES;
- (9) INTERVIEW EMPLOYEES AND FORMER EMPLOYEES IN PRIVATE AND OFF THE EMPLOYER'S PREMISES; AND
- (10) PUBLICIZE ONLINE AND IN OTHER MEDIA THE NAMES OF EMPLOYERS THAT VIOLATE THIS DIVISION I.

**§ 2-6. Rules and regulations.**

(a) *Commission may adopt.*

The Commission is authorized to and shall have the power to adopt such rules and regulations as it may deem necessary to:

- (1) effect compliance with this Division I;
- (2) govern its procedures; and
- (3) execute the duties and responsibilities imposed on it herein.

[(b) *Scope.*]

[Such rules and regulations may include, but are not limited to:]

[(1) those further defining:

- (i) persons engaged in voluntary service to a nonprofit organization;
- (ii) persons employed in a bona fide executive, supervisory, or professional capacity;
- (iii) persons employed by any member of their immediate family; and
- (iv) persons compensated upon a commission basis; and]

[(2) those:

- (i) establishing deductions in allowance for the reasonable value of uniforms, board, lodging, or other facilities, items, or services supplied by the employer;
- (ii) defining students and employees customarily receiving tips; and
- (iii) defining handicapped persons, for the purposes of § 3-2 of this Division I.]

(B) [(c)] *Publication.*

All rules and regulations [so] adopted [shall] UNDER THIS SECTION MUST be:

- (1) published by the Commission as soon as possible after their adoption; and
- (2) made available ON THE CITY'S WEBSITE AND ON PAPER, without charge, to any persons requesting them.

**§ 2-7. MULTILINGUAL POSTERS.**

(A) *POSTER TO BE PROVIDED.*

THE COMMISSION MUST PRODUCE, AND FURNISH TO ALL EMPLOYERS WITHOUT CHARGE, A POSTER CONTAINING A SUMMARY OF THIS DIVISION I.

**(B) POSTER LANGUAGES.**

THE COMMISSION MUST MAKE THIS POSTER AVAILABLE IN:

- (1) ENGLISH;
- (2) SPANISH; AND
- (3) ANY OTHER LANGUAGES SPOKEN BY MORE THAN FIVE PERCENT (5%) OF THE WORKFORCE IN THE CITY OF BALTIMORE.

**§ 2-8. INTERAGENCY COOPERATION.**

THE COMMISSION MUST TAKE STEPS TO ENSURE OPTIMAL COLLABORATION AMONG ALL CITY AGENCIES AND DEPARTMENTS, AS WELL AS BETWEEN THE CITY AND STATE AND FEDERAL LABOR STANDARDS AGENCIES, IN THE ENFORCEMENT OF THIS DIVISION I.

**§ 2-9. OUTREACH PARTNERSHIP.**

THE COMMISSION MUST ESTABLISH AN EDUCATION AND OUTREACH PROGRAM IN PARTNERSHIP WITH COMMUNITY-BASED ORGANIZATIONS FOR PURPOSES OF IMPLEMENTING THIS DIVISION I. THIS PROGRAM MAY INCLUDE, BUT IS NOT LIMITED TO, CONTRACTING WITH 1 OR MORE COMMUNITY-BASED ORGANIZATIONS TO PROVIDE ANY OR ALL OF THE FOLLOWING:

- (1) EDUCATION AND OUTREACH TO EMPLOYEES AND EMPLOYERS REGARDING THEIR RIGHTS AND OBLIGATIONS UNDER THIS DIVISION I;
- (2) ASSISTANCE FOR EMPLOYEES WHO WISH TO FILE COMPLAINTS;
- (3) ASSISTANCE FOR EMPLOYEES WHO HAVE FILED COMPLAINTS TO FACILITATE THE RESOLUTION OF COMPLAINTS AND INVESTIGATIONS; AND
- (4) SUPPORT FOR THE COMMISSION'S INVESTIGATIONS, WORKSITE MONITORING, AND OTHER ENFORCEMENT INITIATIVES.

**Subtitle 3. Wage Requirements**

**§ 3-1. Minimum wage required.**

**(a) *Employers must pay.***

Subject to the other provisions of this Division I, every employer operating and doing business in Baltimore City [shall] MUST pay wages to each employee in the City at a rate not less than the minimum wage required by [the Federal Fair Labor Standards Act, as amended] THIS SECTION.

**(B) *MINIMUM WAGE.***

THE MINIMUM WAGE SHALL BE AN HOURLY RATE DEFINED AS FOLLOWS:

- (1) UNTIL JULY 1, 2019, A RATE NOT LESS THAN THE HIGHER OF THE MARYLAND OR FEDERAL MINIMUM WAGE;

- (2) STARTING JULY 1, 2019, \$11.25;
- (3) STARTING JULY 1, 2020, \$12.50;
- (4) STARTING JULY 1, 2021, \$13.75;
- (5) STARTING JULY 1, 2022, \$15.00; AND
- (6) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023, AND EACH SUBSEQUENT 12-MONTH PERIOD, THE MINIMUM WAGE WILL BE SET IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(C) *ANNUAL COST OF LIVING ADJUSTMENT.*

- (1) TO PREVENT INFLATION FROM ERODING ITS VALUE, BEGINNING ON JULY 1, 2023, AND ON JULY 1 OF EACH SUBSEQUENT YEAR, THE MINIMUM WAGE SHALL INCREASE BY AN AMOUNT CORRESPONDING TO THE PRIOR YEAR'S INCREASE IN THE COST OF LIVING AS MEASURED BY THE PERCENTAGE INCREASE, IF ANY, AS OF MARCH OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF MARCH OF THE PREVIOUS YEAR OF THE NON-SEASONALLY ADJUSTED CONSUMER PRICE INDEX (URBAN WAGE EARNERS AND CLERICAL WORKERS, U.S. CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE U.S. DEPARTMENT OF LABOR OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE MINIMUM WAGE INCREASE ROUNDED TO THE NEAREST MULTIPLE OF 5 CENTS.
- (2) THE ADJUSTED MINIMUM WAGE MUST BE DETERMINED AND ANNOUNCED BY THE COMMISSION BY MAY 1 OF EACH YEAR, AND BECOMES EFFECTIVE AS THE NEW MINIMUM WAGE ON JULY 1 OF EACH YEAR.

(D) *EFFECT OF MARYLAND OR FEDERAL MINIMUM WAGE INCREASE.*

- (1) IN THE EVENT THAT THE MARYLAND OR FEDERAL MINIMUM WAGE IS INCREASED ABOVE THE LEVEL OF THE MINIMUM WAGE THAT IS IN FORCE UNDER THIS SUBTITLE, THE MINIMUM WAGE UNDER THIS SUBTITLE SHALL BE INCREASED TO MATCH THE HIGHER MARYLAND OR FEDERAL WAGE, EFFECTIVE ON THE SAME DATE AS THE INCREASE IN THE MARYLAND OR FEDERAL MINIMUM WAGE, AND SHALL BECOME THE NEW CITY MINIMUM WAGE IN EFFECT UNDER THIS SUBTITLE.
- (2) THE NEW CITY MINIMUM WAGE SET BY PARAGRAPH (1) OF THIS SUBSECTION IS THEN SUBJECT TO AN ANNUAL COST OF LIVING ADJUSTMENT UNDER SUBSECTION (C) OF THIS SECTION ON JULY 1 OF THE CALENDAR YEAR FOLLOWING ANY INCREASE IN THE MARYLAND OR FEDERAL MINIMUM WAGE, AND IN EACH SUBSEQUENT YEAR.

(E)[(b)] *Violations.*

It is a violation of this Division I for any employer to pay any employee a wage less than the minimum wage required by this Division I, and it is a separate violation each time an employee is not paid the wage required by this Division I at the time the employee is entitled to be paid.

**[§ 3-2. Exceptions.]**

*[(a) Allowance for employer-supplied items or services.*

- (1) For purposes of this Division I, wages shall include the reasonable value, as determined by the Wage Commission, of uniforms, board, lodging, or other facilities, items, or services furnished such employee by the employer.
- (2) Provided that the Wage Commission is empowered to determine such value by reference to the average cost to the employer or to groups of employers similarly situated.]

*[(b) Full-time students.*

- (1) Any employee who is a full-time student in a primary or secondary school, as such term is further defined by the Wage Commission, may be paid 85% of the minimum wage prescribed herein.
- (2) Provided, however, that such students may not be employed for more than 28 hours per week while attending school.
- (3) It shall be a violation of this Division I for any employer to employ such a full-time student for more than 28 hours per week while school is in session.]

*[(c) Work-study programs.*

Students enrolled in an approved work-study program shall be exempt from the limitations of subsection (b) of this section and from the minimum wage requirements of this Division I. Work study programs must be approved by the Wage Commission.]

*[(d) Employees customarily receiving tips.*

- (1) With respect to any employee engaged in an occupation in which he customarily and regularly receives more than \$30 a month in tips, the employer shall pay wages in the amount not less than the amount required to be paid a tipped employee under the Federal Fair Labor Standards Act, as amended.
- (2) It is the employer's obligation to provide evidence of any amount claimed by him as being received by his employee as tips.]

*[(e) Employees with disabilities.*

- (1) The Wage Commission may, in its discretion, recognize certificates issued by the State of Maryland for payment of less than the minimum wage to persons who are mentally or physically handicapped, or the Commission may issue its own certificates.
- (2) Provided, that the Commission's said recognition or certification may be upon such terms and for such period of time as the Commission deems appropriate.]



[(f) *Opportunity wages.*

An employer may pay an opportunity wage (i.e., a wage below the minimum wage) to any employee, but only under the conditions and limitations authorized for opportunity wages by the Federal Fair Labor Standards Act, as amended.]

**§ 3-2. EXCEPTION – TIPPED EMPLOYEES.**

(A) *TIP CREDIT.*

AN EMPLOYER MAY CONSIDER TIPS AS PART OF WAGES OF A TIPPED EMPLOYEE, IF:

- (1) THE EMPLOYER DEMONSTRATES THAT THE TIPPED EMPLOYEE RECEIVED AT LEAST THE MINIMUM WAGE ESTABLISHED BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE WHEN THE TIPS RECEIVED AND RETAINED BY THE TIPPED EMPLOYEE ARE COMBINED WITH THE MINIMUM CASH WAGE PAID DIRECTLY BY THE EMPLOYER; AND
- (2) THE EMPLOYEE HAS BEEN INFORMED IN WRITING BY THE EMPLOYER OF THE PROVISIONS OF THIS SUBTITLE.

(B) *MINIMUM CASH WAGE RATE FOR TIPPED EMPLOYEES.*

PROVIDED THAT AN EMPLOYEE ACTUALLY RECEIVES TIPS IN AN AMOUNT AT LEAST EQUAL TO THE DIFFERENCE BETWEEN THE CASH WAGE PAID AND THE MINIMUM WAGE AS PROVIDED BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE, THE MINIMUM CASH WAGE THAT EMPLOYERS MUST PAY TO TIPPED EMPLOYEES BEFORE TIPS SHALL BE AN HOURLY RATE OF NOT LESS THAN AN AMOUNT EQUAL TO THE MINIMUM WAGE REQUIRED BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE MINUS THE MAXIMUM TIP CREDIT IN EFFECT UNDER STATE LABOR AND EMPLOYMENT ARTICLE §3-419(c),

(C) *TIP POOLS.*

- (1) ALL TIPS RECEIVED BY TIPPED EMPLOYEES ARE THE SOLE PROPERTY OF THE TIPPED EMPLOYEE AND SHALL BE RETAINED BY THE TIPPED EMPLOYEE.
- (2) THIS SECTION DOES NOT PROHIBIT A VALID TIP POOL UNDER WHICH TIPS ARE POOLED AND DISTRIBUTED AMONG TIPPED EMPLOYEES.
- (3) IF AN EMPLOYEE PARTICIPATES IN A VALID TIP POOL, ONLY THE AMOUNT ACTUALLY RETAINED BY EACH EMPLOYEE IS CONSIDERED TO BE A PART OF THAT EMPLOYEE'S WAGES FOR PURPOSES OF THIS SECTION.

**§ 3-2A. EXCEPTIONS – MISCELLANEOUS.**

(A) *YOUTH JOB PROGRAMS.*

YOUTH PARTICIPANTS IN THE CITY'S YOUTHWORKS SUMMER JOBS PROGRAM, THE CITY'S HIRE ONE YOUTH PROGRAM, OR ANY OTHER CITY SPONSORED YOUTH JOB PROGRAM ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.

(B) *WORK-STUDY PROGRAMS.*

STUDENTS ENROLLED IN A FEDERAL WORK-STUDY PROGRAM ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.

(C) *INTERNSHIPS.*

INTERNS ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I IF:

- (I) THE INTERNSHIP, EVEN THOUGH IT INCLUDES ACTUAL OPERATION OF THE FACILITIES OF THE EMPLOYER, IS SIMILAR TO TRAINING WHICH WOULD BE GIVEN IN AN EDUCATIONAL ENVIRONMENT;
- (II) THE INTERNSHIP EXPERIENCE IS FOR THE BENEFIT OF THE INTERN;
- (III) THE INTERN DOES NOT DISPLACE REGULAR EMPLOYEES, BUT WORKS UNDER CLOSE SUPERVISION OF EXISTING STAFF;
- (IV) THE EMPLOYER THAT PROVIDES THE TRAINING DERIVES NO IMMEDIATE ADVANTAGE FROM THE ACTIVITIES OF THE INTERN; AND ON OCCASION ITS OPERATIONS MAY ACTUALLY BE IMPEDED; AND
- (V) THE INTERN IS NOT NECESSARILY ENTITLED TO A JOB AT THE CONCLUSION OF THE INTERNSHIP.

(D) *YOUNG WORKERS.*

ANY EMPLOYEE UNDER THE AGE OF 21 IS EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.

(E) *EMPLOYEES WITH DISABILITIES.*

THE WAGE COMMISSION MUST RECOGNIZE CERTIFICATES ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR OR THE STATE OF MARYLAND FOR PAYMENT OF LESS THAN THE MINIMUM WAGE TO PERSONS WITH DISABILITIES IN COMPLIANCE WITH THE PHASE-OUT OF SUB-MINIMUM WAGES OCCURRING BY 2020 UNDER THE KEN CAPONE EQUAL EMPLOYMENT ACT, § 3-414 {"INDIVIDUALS WITH DISABILITIES"} OF THE STATE LABOR AND EMPLOYMENT ARTICLE, AND § 7-1012 OF THE STATE HEALTH – GENERAL ARTICLE.

(F) *MARYLAND ZOO IN BALTIMORE.*

EMPLOYEES OF THE MARYLAND ZOO IN BALTIMORE ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I FOR THE DURATION OF THE LEASE BETWEEN THE CITY OF BALTIMORE AND THE STATE OF MARYLAND APPROVED BY THE BOARD OF ESTIMATES ON JULY 8, 1992.

**§ 3-2B. EXCEPTION – SMALL EMPLOYERS.**

(A) *IN GENERAL.*

- (1) UNTIL JANUARY 1, 2027, THE REQUIREMENTS OF § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE DO NOT APPLY TO A SMALL EMPLOYER IF THE SMALL EMPLOYER ACCURATELY DOCUMENTS IN A WRITTEN REPORT TO THE BALTIMORE CITY WAGE COMMISSION THAT IN THE PREVIOUS CALENDAR YEAR THE EMPLOYER HAD:

(I) AN ANNUAL GROSS INCOME OF \$400,000 OR LESS; OR

(II) FEWER THAN 50 EMPLOYEES.

(2) THE WRITTEN REPORT REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION MUST BE:

(I) FILED BY APRIL 30 OF THE YEAR PRECEDING THE CALENDAR YEAR FOR WHICH A SMALL EMPLOYER CLAIMS AN EXCEPTION UNDER THIS SECTION; AND

(II) IN THE FORM THE COMMISSION REQUIRES.

(B) *EXCEPTION NOT APPLICABLE TO CHAINS.*

SUBSECTION (A) OF THIS SECTION DOES NOT APPLY TO ANY EMPLOYER THAT IS PART OF A CHAIN OF ESTABLISHMENTS OPERATING UNDER THE SAME BRAND NAME THAT IS:

(1) AN INTEGRATED ENTERPRISE WHICH OWNS OR OPERATES 2 OR MORE ESTABLISHMENTS NATIONALLY; OR

(2) AN ESTABLISHMENT OPERATED PURSUANT TO A FRANCHISE WHERE THE FRANCHISOR AND THE FRANCHISEES OWN OR OPERATE 2 OR MORE ESTABLISHMENTS NATIONALLY.

(C) *SMALL EMPLOYER MINIMUM WAGE.*

EVERY SMALL EMPLOYER OPERATING AND DOING BUSINESS IN BALTIMORE CITY MUST PAY WAGES TO EACH EMPLOYEE IN THE CITY AT A RATE NOT LESS THAN THE SMALL EMPLOYER MINIMUM WAGE HOURLY RATE DEFINED AS FOLLOWS:

(1) STARTING JULY 1, 2018, \$10.10;

(2) STARTING JULY 1, 2019, \$10.70;

(3) STARTING JULY 1, 2020, \$11.30;

(4) STARTING JULY 1, 2021, \$11.90;

(5) STARTING JULY 1, 2022, \$12.50;

(6) STARTING JULY 1, 2023, \$13.10;

(7) STARTING JULY 1, 2024, \$13.70;

(8) STARTING JULY 1, 2025, \$14.30

(9) STARTING JULY 1, 2026, \$15.00

(10) STARTING JANUARY 1, 2027, THE SMALL EMPLOYER MINIMUM WAGE WILL BE EQUAL TO THE CITY MINIMUM WAGE THEN IN EFFECT.

#### § 3-4. Withholding.

(a) *Required consent.*

No employer [shall] MAY withhold any part of the wages or salary of any employee, except for those deductions:

- (1) REQUIRED BY LAW;
- (2) [in accordance with] EXPRESSLY ALLOWED BY law, AND MADE WITH THE [without] written and signed authorization of the employee; OR
- (3) ORDERED BY A COURT OF COMPETENT JURISDICTION.

(b) *Violations.*

It shall be a violation of this Division I for any employer to make any such prohibited withholding from the pay of any employee, and it shall be deemed a separate violation when any such prohibited withholding is made from any paycheck of any employee.

**§ 3-5. Wages due on termination of employment.**

It shall be a violation of this Division I for any employer to FAIL TO OR refuse to pay to any employee who is terminated, resigns, retires, or who otherwise ends or suspends his employment, all wages due and owing to said employee on the next regular payday that said wages would otherwise have been paid.

**§ 3-6. Posting summary of law.**

(a) *Employer to post.*

Every employer subject to this Division I [shall keep] MUST POST EACH OF THE POSTERS MADE AVAILABLE BY THE COMMISSION UNDER § 2-7 {"MULTILINGUAL POSTERS"} OF THIS DIVISION CONTAINING a summary of this Division I [, furnished by the Commission without charge, posted] in a conspicuous place ACCESSIBLE TO ALL EMPLOYEES on or about the premises [wherein] WHERE any person subject to this Division I is employed.

(b) *Violations.*

Failure to so post [said summary shall be deemed] THE POSTERS REQUIRED TO BE POSTED BY SUBSECTION (A) OF THIS SECTION IS a violation of this Division I.

**§ 3-8. Payroll records.**

(a) *Required information; maintenance period.*

(1) Every employer subject to this Division I shall keep, for a period of not less than 3 years, a true and accurate record of the:

- (i) name[.];
- (ii) social security number[.];
- (iii) address at time of employment[.];
- (iv) occupation[.];

(v) time worked each day[,]; and

(vi) rate of pay

for each [of his employees] EMPLOYEE.

(2) Any employer who fails to maintain such records shall be in violation of this Division I, and it shall be deemed a separate violation thereof as to each employee for whom records are not fully maintained.

(b) *Right of inspection.*

(1) The Commission or its authorized representative [shall have] HAS the right, at all reasonable times, to enter upon the premises of any employer to inspect [such] THE records REQUIRED TO BE KEPT BY SUBSECTION (A) OF THIS SECTION to ascertain whether the provisions of this Division I have been complied with.

(2) AN EMPLOYER MUST ALLOW AN EMPLOYEE TO INSPECT THE RECORDS REQUIRED TO BE KEPT BY SUBSECTION (A) OF THIS SECTION PERTAINING TO THAT EMPLOYEE AT A REASONABLE TIME AND PLACE.

(3) [(2)]It [shall be] IS a violation of this Division I to prevent, obstruct, or to attempt to prevent or obstruct [such] THE entries and inspections ALLOWED BY THIS SUBSECTION.

(c) *EFFECTS OF FAILURE TO MAINTAIN RECORDS.*

IF AN EMPLOYER FAILS TO CREATE AND RETAIN CONTEMPORANEOUS WRITTEN OR ELECTRONIC RECORDS DOCUMENTING ITS EMPLOYEES' WAGES EARNED, OR DOES NOT ALLOW THE COMMISSION REASONABLE ACCESS TO ITS RECORDS, IT SHALL BE PRESUMED THAT THE EMPLOYER HAS VIOLATED THIS DIVISION I, AND THE EMPLOYEE'S REASONABLE ESTIMATE REGARDING HOURS WORKED AND WAGES PAID SHALL BE RELIED ON, ABSENT CLEAR AND CONVINCING EVIDENCE OTHERWISE.

**Subtitle 4. Enforcement Procedures**

**§ 4-1. Complaints by employee OR OTHER PERSON.**

(a) [*Filing with*] *COMPLAINTS TO THE Commission.*

[Any person claiming to be aggrieved by an alleged payment of a wage of a lesser amount than required by] AN EMPLOYEE OR ANY OTHER PERSON MAY MAKE A COMPLAINT BY REPORTING ANY SUSPECTED VIOLATION OF this Division I [may, by himself or his attorney, within 1 year after the occurrence of the alleged unlawful act, make, sign, and file with] TO the Commission WITHIN 3 YEARS OF THE SUSPECTED VIOLATION [a complaint in writing, under oath].

(b) *Contents.*

The complaint shall state the name and address of the employer alleged to have paid the unlawful wage (hereinafter referred to as the respondent) and the particulars thereof, and contain such other information as may be required by the Commission.

(c) *COMPLAINTS TO BE ACCEPTED IN WRITING, ONLINE, OR BY TELEPHONE.*

THE COMMISSION MUST ESTABLISH A SYSTEM TO RECEIVE COMPLAINTS REGARDING NON-COMPLIANCE WITH THIS DIVISION I IN WRITING, ONLINE, AND BY TELEPHONE IN ENGLISH, SPANISH, AND ANY OTHER LANGUAGE SPOKEN BY MORE THAN 5% OF THE BALTIMORE CITY WORKFORCE.

**§ 4-2. Complaints by Commission.**

The Commission [shall have] HAS the right, acting upon its own initiative and without any complaint from an employee, to [file] INITIATE a complaint against an employer whenever the Commission has reasonable cause to believe that [such] THE employer is or has been in violation of the provisions of this Division I.

**§ 4-3. Investigation for probable cause.**

*(A) IN GENERAL.*

After the [filing] INITIATION of any [such] complaint, [either by a person claiming to be aggrieved as set forth in § 4-1 or by the Commission,] the Commission shall:

- (1) investigate the facts alleged [therein]; and
- (2) make a finding of probable cause for the [said] complaint or lack of it.

*(B) TIMELY INVESTIGATIONS.*

- (1) THE INVESTIGATIONS REQUIRED BY THIS SECTION SHALL BE UNDERTAKEN IN A TIMELY MANNER.
- (2) FOR A COMPLAINT MADE BY AN EMPLOYEE OR OTHER PERSON, THE COMMISSION MUST MAKE EVERY EFFORT TO:
  - (i) CONCLUDE ITS INVESTIGATION WITHIN 120 DAYS FROM RECEIPT OF THE COMPLAINT; AND
  - (ii) SETTLE THE COMPLAINT UNDER § 4-6 {"PROBABLE CAUSE CONFERENCE; SETTLEMENT AGREEMENT"} OF THIS SUBTITLE, DISMISS THE COMPLAINT UNDER § 4-5(B) {"FINDING OF PROBABLE CAUSE: PROBABLE CAUSE NOT FOUND"} OF THIS SUBTITLE, OR ISSUE A FINAL ORDER UNDER § 4-7 {"FINAL ORDER"} OF THIS SUBTITLE, WITHIN 1 YEAR FROM RECEIPT OF THE COMPLAINT.
- (3) THE FAILURE OF THE COMMISSION TO MEET THESE TIMELINES IS NOT GROUNDS FOR CLOSURE OR DISMISSAL OF THE COMPLAINT.

*(C) NOTIFICATIONS.*

- (1) THE COMMISSION MUST:
  - (i) PROVIDE TIMELY NOTIFICATION OF A COMPLAINT, INCLUDING ALL ALLEGED FACTS RELEVANT TO THE COMPLAINT, TO THE RESPONDENT, AND
  - (ii) REQUEST THAT THE RESPONDENT MAKE A WRITTEN RESPONSE TO THE COMPLAINT WITHIN 15 DAYS FROM THE DATE OF THE NOTIFICATION .

- (2) THE COMMISSION MUST KEEP COMPLAINANTS AND THEIR ATTORNEYS OR REPRESENTATIVES REASONABLY NOTIFIED REGARDING THE STATUS OF THE PENDING OR ONGOING INVESTIGATION OF THE COMPLAINANT'S COMPLAINT.

(D) *FULL INVESTIGATION OF EMPLOYER.*

WHERE THE COMMISSION RECEIVES OR INITIATES A COMPLAINT, IT SHALL HAVE A POLICY THAT IT INVESTIGATE ANY OTHER VIOLATIONS OR SUSPECTED VIOLATIONS BY THAT EMPLOYER.

**§ 4-5. [Dismissal for lack] FINDING of probable cause.**

(A) *PROBABLE CAUSE FOUND.*

IF, AFTER THE INVESTIGATION REQUIRED BY § 4-3 {"INVESTIGATION FOR PROBABLE CAUSE"} OF THIS SUBTITLE, THE COMMISSION FINDS THAT THE COMPLAINT HAS PROBABLE CAUSE, THE COMMISSION MUST:

- (1) NOTIFY THE RESPONDENT AND COMPLAINANT THAT PROBABLE CAUSE HAS BEEN FOUND; AND
- (2) PROVIDE THE RESPONDENT AND COMPLAINANT WITH THE TIME AND DATE WHEN THE CONFERENCE REQUIRED BY § 4-6 {"PROBABLE CAUSE CONFERENCE; SETTLEMENT AGREEMENT"} OF THIS SUBTITLE WILL BE HELD.

(B) *PROBABLE CAUSE NOT FOUND.*

[If the finding of the Commission is] IF, AFTER THE INVESTIGATION REQUIRED BY § 4-3 {"INVESTIGATION FOR PROBABLE CAUSE"} OF THIS SUBTITLE, THE COMMISSION FINDS that the complaint lacks probable cause, then it [shall] MUST dismiss [said] THE complaint and mail copies of its finding to THE respondent and complainant.

**§ 4-6. Probable cause conference; settlement agreement.**

(a) *Conference.*

If the Commission finds probable cause for the complaint, the Commission shall attempt, by means of conference, to PERSUADE RESPONDENT TO:

- (1) [persuade respondent to] cease and desist its illegal action;
- (2) commence paying [complainant such] THE IMPACTED EMPLOYEE OR EMPLOYEES THE lawful wages [as are] required by this Division I; [and]
- (3) reimburse [complainant] ALL IMPACTED EMPLOYEES for the difference between what [he] THEY had been receiving as wages and what [he] THEY should have lawfully received; AND
- (4) PAY ANY FINES OR PENALTIES ASSESSED BY THE COMMISSION PURSUANT TO THIS DIVISION I.

(b) *Settlement agreement.*

Any such agreement reached between respondent and the Commission shall be reduced to writing and a copy thereof furnished to complainant and respondent.

§ 4-7. **Final order.**

(a) *In general.*

If:

- (1) the Commission and the respondent shall fail to reach agreement, or
- (2) the respondent shall fail to meet his obligations under such agreement:
  - (i) within 30 days thereof, or
  - (ii) within such other time as may be specified therein,

the Commission shall make such final order in the proceedings as it deems appropriate.  
[to:]

(B) *CONTENTS OF ORDER.*

A FINAL ORDER ISSUED UNDER THIS SECTION WILL:

- (1) [(3)] require the payment of all wages due TO the respondent's employees [hereunder] UNDER THIS DIVISION I and ALL FINES DUE TO THE CITY UNDER SUBTITLE 6 OF THIS DIVISION 1; AND
- (2) [(4)] direct the cessation of all practices by the respondent which are contrary to the provisions of this Division I and/or rules and regulations of the Commission.

(C) *TIME FOR ISSUANCE OF ORDER.*

- (1) THE COMMISSION MUST MAKE EVERY EFFORT TO ENTER FINAL ORDERS NO LATER THAN 90 DAYS AFTER THE FIRST DATE ON WHICH:
  - (I) THE PARTIES' ATTEMPTS AT SETTLEMENT FAIL; OR
  - (II) THE RESPONDENT FAILS TO MEET ITS OBLIGATIONS UNDER ANY SETTLEMENT AGREEMENT.
- (2) THE FAILURE OF THE COMMISSION TO MEET THIS TIMELINE IS NOT GROUNDS FOR CLOSURE OR DISMISSAL OF THE COMPLAINT.

(D) [(b)] *Service of order.*

A copy of [such] THE order [shall] MUST be furnished TO the respondent by registered mail within 3 days of its passage.



**§ 4-8. [Judicial] ADMINISTRATIVE, JUDICIAL, and appellate review.**

(A) *IN GENERAL.*

IF THE COMMISSION ISSUES A FINAL ORDER UNDER § 4-7 {"FINAL ORDER"} OF THIS SUBTITLE, THE COMMISSION MUST PROVIDE THE RESPONDENT WITH NOTICE OF THE FINAL ORDER AND AN OPPORTUNITY FOR A HEARING BEFORE COMMISSION.

(B) *PROCEDURES.*

IN ITS RULES AND REGULATIONS, THE COMMISSION MUST ESTABLISH PROCEDURES TO GOVERN THE CONDUCT OF HEARINGS HELD UNDER THIS SECTION.

(C) *DETERMINATION.*

IF A RESPONDENT REQUESTS A HEARING BEFORE THE COMMISSION UNDER THIS SECTION, THE COMMISSION MUST:

- (1) GRANT THE HEARING IN ACCORDANCE WITH ITS RULES AND REGULATIONS;
- (2) CONSIDER ALL OF THE EVIDENCE PRESENTED AT THE HEARING; AND
- (3) MAKE WRITTEN FINDINGS OF FACT AND CONCLUSIONS OF LAW ON EACH ALLEGED VIOLATION.

(D) *FINDINGS.*

- (1) IF THE COMMISSION DETERMINES THAT THE FINAL ORDER ISSUED UNDER § 4-7 IS SUPPORTED BY ITS FINDINGS OF FACT AND CONCLUSIONS OF LAW, THAT ORDER MUST BE CONFIRMED BY THE COMMISSION.
- (2) IF THE COMMISSION DETERMINES THAT THE RESPONDENT HAS VIOLATED THIS DIVISION I, BUT THAT THE FINAL ORDER ISSUED UNDER § 4-7 IS NOT SUPPORTED BY ITS FINDINGS OF FACT AND CONCLUSIONS OF LAW, THE COMMISSION MUST ISSUE A NEW FINAL ORDER THAT CONFORMS WITH ITS FINDINGS.
- (3) IF THE COMMISSION DETERMINES THAT THE RESPONDENT HAS NOT VIOLATED THIS DIVISION I, THE COMMISSION MUST WITHDRAW THE FINAL ORDER AND DISMISS THE COMPLAINT.
- (4) THE COMMISSION MUST PROMPTLY NOTIFY THE COMPLAINANT AND RESPONDENT OF ANY ACTION TAKEN UNDER THIS SUBSECTION.

(E) [(a)] *Judicial review.*

A respondent aggrieved by an order of the Commission ISSUED OR CONFIRMED UNDER SUBSECTION (D) OF THIS SECTION may seek judicial review of that order by petition to the Circuit Court for Baltimore City in accordance with the Maryland Rules of Procedure.

(F) [(b)] *Appellate review.*

A party to the judicial review may appeal the court's final judgment to the Court of Special Appeals in accordance with the Maryland Rules of Procedure.

#### **§ 4-9. Referral to Solicitor.**

If, within 30 days of the [passage of such order] ISSUANCE OF A FINAL ORDER UNDER §§ 4-7 {"FINAL ORDER"} OR 4-8 {"ADMINISTRATIVE, JUDICIAL, AND APPELLATE REVIEW"}, the respondent shall have failed to comply [therewith] WITH THE ORDER, the Wage Commission [may] MUST certify [such] THE proceedings to the City Solicitor and request that [he] THE SOLICITOR petition the Circuit Court of Baltimore City to enforce the [said] order and direct payment OF ALL WAGES AND PENALTIES DUE UNDER THIS DIVISION I [to the aggrieved employee].

#### **§ 4-10. Confidential information.**

(a) *Employer's payroll.*

The records of the Commission in any proceeding or investigation made pursuant to the provisions of this Division I shall be kept confidential to the extent that they disclose the payroll of any employer, except for the use of a complainant employee, THE COMMISSION IN THE INVESTIGATION OF OTHER VIOLATIONS OR SUSPECTED VIOLATIONS, or [other] ANOTHER public agency.

(b) *Identity of complainant.*

- (1) Neither the Commission nor any of its employees may be compelled in any hearing before the Commission or other administrative proceeding, to disclose the identity of any person filing a complaint with the Commission under the provisions of this Division I.
- (2) The Commission shall, however, have the right in its sole discretion to make such disclosure in any instance where the Commission deems it appropriate to do so.

### **Subtitle 5. Other Prohibited Conduct**

#### **§ 5-1. By employer - retaliation against employee.**

(A) *FAMILY MEMBER DEFINED.*

IN THIS SECTION, "FAMILY MEMBER" MEANS A SPOUSE, PARENT, SIBLING, CHILD, UNCLE, AUNT, NIECE, NEPHEW, COUSIN, GRANDPARENT, OR GRANDCHILD RELATED BY BLOOD, ADOPTION, MARRIAGE, OR DOMESTIC PARTNERSHIP, OR ANY OTHER INDIVIDUAL RELATED BY AFFINITY WHOSE CLOSE ASSOCIATION WITH THE EMPLOYEE IS THE EQUIVALENT OF A FAMILY RELATIONSHIP.

(B) [(a)] *In general.*

[It shall be unlawful, and a violation of this Division I, for any employer to discharge or reduce the compensation of any employee for:

- (1) making a complaint to the Wage Commission;
- (2) participating in any of its proceedings; or
- (3) availing himself of any of the civil remedies provided herein.]

- (1) IT IS UNLAWFUL AND A VIOLATION OF THIS DIVISION I FOR AN EMPLOYER, OR ANY OTHER PARTY, TO DISCRIMINATE IN ANY MANNER OR TAKE ADVERSE ACTION AGAINST ANY PERSON IN RETALIATION FOR EXERCISING OR ATTEMPTING TO EXERCISE ANY RIGHT PROVIDED BY THIS DIVISION I.
- (2) PROHIBITED DISCRIMINATION OR RETALIATION UNDER THIS SUBSECTION INCLUDES ANY RECOMMENDED, THREATENED, OR ACTUAL ADVERSE ACTION, INCLUDING:
  - (I) TERMINATION, DEMOTION, SUSPENSION, OR REPRIMAND;
  - (II) INVOLUNTARY TRANSFER, REASSIGNMENT, OR DETAIL TO AN ASSIGNMENT THAT A REASONABLE PERSON WOULD FIND LESS FAVORABLE;
  - (III) FAILURE TO PROMOTE, HIRE, OR TAKE OTHER FAVORABLE PERSONNEL ACTION;
  - (IV) REPORTING, OR THREATENING TO REPORT, THE ACTUAL OR SUSPECTED CITIZENSHIP OR IMMIGRATION STATUS OF AN EMPLOYEE, FORMER EMPLOYEE, OR FAMILY MEMBER OF AN EMPLOYEE TO A FEDERAL, STATE, OR LOCAL AGENCY; OR
  - (V) ENGAGING IN ANY CONDUCT THAT WOULD DISSUADE A REASONABLE EMPLOYEE FROM ENGAGING IN ACTIVITIES PROTECTED BY THIS DIVISION I.
- (3) THE PROTECTIONS OF THIS SECTION APPLY TO ANY PERSON WHO MISTAKENLY BUT IN GOOD FAITH ALLEGES A VIOLATION OF THIS DIVISION I.

*(C) RIGHTS PROTECTED.*

RIGHTS UNDER THIS DIVISION I PROTECTED BY THIS SECTION INCLUDE, BUT ARE NOT LIMITED TO:

- (1) REQUESTING PAYMENT OF A MINIMUM OR OVERTIME WAGE;
- (2) MAKING OR FILING A COMPLAINT TO THE COMMISSION, OR IN COURT, FOR ALLEGED VIOLATIONS OF THIS DIVISION I;
- (3) PARTICIPATING IN ANY OF THE COMMISSION'S PROCEEDINGS OR IN ANY ADMINISTRATIVE OR JUDICIAL ACTION REGARDING AN ALLEGED VIOLATION OF THIS DIVISION I;
- (4) MAKING USE OF ANY OF THE CIVIL REMEDIES PROVIDED IN THIS DIVISION I; OR
- (5) INFORMING ANY PERSON OF HIS OR HER POTENTIAL RIGHTS UNDER THIS DIVISION I.

(D) *REBUTTABLE PRESUMPTION.*

TAKING ADVERSE ACTION AGAINST A PERSON WITHIN 90 DAYS OF THE PERSON'S EXERCISE OF RIGHTS PROTECTED UNDER THIS DIVISION I SHALL RAISE A REBUTTABLE PRESUMPTION OF HAVING DONE SO IN RETALIATION FOR THE EXERCISE OF THOSE RIGHTS.

(E) [(b)] *Restitution or reinstatement with backpay.*

In [such] a case ARISING OUT OF A VIOLATION OF THIS SECTION, the Wage Commission may, pursuant to the procedures provided in Subtitle 4 hereof, order appropriate restitution [or] INCLUDING:

- (1) the reinstatement of [such] THE employee with backpay to the date of violation;  
AND
- (2) UNPAID WAGES.

**§ 5-2. By employer - violation of rule or regulation.**

It [shall be] IS unlawful, and a violation of this Division I, for any employer to violate the rules and regulations of the Commission.

[§ 5-6. **By employees.**]

[It shall be unlawful, and a violation of this Division I, for any employee to:

- (1) make any groundless, unfounded, or malicious complaint to the Commission; or
- (2) in bad faith, institute or testify in any proceeding before the Commission under the provisions hereof.]

**Subtitle 6. Penalties and Fines**

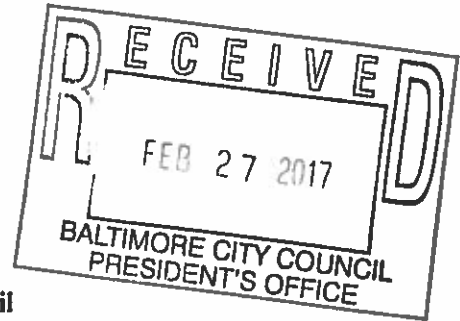
**§ 6-2. Fines.**

Any employer [or employee] who violates this Division I shall forfeit and pay to the City of Baltimore a penalty as follows:

- (1) for a 1<sup>st</sup> offense, [~~\$250~~] \$300 for each violation;
- (2) for a 2<sup>nd</sup> offense, [~~\$500~~] \$550 for each violation; and
- (3) for each subsequent offense, \$1,000 for each violation.

**SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

**SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day after the date it is enacted.



MEMORANDUM

**TO:** Honorable President and Members of the City Council  
Attention: Natawna Austin, Executive Secretary

**FROM:** William H. Cole, President and CEO *[Signature]*

**DATE:** February 27, 2017

**SUBJECT:** City Council Bill No. 17-0018  
Labor and Employment – City Minimum Wage

City Council Bill 17-0018 proposes to establish a minimum wage rate for Baltimore City for the years 2019-2023. It creates exceptions that include tipped workers and small employers and it creates a wage commission and establishes penalties for noncompliance. The current bill has a longer implementation schedule, identifies small employers and places them on a separate wage and implementation schedule, and exempts employers of tipped workers from the same requirements as other businesses.

Initially, the Baltimore Development Corporation (BDC) took no position on City Council Bill 16-0655. Since its introduction, BDC has heard from more business, large and small, as to how the approval of this bill will adversely affect their businesses and ability to maintain and hire staff. BDC opposes the proposed bill as it is currently drafted, as its approval will have a negative impact on the Baltimore business environment. First the Wage Commission, as constructed, is unequally weighted. Second, the minimum wage requirement, absent an equivalent regional or State requirement, will have a disproportionate impact on Baltimore residents and Baltimore businesses. Third, the increase may provide a greater benefit to workers commuting into Baltimore City and substantially increase competition for hourly jobs in Baltimore City. Lastly, based upon a survey of Baltimore businesses (See Appendix) to this report, this bill would most likely lead to increased prices for goods and services, reduced employment opportunities and possible relocation or closure of some businesses.

***Minimum Wage Commission Authorization***

In our previous response, we outlined the construction of the Wage Commission as a point of concern. In this bill, this concern remains. Having only one representative from the business community as a member of the Commission is unbalanced and gives the perception that business concerns will not be equally considered. Business owners will ultimately be responsible for implementing the requirements and providing proof of such, and thus, should have equal representation on the Commission.

Additionally, the Commission has been granted certain rights in the form of oversight, investigation and penalty assessment. Given the unbalanced representation of the commission, such increased powers could be construed as highly intrusive and burdensome to business owners. Investigative powers should be limited to and governed by legislation, not through regulation.

*Opposed w/ commission*



## **City Council Bill 17-0018 – Labor and Employment – City Minimum Wage**

**Page 2**

### ***Wage Requirements***

While the proposed bill will raise the wages of people working in Baltimore City, it also will provide a greater benefit to people who commute into the City to work. The legislation does not take into consideration worker residency, only location of employment within Baltimore City. Currently, nearly 60% of those who work in the City live in the County

*The proposed bill, in isolation of a regional or State equivalent, will make jobs in Baltimore City more attractive not just to City residents, but to workers in surrounding counties, thereby increasing competition for these jobs, which could inadvertently impede employment for the exact audience it was intended to benefit. The increased competition for Baltimore City jobs could lead to more residents commuting outside the City for employment. The current legislation will effectively increase competition for Baltimore City residents seeking employment opportunities. As the minimum pay scale is increased in Baltimore City, comparable jobs within the City of Baltimore may pay as much as 48% more than the rest of the State.*

Job seekers, previously not inclined to travel to the City of Baltimore from the adjacent counties, will more likely to do so if the minimum wage proposed by this Bill goes into effect. The increase in the minimum wage will attract job seekers from surrounding counties, creating greater competition for Baltimore City jobs, and adversely affecting City residents, who are also seeking the same employment.

In addition, increasing the minimum wage will put a financial burden on small businesses, which could lead to a reduction in the overall number of jobs a business can maintain and hamper business growth and expansion. Businesses are also more likely to offset the increase in the price for labor by increasing the price of their goods and services, which will reduce the competitive position of Baltimore-based companies to those in the same industry in the surrounding counties. Cost of labor is one of the key factors in a business location decision. The adoption of this bill increases the likelihood of a business locating in one of Baltimore City's adjacent counties, rather than selecting a location within the City limits. In addition, the creation of additional business costs to submit annual proof of compliance will only drive businesses into other counties. Highly competitive sectors of retail, services and hospitality, both large and small, will feel the greatest negative impact of the minimum wage increase.

A disproportionately higher minimum wage isolated to Baltimore alone will put City businesses at a competitive disadvantage to those in other municipalities and counties in the immediate region. Businesses in the City already face substantially higher taxes than surrounding jurisdictions. A large gap in both taxes and wages puts Baltimore at a further disadvantage in the attraction of new businesses and the retention of existing businesses. That disadvantage is most apparent for those businesses near a jurisdictional line, which is almost half of the City's retailers with 50 or more employees.





**City Council Bill 17-0018 – Labor and Employment – City Minimum Wage  
Page 3**

***Competitive Disadvantage***

Despite its revisions, the bill in *Subtitle 3 Section 2B(B) Exception Not Applicable to Chains*: removes businesses with two (2) or more locations nationally from the protections of *Subtitle 3 Section 2B(A) Exceptions- Small Employers*. With this removal from the exception, any business with a second location regardless of whether they have fewer than 50 employees and/or generate less than \$400,000 in annual gross revenue would be required to pay their employees \$15 an hour by July 1, 2022 as opposed to July 1, 2026. For small employers, this requirement may discourage new development, business expansion and attraction.

Based on a survey of Baltimore businesses regarding the potential increase in the City's minimum wage, the majority of businesses, despite whether they supported the increase or not, cited that they would most likely have to raise prices and reduce staff.

cc: Kyron Banks

sandra.blake/ccbill17/17-0018



## Appendix

### *Survey on Baltimore City Proposed Minimum Wage Increase – Key Findings*

A total of 322 firms located within 14 Baltimore City's RBDLs and Main Streets responded to the survey (a response rate of 15%).

#### Opinion of responding firms to the proposed legislation:

- 25% of firms surveyed supported increasing the minimum wage to \$15/hr
- 39% did not support the increase
- 36% did not take a position

#### Opinion of responding firms to the proposed legislation by industry:

- 61% of Clothing Retail support the increase
- 73% of Professional/Technical services did not support the increase
- 72% of Restaurants did not support the increase
- 72% of Food Retail/Grocery stores did not support the increase
- 52% of Personal Service firms (barbers, hair, nail salons, and drycleaners) support the increase

#### When asked the how the proposed legislation would impact their operations (total of 322 firms):

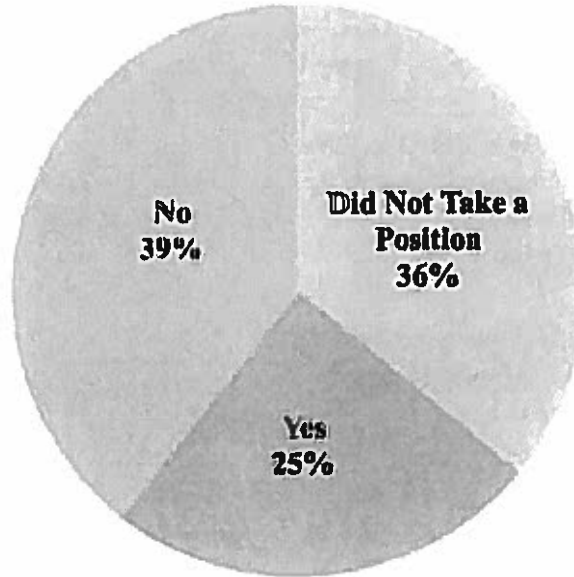
- 27% said the increase would have no impact on their operations
- 30% said they would reduce existing staff hours
- 29% would raise prices of goods and services
- 27% would hire fewer workers
- 21% would terminate current workers
- 17% would close their business
- 10% would relocate their business out of the City

#### Impact of the proposed legislation if the business supports the increase (total of 79 firms):

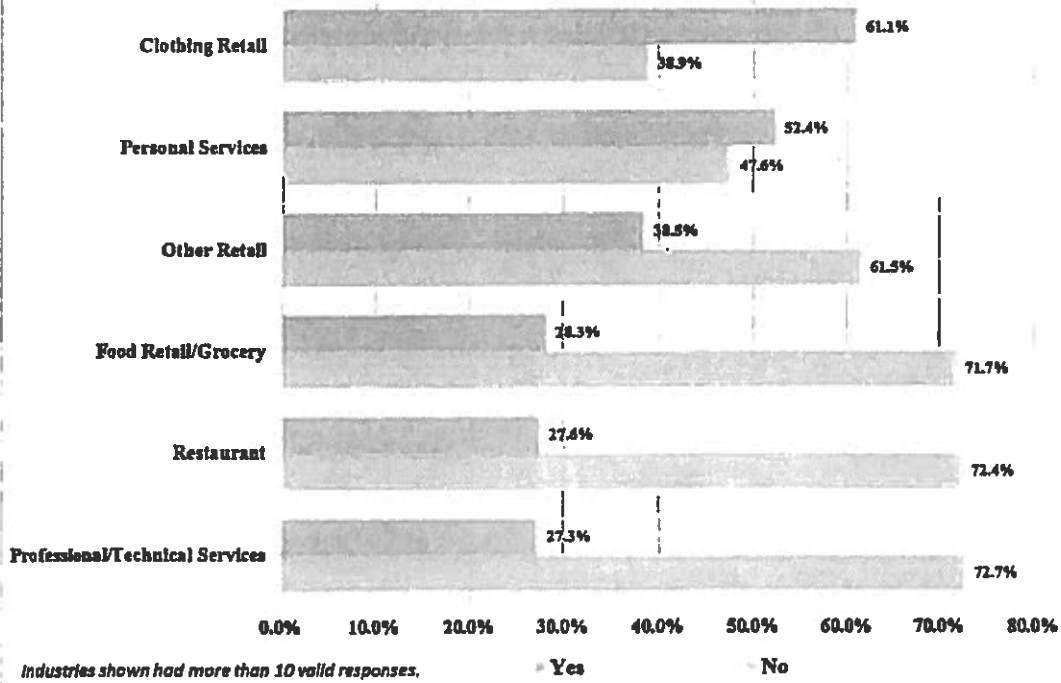
- 48% said the legislation would have no impact
- 24% would raise their prices
- 20% would reduce existing staff hours
- 13% would hire fewer workers



**Do You Support Paying a Minimum Wage of \$15/hr?**  
(All Responses)



**Percentage of Firms Supporting Minimum Wage of \$15/hr by Industry**  
(Out of Total Valid Responses)





**Does Firm Support Paying Minimum Wage of \$15/hr by Firm Location**

	<b>Total</b>	<b>Don't Know</b>	<b>No Answer</b>	<b>Total Valid Responses</b>	<b>Yes</b>	<b>% of Total</b>	<b>No</b>	<b>% of Total</b>
<b>Total</b>	<b>322</b>	<b>36</b>	<b>80</b>	<b>206</b>	<b>79</b>	<b>38.3%</b>	<b>127</b>	<b>61.7%</b>
Belair Edison	21	3	10	8	6	75.0%	2	25.0%
East Monument	41	5	14	22	4	18.2%	18	81.8%
Federal Hill	31	4	6	21	6	28.6%	15	71.4%
Fells Point	28	3	3	22	7	31.8%	15	68.2%
Govanstown	9	2	0	7	4	57.1%	3	42.9%
Hamilton	13	0	4	9	7	77.8%	2	22.2%
Highlandtown	31	2	2	27	14	51.9%	13	48.1%
Market Center	47	9	6	32	9	28.1%	23	71.9%
Mt. Washington	9	1	3	5	0	0.0%	5	100.0%
Oldtown Mall	12	2	8	2	0	0.0%	2	100.0%
Penn Ave	16	1	4	11	3	27.3%	8	72.7%
Pigtown	9	0	1	8	3	37.5%	5	62.5%
Pimlico	16	1	8	7	3	42.9%	4	57.1%
Waverly	39	3	11	25	13	52.0%	12	48.0%

**Impact of Minimum Wage of \$15/hr on Firms**

	<b>Total</b>	<b>% of Total</b>
<b>Total Firms</b>	<b>322</b>	
Reduce Staff Hours	97	30.1%
Raise Prices	93	28.9%
No Impact	86	26.7%
Hire Fewer Workers	86	26.7%
Lay off Current Workers	69	21.4%
Close My Business	56	17.4%
Don't Know What Will Happen	47	14.6%
Relocate My Business	33	10.2%
Raise Wages for Staff Currently Making More than \$15/hr	15	4.7%
Other	43	13.4%

Note: Firms were allowed to select multiple responses.







**Testimony of Gerardo Benavides**  
***Disability Outreach Assistance Specialist***

before the

**Baltimore City Council:**  
**Labor Committee**

on

**Council Bill 17-0018: Labor and Employment – City Minimum Wage**

**March 1, 2017**

**Council Chambers, City Hall**  
**Baltimore, Maryland**

Good evening Council President Young, Chair Sneed, and members of the Committee. My name is Gerardo Benavides and I am a Disability Outreach Assistance Specialist at Health Care for the Homeless; I am a social worker who specializes in assisting clients apply for and access federal disability benefits. Thank you for the opportunity to testify before you today.

Health Care for the Homeless is a non-profit, federally qualified health center that works to prevent and end the cycle of homelessness for vulnerable individuals and families. We provide quality, integrated health care and promote access to affordable housing and sustainable incomes through direct service, advocacy and community engagement.

I am here today to voice agency support for Council Bill 17-0018. Imagine managing your diabetes...caring for your family or healing from trauma on the streets, with no or minimal income. It is unimaginable. Impossible, even. A low minimum wage leads to instability in every facet of a person's life, including housing. Housing is health care. And access to a fair minimum wage gives our clients, and all Baltimore residents, the access to better health and builds a better Baltimore.

My job requires that I conduct weekly outreach at the Weinberg Housing and Resource Center on the border between Mt. Vernon and Downtown, where I engage with shelter residents and their case management providers. During this work, I come across individuals who are only in the shelter because they cannot pay or save up for long-term housing to stay out of the shelter; they work jobs with dismal wages, or are challenged to find a well-paying one. This struggle keeps them in shelters, on the streets, and reliant on services that they know they would not need if they were paid a higher minimum wage. These are the individuals caught in-between the margins; *Baltimore's economy is better, not worse, if we increase the minimum wage and afford them the opportunity to live fully.*

I, and my agency, voice support for this bill overall, but do not support the proposal that mentally and physically disabled workers may be authorized payments less than the minimum wage. I specifically work to assist adults dealing with or at-risk of homelessness, and who are diagnosed with a severe mental illness. The individuals who I work with have been referred from providers in local hospitals, outreach centers, shelters, and state and county correctional facilities. Many of my clients voice a genuine desire to stabilize their employment and health, in order to get off public benefits. Proposing that minimum wage payments can be less for mentally and physically disabled workers puts them at a severe disadvantage; it discriminates against them, and amplifies the stigmas that they deal with daily, which undervalue them as productive members of our society. Furthermore, this disincentivizes disabled individuals from seeking employment that might otherwise free them from public benefits.

The importance of a fair minimum wage cannot be overstated. With a higher minimum wage, individuals have greater access to housing and medical services, and the ability to better contribute to our community. If housing is health care, then we must devise solutions that allow for fair access to pay for that housing, including raising the minimum wage. And by raising the minimum wage, we take one more profound and progressive step toward, one day,

eradicating the cycles of homelessness and poverty that exist and dismantling the underlying stigmatization and forms of oppression that support these cycles.

Thank you for the opportunity to testify here today, and I am happy to answer any questions.



February 27, 2017

To: President and Members of the Baltimore City Council

From: Heather Iliff, President & CEO  
Henry Bogdan, Public Policy Director

Re: City Council Bill 17-0018, Labor and Employment – City Minimum Wage

Position: Concerns \*

Maryland Nonprofits is a statewide organization comprised of 1200 member nonprofit agencies, associations and institutions, and our purpose is to strengthen, educate and engage nonprofits so they can achieve their missions of public service. A significant number of these are located or provide services in Baltimore City.

These organizations understand better than most the importance of correcting the growing problem of income inequality, both nationally and here in Maryland. Nonprofit advocacy and service organizations are regularly the leading advocates for programs to support disadvantaged populations and to increase supports for the working poor, including the Earned Income Tax Credit (EITC). Our association has historically worked to protect state funding for these services, to improve Maryland's EITC, and we supported the passage of the Maryland Minimum Wage Act of 2014, that is still in the process of implementation.

However, in supporting that 2014 legislation at the State level, we also expressed concern that state-funded contracts and reimbursement rates for the salaries of direct service workers providing care to vulnerable populations have been falling behind costs and inflation for more than a decade.

Two national studies earlier in this decade by the Urban Institute of government-funded human service providers found that in Maryland and elsewhere this 'underfunding' most commonly results in organizations borrowing or drawing down reserves, reducing staff, and limiting staff salaries. Service reductions are typically the last resort, but were reported in some cases.

\* We do not see an exemption for nonprofits as a viable solution. Nonprofits would have too much difficulty competing for hard-to-fill positions.

Since 2014, efforts to obtain state funding adjustments to allow provider pay scales to keep pace with the state's increased minimum wage have had at best mixed results. Significantly, state rate-setters have not provided adjustments to account for the locally-enacted minimum wage increases in Prince Georges and Montgomery Counties.

Government funding is overall the largest source of operating support for most nonprofit human service providers in Maryland. Unlike other segments of the economy that may adjust pricing to meet costs, the revenues of many nonprofit providers of important health-related and other human services are limited to allocations in government budgets and in some cases tied to inflexible multi-year grant agreements. The rate of increase required, even in the phase-in of this bill, far exceeds both past and foreseeable growth in many state reimbursement rates. Many of these are tied to the state's Medicaid program, where future levels of federal support are now in jeopardy.

As you consider or proceed to enact Council Bill 17-0018, we urge you to recognize these concerns, and determine at the same time what the Baltimore City government can do to prevent the disruption or reduction of services that are critical to vulnerable families and individuals in the City.

**Board of Directors**

**Martha Rankin Brown,**  
President  
Spectrum Support

**Monica McCall, President-Elect**  
Creative Options

**Kathleen Durkin, Past President**  
The Arc Baltimore

**Shawn Kros, Treasurer**  
The Arc Northern  
Chesapeake Region

**André Burno Coates, Secretary**  
Maryland Community Connection

**Keith Danos**  
Jewish Foundation for  
Group Homes

**John Dumas**  
Service Coordination, Inc.

**Mike Dyer**  
United Needs and Abilities

**Scott Evans**  
Benedictine Programs and Services

**David Greenberg**  
The League

**Randy Ferguson**  
The Center for Life Enrichment

**Gail Godwin**  
Shared Support Maryland

**Scott Hollingsworth**  
Appalachian Crossroads

**Andrea Kolp**  
Compass, Inc.

**Clarissa Mitchell**  
EPIC-SMVI

**Dennis Moody**  
The Chimes

**Daphne Palozzi**  
Ardmore Enterprises

**Michael Planz**  
Community Living, Inc.

**Matt Rice**  
Self Advocate

**Don Rowe**  
The Arc Carroll County

**Laura Howell,**  
Executive Director

March 1, 2017

**CITY OF BALTIMORE COUNCIL BILL 17-0018**

**Labor and Employment – City Minimum Wage**

**Position: Oppose**

The Maryland Association of Community Services (MACS) is a non-profit association of over 100 agencies across Maryland serving people with intellectual and developmental disabilities (I/DD). MACS members provide residential, day and supported employment services to thousands of Marylanders, so that they can live, work and fully participate in their communities.

It is important to note that MACS' opposition to Council Bill 17-0018 is not grounded in opposition to paying higher wages. On the contrary, DDA-licensed providers are dependent upon the direct support professionals who make up the backbone of the DDA service delivery system, and are struggling to provide competitive salaries and benefits packages in order to attract and maintain a skilled, high-quality workforce.

However, unlike other businesses, DDA-licensed providers are prohibited from charging for their services and from passing on cost increases to the people they serve. Most providers already operate on thin margins due to a state reimbursement rate that hovers near minimum wage for direct support workers. Thus, while MACS supports the spirit and intent of the legislation, absent an increase in funding from the City, implementation of the legislation could result in dire consequences for many providers who have a statutory obligation to protect the health and safety of the individuals with disabilities they support.

When the General Assembly passed the Minimum Wage Act of 2014, the state took responsibility for the impact on the I/DD community and included a mandate to increase funding for I/DD community services in order to partially keep pace with the increased minimum wage. Similarly, when Montgomery County raised its minimum wage, it provided a \$13.8 million supplement to I/DD providers. The Prince George's County Council has not provided such a supplement to providers and many are facing difficult questions regarding their ability to continue to support people with I/DD in Prince George's County.

The current DDA reimbursement is \$10.94/hour. It is very important to understand that this is the rate for ALL direct support staff regardless of tenure; it is NOT a starting wage. This rate must cover *the range* of wages from entry level to those with the most seniority; it is *not* the starting wage.

If this bill passes without additional funding for I/DD providers, **by FY 20, the minimum wage in Baltimore City will be higher for businesses with 50 or more employees than the state reimbursement rate for community services.** It will simply not be possible to support an entire direct support workforce at this rate. Few, if any, providers will be able to supplement these wages to a level that is sufficiently above the local minimum wage. Such a result will seriously undermine the ability of providers to continue to meet the needs of people with I/DD in Baltimore City.

For all of the above reasons, we urge an unfavorable report.

For more information, contact Lauren Kallins, [lkallins@macsonline.org](mailto:lkallins@macsonline.org), 410.241.6870





# [Abilities Network<sup>®</sup>]

SEEING ABILITIES NOT DISABILITIES.

Testimony re: Council Bill 17-0018: Labor and Employment – City Minimum Wage

□ Headquarters  
8503 LaSalle Road  
Towson, Maryland 21286  
410 828 7700  
800 492 2523  
Fax: 410 828 7708

Position: Opposed

My name is Lee Kingham, the CEO of Abilities Network, a statewide organization that provides services to individuals with Developmental Disabilities and their families. In Baltimore City we currently have 41 individuals employed in the community. Employers include: Center Plate at 1 W. Pratt Street, 2 individuals at Eddie's in Roland Park, Foot Locker at 2401 Liberty Heights Avenue, Harris Teeter in Canton, and Petco at 6325 York Road. As you can see, we support individuals working in the Park Heights area, Roland Park, several individuals in Canton. We also support these individuals to learn to live as independently as possible in the community helping them with support in the area of budgeting, socializing, finding affordable housing, any skill that they would need to live and work successfully.

The Developmental Disabilities Administration funds these services and sets rates based on the services offered to each individual. We have no control over these rates and our starting salaries already severely strain our budget. It is imperative that we pay above minimum wage in order to attract individuals who can provide the highest quality of service. Direct support professionals are the backbone of the supports that DDA-licensed community agencies provide. Recruiting is already a struggle. These are demanding positions that require staff who own a reliable vehicle and are able to exercise independent judgment and critical thinking skills while working unsupervised in the field. We could not attract qualified workers for these positions at minimum wage. If this bill were to pass, we would be unable to pay our staff the City's minimum wage, much less anything above it, without significant supplemental funding from the City. We cannot operate at a loss. Without supplemental funding, this bill will force us to phase out services altogether in Baltimore City.

Believe me – as an employer in the City, the CEO of an organization that provides supports to individuals with disabilities in the City, and as a City living in District 14, Councilwoman Clark's District, I would love nothing more than to pay our hard-working staff at a higher wage. We would hope the minimum wage increase would allow us to pay our hard working staff a living wage and pull the individuals we support above the poverty line. Few, if any, providers will be able to supplement these wages to a level that is sufficiently above the local minimum. Unfortunately, as the bill stands now, its impact will do more harm than good to the city residents with disabilities whom we serve.

Thank you so much for listening to my concerns. I hope you will consider them as you review this Bill.





FOR IMMEDIATE RELEASE

Contact: Tom Waldron, Hatcher Group  
410-350-6637

## **Baltimore City Voters Overwhelmingly Support Increasing the City's Minimum Wage to \$15 an hour**

***93 percent of voters support the wage increase, new poll finds***

**NOTE: Witnesses who support the \$15 wage will be available for interviews at 4 p.m. today – prior to the 5 p.m. hearing in the City Council Labor Committee**

**BALTIMORE (March 1, 2017)** – In an overwhelming show of support for working people, more than nine out of 10 registered voters in Baltimore City approve of increasing the minimum wage in the city to \$15 an hour, according to a new poll by a respected national survey firm.

The poll of 400 registered voters by The Mellman Group found that 81 percent *strongly* support the \$15 minimum wage, with another 11 percent in support. Only 6 percent were opposed, and 1 percent did not know.

"The people of Baltimore have spoken loud and clear that they want workers in the city to be paid a fair, living wage," said Charly Carter, Director of Maryland Working Families, a member of the Fight for \$15 Baltimore Coalition. "The poll mirrors what we hear every day in the community. There is overwhelming support for a \$15 minimum wage and it's time that the City Council and mayor listen to the voters and do what's right for working people."

The Baltimore City Council is considering legislation that would increase the minimum wage to \$15 an hour by 2022. Businesses with fewer than 50 workers would have until 2026 to phase in the increase.

The poll found solid opposition to a section of the legislation that would exempt workers under the age of 21 from the \$15 wage. In all, 56 percent of voters oppose the exemption for workers under the age of 21, compared to 39 percent who support it.

"I have had the lights and water turned off and I have to rely on food stamps to feed my three kids," said Regina Baker, a single mother of three and 32BJ SEIU member who works as a security officer downtown. "A \$15 minimum wage would mean I could move somewhere safe and without gunfire outside my door, but none of my kids can afford to live on their own if Council excludes workers under the age of 21."

Overall, 61 percent of voters said a \$15 minimum wage would strongly help the city's economy with another 22 percent saying it would help the economy.

"Residents of Baltimore understand that paying people a fair, livable wage will give workers a shot at supporting themselves and their families," Carter said. "But they recognize that paying a higher wage to lower-income workers will also pay dividends in the local economy. A minimum wage increase is going to benefit Baltimore businesses."

The poll found that Baltimore City voters largely disagreed with the key concerns raised about increasing the minimum wage.

- Only 26 percent said it was very likely or almost certain that a wage increase would hurt small businesses; 33 percent said it was not too likely or not likely at all, while 33 percent said it was somewhat likely.
- 60 percent said it was not likely or not too likely that businesses would leave Baltimore City because of a \$15 wage.
- By a margin of 64 percent to 28 percent, voters agreed that small businesses should pay the same wage as larger employers.

The poll has a margin of error of 5 percentage points.

The Fight for \$15 Baltimore Coalition, made up of unions, workers and other groups, will make the case for the \$15 minimum wage during today's hearing before the Council's Labor Committee.

The committee hearing will begin at 5 p.m. in City Hall, 100 Holliday Street, Baltimore, Md. 21202.

***Coalition witnesses, including small business owners, will be available for media interviews at 4 p.m. outside the hearing room. Contact Tom Waldron, 410-350-6637, [tom@thehotchergroup.com](mailto:tom@thehotchergroup.com), for information about interviews.***

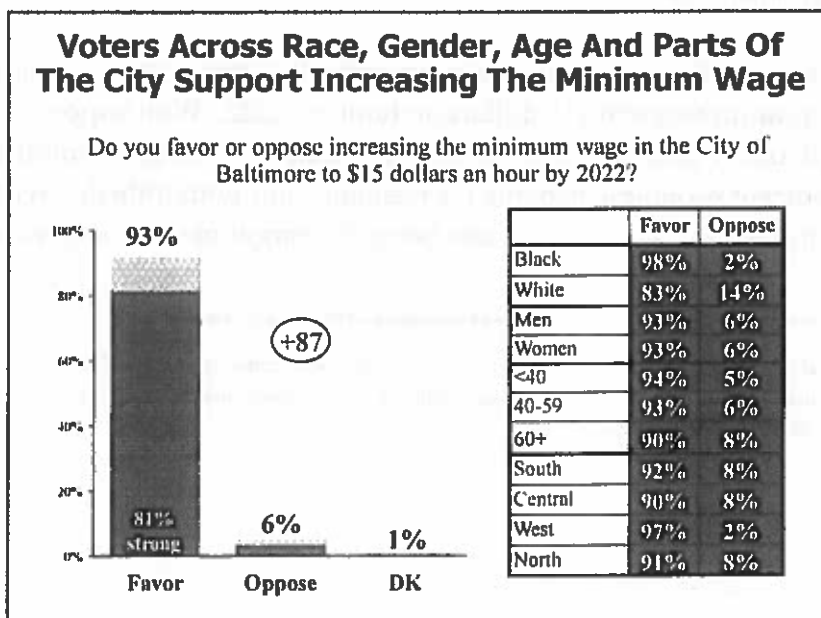


To: SEIU-1199  
From: The Mellman Group  
Re: Our Recent Baltimore \$15 Minimum Wage Poll  
Date: February 28, 2017

*This analysis represents the findings of a survey of 400 registered voters in the City of Baltimore. The survey employed a registration-based sample which included cell phones and landlines and used live interviewers. Interviews were conducted February 11-16. The margin of error for each question is +/-5.0 percentage points at a 95% level of confidence. The margin of error is higher for subgroups.*

Support for raising the minimum wage in Baltimore to \$15 dollars an hour by 2022 is overwhelming and intense. Not only do nine out of ten voters favor the increase, but eight out of ten *strongly* favor the minimum wage hike.

As the chart demonstrates, support is broad and deep across gender, age, race and geography. In fact, support does not dip below 80% in any demographic group we examined.



Voters also want to increase the minimum wage to \$15 dollars an hour for tipped workers. Seventy percent (70%) favor “increasing the minimum wage for tipped workers, which is currently \$3.63 an hour, to \$15 dollars an hour by 2022.” Only 25% oppose increasing the minimum wage for tipped workers.

There is also majority opposition to exempting younger workers from a \$15 minimum wage. By a 17-point margin (56% oppose, 39% favor), voters oppose an exemption from a higher \$15 minimum wage for those under 21.

Baltimoreans perceive clear benefits from increasing the minimum wage. Seventy percent (70%) think the lives of those currently earning the minimum wage will improve. Sixty four percent (64%) believe the increase will help the economy in general because people will have more money to spend.

The talking points of those opposed to the increase fall flat: only 13% think businesses will leave Baltimore in response to the increase; just 17% believe there will be fewer jobs as a result of the increase; only 19% expect businesses to lay off workers if the minimum wage is raised; and only 19% believe the raise in minimum wage will draw workers from outside the city who will take jobs away from Baltimore residents.

Indeed, after hearing statements from both sides<sup>1</sup>, only 13% think a \$15 dollar minimum wage will hurt the city's economy and cost jobs, while 83% believe it will help the city's economy, create jobs, and give residents a living wage that will allow them to spend more money on local businesses.

Across gender, age, race, and geography, Baltimore voters strongly support increasing the minimum wage to \$15 dollars an hour by 2022. With support so widespread and intense, particularly among voters who believe that increasing the minimum wage will generate important economic benefits for residents and with little downside, those who stand against raising the minimum wage risk being the target of voter anger and frustration.

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*Named "Pollster of the Year" three times by the American Association of Political Consultants, The Mellman Group has provided sophisticated opinion research and strategic advice to political leaders, public interest organizations, Fortune 500 companies, and government agencies for over thirty years.*

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<sup>1</sup> Which comes closer to your point of view: [ROTATE STATEMENTS]

A \$15 dollar minimum wage will help the city's economy, and create jobs in Baltimore, by giving residents a living wage that will allow them to spend more money on local businesses. OR  A \$15 dollar minimum wage will hurt the city's economy, and cost Baltimore jobs, because businesses will leave the city because of the higher costs.

# **BUSINESS** *for a* **FAIR MINIMUM WAGE**

**For Immediate Release: March 1, 2017**

**CONTACT:**

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**Business Owners to Testify in Support of \$15 Minimum Wage at Baltimore City Council Hearing**

*Local business owners available for comment and/or broadcast bookings at 4pm today, prior to 5pm hearing, and upon request*

Baltimore, March 1, 2017 — Local business owners will testify today in support of gradually raising Baltimore's minimum wage to \$15 at a public hearing held by the Baltimore City Council. The proposed legislation would gradually increase Baltimore's minimum wage to \$15 by July 1, 2022 for businesses with more than 50 employees, and to \$15 by 2026 for businesses with fewer than 50 workers.

Owners of local companies—from restaurants and food manufacturing to bike shops—say that raising the minimum wage will boost businesses, neighborhoods and the economy as workers have more money to spend throughout Baltimore. They also stress that businesses will benefit from lower employee turnover and increased productivity and customer satisfaction.

**Andrew Buerger, Owner, B'More Organic:** "Baltimore needs a raise. People know you don't value them when you pay them and treat them poorly. When you invest in your employees, they invest in your business. We can't say we're going to improve Baltimore and then pay people too little to live on. Low wages depress consumer demand and businesses and the community suffer as a result. No one working full-time should live in poverty."

**Josh Keogh, Co-Owner, Baltimore Bicycle Works:** "We know from experience that paying a fair wage has been a great investment for us. In this day and age, when just about anything is available online, we depend on excellent customer service to get people in the door, keep them coming back, and tell their friends and family about us. Gradually raising the minimum wage to \$15 will give customers more money to spend at local businesses like ours and that will be good for our economy and our city."

**Penny Troutner, Owner, Light Street Cycles:** "Raising the minimum wage is vital for revitalizing Baltimore. Too many people have too little purchasing power. Workers and their families need more income and less financial stress. Businesses need customers with money to spend. Raising the minimum wage is an investment that will help our businesses and neighborhoods thrive and reverse the rising inequality that is driving us apart."

In addition to the above members of Business for a Fair Minimum Wage testifying today, these business leaders also commented in support of raising the city's minimum to \$15:

**Kevin Blodger, Union Craft Brewing:** "Raising Baltimore's minimum wage would give people more income to spend at our business and others. We currently pay our workers above minimum wage and benefit from lower turnover, happier and more productive employees, and in turn, happy customers who come back again and again. By paying more we actually lower our costs overall and boost our bottom line. It's a win-win."

**Shawn Lagergren, Owner, Tooloulou restaurant:** "For Baltimore to thrive, people working full-time have to earn wages they can live on. If they don't, our economy, our businesses and our people won't flourish. Raising the minimum wage will put more money into customers' pockets, helping us grow our businesses, build our economy and revitalize neighborhoods. I strongly support gradually raising Baltimore's minimum wage to \$15."

**Alissa Barron-Menza, Vice President, Business for a Fair Minimum Wage:** "Phasing in a \$15 minimum wage will boost consumer spending, foster a more stable, productive workforce and level the playing field for local businesses that already pay higher wages. Businesses will see cost savings from lower employee turnover and benefit from increased productivity, product quality and customer satisfaction. Baltimore's business community, its economy and its people will benefit from raising the wage floor."

**Business leaders are available for comment and/or broadcast bookings. To schedule an interview, contact Erin Musgrave at [erin@cmestrategies.com](mailto:erin@cmestrategies.com) or (530) 864-7014.**

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[Business for a Fair Minimum Wage](http://www.businessforafairminimumwage.org) is a national network of business owners and executives and business organizations that believe a fair minimum wage makes good business sense.  
[www.businessforafairminimumwage.org](http://www.businessforafairminimumwage.org)





## Raising the Minimum Wage – Get the Facts!

The Fight for \$15 Baltimore campaign is advocating for raising Baltimore City's minimum wage from the current \$8.75 to \$15 by 2022, then indexing the wage to inflation. Nearly 100,000 workers in Baltimore City would benefit from higher wages, lifting families out of poverty and reducing reliance on public assistance programs like food stamps.

**Myth: Raising the minimum wage will cause job loss.**

**Fact:** The most rigorous research shows minimum wage increases do not reduce employment. Two decades of research on the impact of minimum wage increases shows that there is little or no effect of minimum wage increases on job growth.

Source: Center for Economic Priorities,

*Why Does the Minimum Wage Have No Discernible Effect on Employment?*, February 2015

**Myth: Raising the minimum wage will hurt the economy.**

**Fact:** The first jurisdictions phasing their minimum wages up to \$15 are seeing the benefits of increasing the minimum wage substantially outweigh the likely modest costs. In Seattle, the first major city to adopt a \$15 wage, the region's unemployment rate hit an eight-year low of 3.6 percent in August 2015, significantly lower than the state unemployment rate of 5.3 percent.

Source: National Employment Law Project,

*The Case for Raising the City of Baltimore's Minimum Wage to \$15 by 2020*, April 2016

**Myth: Raising the minimum wage will hurt small businesses.**

**Fact:** Small businesses will likely benefit from a higher minimum wage because low-wage workers tend to spend their increased earnings on basic needs at local businesses that rely on consumer spending.

Source: National Employment Law Project,

*The Case for Raising the City of Baltimore's Minimum Wage to \$15 by 2020*, April 2016

**Myth: Most minimum wage workers are just teenagers working entry-level jobs.**

**Fact:** Almost 96 percent of workers who would benefit from the Baltimore minimum wage bill are 20 or older. About four-fifths of affected workers are 25 or older. More than 50 percent of workers have at least some college experience, with 29 percent having some college experience or an associate degree and 23.6 percent having a bachelor's degree or higher. Approximately 329,000 Baltimore City children have at least one parent who would be affected by the higher minimum wage.

Source: Economic Policy Institute,

*Raising Baltimore's minimum wage to \$15 by July 2020 would lift wages for 98,000 working people*, May 4, 2016

**Myth: The minimum wage is an entry wage and should remain low.**

**Fact:** The workers in Baltimore City who would benefit from this bill earn 54.6 percent of their family's income. Among affected workers with families, approximately 20 percent are their family's sole provider.

Source: Economic Policy Institute,

*Raising Baltimore's minimum wage to \$15 by July 2020 would lift wages for 98,000 working people, May 4, 2016*

**Myth: Working adults don't get public assistance.**

**Fact:** Nearly two-thirds of Baltimore workers in poverty or near poverty would get a raise under a minimum-wage increase to \$15.

Source: Economic Policy Institute,

*Raising Baltimore's minimum wage to \$15 by July 2020 would lift wages for 98,000 working people, May 4, 2016*

**Myth: \$15 is too much.**

**Fact:** The Economic Policy Institute's Family Budget Calculator estimates that a single worker with one child needs approximately \$28 per hour to meet basic needs.

Source: [www.epi.org/resources/budget/](http://www.epi.org/resources/budget/)



## **FAST FACTS on the Baltimore City Minimum Wage Bill**

### **What this bill does:**

- Increases the minimum wage to \$15 per hour by 2022. The current minimum wage is \$8.75.
- Phases in the \$15 minimum wage by 2026 for businesses with fewer than 50 employees.
- Indexes the minimum wage after 2022 so that it automatically rises with inflation and as costs for housing, utilities, goods and services increase.
- Establishes a strong administrative enforcement structure so that our city's lowest paid workers have resources to fight back against wage theft and retaliation.

### **Who earns the minimum wage in Baltimore City?**

- Nearly 100,000 workers – 20 percent of all employees – would be affected by an increase to \$15 per hour.
- 20 percent of Baltimore residents qualify for food stamps and other public benefits and many of these residents are working.
- Approximately 24 percent of Baltimore residents currently have an income below the poverty level.
- The Economic Policy Institute's Family Budget Calculator estimates that a single worker with one child in the Baltimore region needs to earn \$28 per hour to meet basic needs.

### **Increasing the minimum wage doesn't cause job loss:**

- More than 30 cities in 10 states have enacted higher local minimum wages in recent years and have found that they can raise local wages without job losses.
- In Seattle, the first major city to adopt a \$15 wage, the region's unemployment rate hit an eight-year low of 3.6 percent in August 2015, significantly lower than the state unemployment rate of 5.3 percent.
- Small businesses will benefit from a higher minimum wage because low-wage workers spend their increased pay immediately at local businesses.
- A \$15 minimum wage would likely reduce employee recruitment and training costs for low-wage industries currently plagued by high (and costly) turnover.

For more information, visit: [www.ff15baltimore.org](http://www.ff15baltimore.org)





**Council Bill 17-0018**  
*Labor and Employment – City Minimum Wage*

March 1, 2017

**Position: OPPOSE**

Madame Committee Chair and Members of the City Council:

We strongly oppose Council Bill 17-0018. This legislation would significantly increase the minimum wage in Baltimore City above the State level, and would result in unintended negative consequences for City businesses and employees.

By 2022, Baltimore City's minimum wage for most businesses would be nearly 50 percent higher than State minimum wage if this proposed legislation were enacted. It would create an uneven playing field between City businesses and those in surrounding jurisdictions, forcing many businesses to close or relocate outside the City. A higher minimum wage would also deter potential new businesses from opening in the City. It is also a bad idea to enact a higher minimum wage in the City when we do not yet know the impact that the State minimum wage of \$10.10 will have on businesses once fully phased in by July 2018.

In addition to the substantial labor cost increase for entry-level workers, passage of this legislation would also force employers to increase wages for existing employees, as starting wages would approach the wage levels of more experienced staff. To maintain good employee morale, employers would be forced to increase hourly wages across-the-board, as experienced employees will expect comparable raises. This reality compounds the higher labor costs associated with this legislation.

Contrary to popular belief, price increases cannot fully offset the massive hike in labor costs proposed by this legislation because businesses cannot risk raising prices when customer traffic in the City continues to be low. Passage of this legislation will force many employers to eliminate jobs because paying such high minimum wages to unskilled, entry-level workers will be unsustainable for businesses that utilize such labor. **If passed, this legislation will ultimately hurt the very people it is intended to help.**

Mandates that significantly increase the cost of labor impact our industry disproportionately. The restaurant industry is extremely labor-intensive and requires 4 times more labor per \$1 million in sales than the average of most other industry sectors in the State. The attached information (using U.S. Census and Bureau of Labor Statistics Data) clearly illustrates this important distinction. With a narrow average profit margin of only 4 percent, every \$1,000 in increased business costs requires \$25,000 in increased sales just to break even. The average full-service restaurant with \$1 million in annual sales nets about \$40,000 in profit. Such a significant increase in labor costs, as proposed by this legislation, will severely restrict our ability to grow our businesses in the City and continue to provide job opportunities.

For these reasons, we oppose this legislation and urge you to reject it.

Sincerely,

Melvin R. Thompson  
Senior Vice President



## TESTIMONY BEFORE THE BALTIMORE CITY COUNCIL LABOR COMMITTEE

Wednesday, March 1, 2017

I am Girume Ashenafi and I am a member of the Fight for \$15 Baltimore coalition which is comprised of faith, labor, community organizations and small business owners across the city who support raising wages for over one thousand workers here in Baltimore City. Over the past year we have been growing this coalition and hearing real life stories from residents all over town, some of which you will hear from today.

As we've been doing this work we discovered some disturbing trends within the City's workforce. Many full time workers are relying on public assistance to survive, they are living in shelters or receiving food stamps because their employer is paying poverty level wages. We believe that no one should work full time and be on public assistance. A person getting up going to work every day shouldn't have to make the choice between groceries and rent.

Tonight you will hear from workers who are barely surviving, living paycheck to paycheck but you are also going to hear from business owners who would rather send their workers to the city and state for public assistance instead of paying wages that can actually support their families. Business owners are going to say they can't keep their doors open if we raise wages, we will move out of the city. We've heard these same lines at every minimum wage hearing in cities across the country and the evidence just doesn't support it.

A little less than a year ago, the DC City Council passed a bill to raise the District's minimum wage to \$15 by 2020. They heard all the same opposition testimony you will hear tonight, but they decided to vote in the best interest of their residents.

The BDC's own report shows there is support for this legislation in the business community. 25% of businesses said they support the increase and 36 % didn't respond at all. And of those that support, 48% said the proposed legislation will have no impact on their business. So let's not allow the few businesses present today to outweigh the majority of businesses across the city. We have business owners here today testifying in support because they know it makes good economic sense for Baltimore.

Furthermore, our coalition commissioned our own poll – done by a reputable, nationally known pollster, The Mellman Group. The Mellman Group's poll results show that 93% of Baltimore City voters support raising the minimum wage to \$15 by 2022. In fact, that support did not dip below 80% for any of the demographics they examined.

But, our coalition is deeply troubled by a provision added to the bill by the bill sponsor. That provision calls on workers 21 and under to be completely exempt from this legislation. Imagine a worker who is 22 years old will be working beside a worker — another adult — doing the same job and making five dollars less. To us this completely unreasonable.

And voters agree, our poll showed that a clear majority of Baltimore City voters – 56% - oppose exempting young workers from the \$15 minimum wage. Only 37% of voters thought that would be okay.

But enough about polls. What this is really all about it is economic inequality. We cannot continue to leverage this city on the backs of workers. As housing costs are going up, wages have remained stagnant. BGE gets a rate increase, but workers go without one? We cannot say we truly care about all the residents of Baltimore City, if we don't care about the economic inequality particularly in our communities of color.

This bill is just one step in the right direction to help residents of this City to provide for themselves and their families. And It's not about giving people anything they don't deserve. Minimum wage workers are folks who have graduated from college, they are parents, they are adults, they are taxpayers and they deserve a fair wage.

In our City, we have a unique moment in history, the next time we make national news it won't be for images of violence and fires burning but it could be images of all you and the folks in this room when we pass this bill and raise wages for the people that need it the most. That's why we strongly support a favorable vote on this legislation.





**Testimony on Bill 17-0018  
Labor and Employment – City Minimum Wage**

Labor Committee  
Baltimore City Council  
March 1, 2017

**Position: Oppose**

The Community Behavioral Health Association of Maryland (CBH) is the statewide professional organization for community-based programs offering mental health and substance use treatment, residential services, and psychiatric rehabilitation. Our 53 members serve nearly three-quarters of the 190,000 individuals using Maryland's public behavioral health system, offering a continuum of specialty supports to individuals with behavioral health needs, including community-based treatment, psychiatric rehabilitation, residential services, vocational supports, crisis stabilization, mobile treatment services, health homes, and a range of evidence-based practices.

Our members' reimbursement is set by the state, and it is not adjusted to take account of rising costs. In fact, in inflation-adjusted dollars, reimbursement for therapy services has declined 25% since 2000. This decline in investment has taken place over a period when demand has been rising; over the last decade, suicides in Maryland have increased 19% while drug and alcohol overdoses have climbed an astonishing 67%. As a result of this mismatch between need and state spending, over 40% of our members are operating at a deficit.

When providers operate with narrow margins or at deficits, their ability to expand treatment and provide accessible care is severely hampered. As Behavioral Health Services Baltimore (BHSB) recently noted, Baltimore already needs but lacks sufficient treatment capacity, leaving 7,300 individuals without needed opioid treatment.

Having a strong, caring workforce is essential to the well-being of the vulnerable individuals we serve. A stronger minimum wage would help ensure a stronger workforce for the community behavioral health sector – but unless our state-set payments are adjusted to account for rising staff wages, passage of this bill would put community mental health and addiction services on a collision course that would reduce access to treatment. This would occur at the same time that behavioral health providers are facing other upheavals in healthcare, including the end of the Medicaid expansion and conversion of Medicaid to a block grant program.

We are in the midst of an epidemic, and must stay focused on maintaining access to treatment. We respectfully urge you not to pass a citywide minimum wage, leaving behavioral health providers with no recourse to sustainability and maintaining access to treatment.



# BALTIMORE CITY COUNCIL



**MARY PAT CLARKE**  
14<sup>th</sup> District

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## City Council Bill 17-0018 Labor and Employment – City Minimum Wage

### Outline of Major Provisions

1. Enacted to provide start-up time for new Baltimore City and Minimum Wage administrations and local employers.  
Complies with State Minimum Wage in FY 2018 and 2019:  
July 1, 2017. \$9.25 (same as MD)  
July 1, 2018. \$10.10 (same as MD)
2. Establishes 2 schedules for achieving \$15 Baltimore Minimum Wage:  
Local raises begin on July 1, 2019 and reach \$15 (with subsequent annual COLAs) by 2026 for Small Employers & by 2022 for Regular Employers. (See Appendix B. below.)
3. Per President Young's incorporated amendments:
  - Redefines 2016's Small Employer at "less than 25 employees"
  - to "less than 50 employees" and increases Small Employer schedule by 2 years, to 2026.
  - eliminates all increases for Tipped Workers.
  - Creates exemptions for paid interns and work study students and for all workers below 21 years of age.  
(These workers revert to State of Maryland minimum wage.)
4. Amendments to current Minimum Wage Commission practices:
  - Defines professional categories of the 5 members of the Minimum Wage Commission
    - o 2 Representatives from the labor community
    - o 2 Representatives from community-based organizations; and
    - o 1 Representative from the business community
  - Requires current workplace postings of Commission to expand from just English to Spanish and any other language of 5% or more of the Baltimore workforce.
  - Requires increased community-based outreach, education, and advocacy to workers and employers by the Commission.
  - Clarifies and strengthens rules against retaliation of employees for seeking Commission redress of grievances.



2.

Appendices

- A. Charts of Annual Deficits of 3 typical households once earning \$21,008 gross income, State's maximum Minimum Wage (without COLA) by July 1, 2018.
- B. Comparison of Baltimore's Proposed SMALL EMPLOYER & REGULAR EMPLOYER Minimum Wage schedules and the State of Maryland's.
- C. Breakdown of number of Employers/Employees in Baltimore's proposal by Small & Regular Employers:

Small Employers (93% of total employers):

under 50 employees: 98,106 employees, 26% of Baltimore workforce

Regular Employers (7% of total employers):

50 and over employees: 282,402 employees, 74% of Baltimore workforce



A

**Single Parent Household at the Maximum Increase to \$10.10 in State Wage Projection:  
\$21,008 in annual gross income, or \$1,750.67 per month**

<u>Expense Type</u>	<u>Expense Amount</u>
Federal, State, and Local Taxes	-\$5,912.21 per year, or \$492.68 per month
Average Single Bedroom Rent in Baltimore	-\$11,136.00 per year, or \$928 per month
Bus Pass for the Year	-\$816.00 per year, or \$68 per month
Food, at 11.4% of Budget After Taxes	-\$1,720.92 per year, or \$143.41 per month
Childcare, at MD Average of 38.28% of Budget After Taxes	-\$5,778.60 per year, or \$481.55 per month
Utilities, at the Monthly Baltimore Average	-\$1,781.16 per year, or \$148.43 per month
Clothing, at 2.9% of Budget After Taxes	-\$437.76 per year, or \$36.48 per month
Health Insurance	Covered by Medicare and MCHI'
<b>TOTAL EXPENSES:</b>	<b>\$28,294.37</b>
<b>TOTAL BUDGET SURPLUS:</b>	<b>-\$7,286.37 - \$607.20/month average</b>

**Two Parent, Two Child Household at the Maximum Increase in State Wage Projection:  
\$42,016 in annual gross income, or \$3,501.33 per month**

<u>Expense Type</u>	<u>Expense Amount</u>
Federal, State, and Local Taxes	-\$11,876.89 per year, or \$989.74 per month
Average Two Bedroom Rent in Baltimore	-\$15,240.00 per year, or \$1,270.00 per month
Two Bus Passes for the Year	-\$1,632.00 per year, or \$136 per month
Food, at 11.4% of Budget After Taxes	-\$3,435.84 per year, or \$286.32 per month
Childcare, at MD Average of 38.28% of Budget After Taxes	-\$11,537.28 per year, or \$961.44 per month
Utilities, at the Monthly Baltimore Average	-\$1,781.16 per year, or \$148.43 per month
Clothing, at 2.9% of Budget After Taxes	-\$874.08 per year, or \$72.84 per month
Health Insurance	Covered by Medicare and MCHP
<b>TOTAL EXPENSES:</b>	<b>-\$47,088.97</b>
<b>TOTAL BUDGET SURPLUS:</b>	<b>-\$5,072.97 - 422.74/month average</b>

**Single Occupant Household at the Maximum Increase in State Wage Projection:  
\$21,008 in annual gross income, or \$1,750.67 per month**

Federal, State, and Local Taxes	-\$5,912.21 per year, or \$492.68 per month
Average Single Bedroom Rent in Baltimore	-\$11,136.00 per year, or \$928 per month
Bus Pass for the Year	-\$816.00 per year, or \$68 per month
Food, at 11.4% of Budget After Taxes	-\$1,720.92 per year, or \$143.41 per month
Utilities, at the Monthly Baltimore Average	-\$1,781.16 per year, or \$148.43 per month
Clothing, at 2.9% of Budget After Taxes	-\$437.76 per year, or \$36.48 per month
Health Ins., at 3 <sup>rd</sup> Cheapest of 9 Options for 35 y/o female	-\$1,344.36 per year, or \$112.03 per month
<b>TOTAL EXPENSES:</b>	<b>-\$23,860.13</b>
<b>TOTAL BUDGET SURPLUS:</b>	<b>-\$2,852.13 - 237.68/month average</b>

Minimum wage tidemore group.doc

Research Provided by Tidemore Group  
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Baltimore  
 Small Regular Employees  
 ... MARYLAND  
 WAGES

7/1/17	9.25	9.25	9.75
7/1/18	10.10	10.10	10.10
7/1/19	10.70	11.25	10.10
7/1/20	11.30	12.50	10.10
7/1/21	11.90	13.75	
7/1/22	12.50	15.00	
7/1/23	13.10	annual COLA	
7/1/24	13.70		
7/1/25	14.30		
7/1/26	15.00		
7/1/27	annual COLA		

Ⓡ



C

Baltimore city	Number of Establishments	Percent	Sum including row above
Total establishments	12,377		
1 to 4 employees	6,414	51.82%	
5 to 9 employees	2,234	18.05%	69.87%
10 to 19 employees	1,636	13.22%	83.09%
20 to 49 employees	1,238	10.00%	
50 to 99 employees	453	3.66%	
100 to 249 employees	274	2.21%	
250 to 499 employees	77	0.62%	
500 to 999 employees	25	0.20%	
1000 employees or more	26	0.21%	

Note: This is a search all industries as defined the Bureau of Labor Statistics

Source 2014 County Business Patterns from the Census.Gov website <http://factfinder.census.gov/>

Avg # of employees	Projected total employees	Total under 50	Percent	Total 50 & over	Percent
2.5	16,035	98,106	26%	282,402	74%
7	15,638	<i>employees</i>		<i>employees</i>	
14.5	23,722				
34.5	42,711				
74.5	33,749				
174.5	47,813				
374.5	28,837				
749.5	18,738				
1000	110,555				

\* - see next sheet





March 1, 2017

To: Honorable Council President Bernard C. "Jack" Young, Labor Committee Chair Shannon Sneed, and members of the Council

From: Al Hutchinson, President CEO, Visit Baltimore

Re: Council Bill 17-0018, Labor and Employment – City Minimum Wage

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As the 501(c)6 membership-based Destination Marketing Organization charged with driving economic impact through the attraction of conventions, group and leisure visitors, Visit Baltimore had initially taken no formal position on Council Bill 16-0655 – electing instead to defer to the allied organizations representing industry sub-sectors within our membership. Since this time, we have gained additional insights as to how such a bill could not only adversely affect businesses and residents engaged in our meetings and tourism industry but also threaten our destination's overall competition position. As such, we would like to share our official position on Council Bill 17-0018 as follows:

- 1. Visit Baltimore stands behind the oppositions positions taken by the Maryland Hotel & Lodging Association, the Restaurant Association of Maryland and the Maryland Retailers Association.** These allied associations represent the core of our hospitality and tourism industry as well as a significant majority of Visit Baltimore's membership network (57%) – we trust their voices as the subject-matter experts for how legislation will affect their respective business operations. Furthermore, concerns raised by these organizations were echoed by the members of the Baltimore Convention & Tourism Directors. *According to a June 2016 e-survey of Visit Baltimore's Board of Directors, 89.7% of respondents either strongly opposed or somewhat opposed a Council Bill imposing a \$15 Minimum Wage in Baltimore City. These respondents represented the sub-industry sectors including Accommodations, Restaurants/Caterers, Agencies/Non-Profits, Event Management and Healthcare.*
- 2. Visit Baltimore is concerned that this legislation will threaten Baltimore's competitive position in general and, in particular, our appeal as a "high value" (value defined as spanning Financial, Convenience and Service factors) convention and meetings destination.** According to reports by City agencies and organizations including the BDC, in addition to overall increased labor costs, the bill would most likely lead to increased prices for goods and services, reduced employment and possible relocation or closure of some businesses. This is worrying because:
  - Industry reports show that the top barriers to meeting ATTENDEES are cost, time and



destination appeal. The prospect of increased costs of goods/services being passed onto visitors (e.g. via higher ticket prices, increased rates or new hotel fees, etc.), and/or, a decline in customer service associated with changes in staffing levels or hours of operation, could negatively affect an individual's decision to attend in Baltimore.

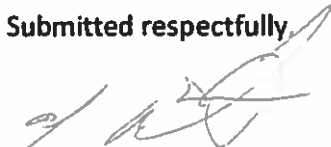
- Industry reports also show that, after establishing exhibit hall/space availability, destinations are mainly compared by their hotels – in particular room prices and quality; and, that rising labor costs are factored into booking decisions by MEETING PLANNERS. If Baltimore's minimum wage were to be significantly above those in both our Peer and Like-Market Convention Competitive Sets, and if our hotels or other professional service contractors (e.g. those providing temporary support staff, etc.) were to raise prices or stop offering value added incentives, it could minimize the appeal and value gained from meeting here.

*Baltimore's collective tourism impact was \$283 Million in CITY taxes/fees generated in 2015 (revenues saving EACH Baltimore household \$660 in annual tax contributions) with a further \$2.8 Billion pumped back into the community through salaries earned. Any drop in investments and/or in visitors would be of detrimental consequences to these economic, employment and overall quality of life returns.*

3. **Visit Baltimore is concerned that this legislation will limit opportunities for Baltimore City residents to participate in Baltimore's hospitality and tourism community.** The hospitality and tourism industry accounts for 7.4% of all area employment, and, is generally recognized as providing entry level positions coupled with on-the-job training to create a viable pathway for upward momentum in both career and wage growth. Increasing minimum wage in the City, absent a more widespread regional increase, will make hospitality jobs in Baltimore City more attractive not just to City residents. This is particularly worrying for Baltimore's young people and residents from underserved or at-risk communities, individuals who would likely face competition from more experienced workers already performing comparable jobs elsewhere and for whom transportation into the city is a viable option.

For all of these reasons, and while we understand the intended merits of the bill, we would seriously caution any increase in Baltimore City's minimum wage as proposed and certainly absent a regional or State requirement.

Submitted respectfully



Al Hutchinson  
President & CEO





### **Opening Statement**

Thank you to the Councilmembers and the advocates in the room today who support a higher minimum wage. My name is Ben Smith, and I'm a Baltimore City resident, lawyer, and public policy consultant. I've only got 2 minutes to open, so I'm going to move fast and start by knocking down a few myths about the minimum wage.

#### **Myth #1: Increased Wages Decrease Employment**

In 2014, the Upjohn Institute for Employment Research collected data from 70 recent studies on minimum wage increases, and found any negative impact on employment was too small to be statistically detectable. This is such settled fact that President Obama's Department of Labor listed disemployment as one of its minimum wage myths.

#### **Myth #2: Baltimore will be at a Competitive Disadvantage**

The Institute for Research on Labor and Employment studied employment levels for every county in the United States with a different minimum wage than its neighbors from 1990-2006, and found "higher minimum wages did not lead business in those states to reduce their hiring or shift their hiring to neighboring counties with lower minimum wages."

#### **Myth #3: Businesses Can't Afford It**

The net value of goods produced in American has grown nearly 7-times faster than wages since 1973, meaning businesses are 7-times more capable of paying higher wages than their 1970s counterparts, but have failed to do so. That problem speaks

to big business though. Studies show that 89% of small businesses already pay employees more than the minimum wage, and a survey by the American Sustainable Business Council showed that 67% of our region's small businesses support a raise.

Myth #4: This is Partisan Opinion

The University of Chicago polled the nation's leading economists, and found over 75% believe the benefits of a higher minimum wage indexed to inflation outweighs any possible costs.

Myth #5: City Government Can't Afford It

Even if you accept the Finance Department's excessive projection of cost- which I don't- Baltimore could easily foot the bill by cracking down on wasteful spending. We're on pace to spend \$43 million in police overtime this year, and have averaged roughly \$30 million in cost overruns for infrastructure over the last two years. If we spent the next 5 years fixing mismanagement costs, even marginal success with these two areas alone would cover the Finance Department's projected shortfall of \$44.8 million per year. Yet still, we may stiff blue-collar workers, choosing instead to subsidize mismanagement. This is unacceptable, but I'm heartened to believe a majority of Councilmembers also rejects that outcome. Thank you for hearing me out, and I look forward to your questions.



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[www.seiu32bj.org](http://www.seiu32bj.org)

## Testimony of Jaime Contreras, Vice President 32BJ SEIU

### Labor Committee Hearing on

### Council Bill 17-0018 - City Minimum Wage

March 1 2017

Good evening Chairman Sneed and Committee members. My name is Jaime Contreras and I am Vice President of 32BJ SEIU and Director of the Capital Area District.

Thank you for the opportunity to testify here today on behalf of our members in support of a \$15 minimum wage for all workers.

32BJ represents over 163,000 building service professionals on the East Coast, including over 18,000 members here in Baltimore City and the Capital Area. We are cleaners, janitors, security officers and other building service workers. Our members come from diverse backgrounds - hailing from 64 different countries and speaking 28 different languages - but we are united in the fight to improve our lives and support our families by raising standards in our industry and for all workers.

My own story reflects the lives of thousands of our members. I came to the United States as a 13 year old to reunite with my father after it he was forced to flee the bloody civil war in El Salvador.

When I was still in high-school I started work as a cleaner in office buildings in Washington DC. I was paid barely more than \$4 an hour but I needed to work to support myself and my family.

I learned on the job that in order for workers in low-wage industries to improve their lives, conditions must be raised for all workers broadly.

This is what we need to do for workers in Baltimore. All workers need a raise to \$15 an hour.

Unfortunately the bill currently before the committee leaves out far too many people. Exempting workers under the age of 21 and delaying the wage schedule for employees of businesses with fewer than 50 workers is unjustified and unfair.

The cost of rent, gas and raising children does not take into account the size of a parent's employer. Excluding young workers meanwhile is cruel to people in situations like mine who face life's full costs regardless of their age. Cutting out young people is also out-of-step with other jurisdictions that have passed \$15 and will only serve to incentivize a low-wage high turn-over model of employment.<sup>1</sup>

On behalf of our membership I wish to express my strongest reservations about leaving some workers behind and others outside of this increase altogether. I urge



## **Understanding the Minimum Wage's True Impact on Baltimore's Budget**

### Overview

The United States' Congressional Budget Office assessed a minimum wage hike in February 2014, the last time one was seriously considered at the federal level (at \$12/hr.), and found that the increased taxes and improved quality of life outcomes from higher wages would create a small decrease in budget deficits.<sup>1</sup>

Thus, as a starting point, **the notion that Baltimore's increased wages would lead to such a severe budget loss is surprising.**

### Increased Wages Do Not Lead to Job Loss

The loss of \$4.1 million in income tax revenue that the Finance Department projects from job loss in Baltimore is facially absurd, because meta-studies of all recent minimum wage studies<sup>2</sup> show no statistically significant impact on employment from higher minimum wages.

**Removing this \$4.1 million revenue loss reduces the budget shortfall to \$40.7 million.**

### Employers Save Wage Costs in Increased Retention, Productivity

Governor Cuomo of New York commissioned a study from UC Berkley and the Institute for Research on Labor and Employment, in advance of his state raising the minimum wage. In their final projections, the researchers relied on findings by professors from the University of Massachusetts Amherst that showed roughly 20% of establishments' increased wage costs were saved in decreased costs from employee turnover and employee recruitment, and increased productivity.<sup>3</sup>

**Saving 20% of City Government's projected increase in wage cost equals \$11.28 million. Adding \$11.28 million in cost savings reduces the budget shortfall from \$40.7 million to \$29.42 million.**

### Increased Wages Lead to Increased Home Ownership

Zillow performed a survey of homeownership for metropolitan areas across the nation in 2015. It found that for the Baltimore Metropolitan area, **home ownership increases by 15%** when workers move from our lowest income bracket (20<sup>th</sup> percentile of income earners and below), to the second lowest income bracket (21<sup>st</sup> percentile to the 40<sup>th</sup>

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<sup>1</sup> <https://www.cbo.gov/publication/44995>

<sup>2</sup> <http://www.nelp.org/content/uploads/Minimum-Wage-Basics-Business-Effects.pdf>

<sup>3</sup> <http://www.scholarsstrategynetwork.org/sites/default/files/ssn-key-findings-pollin-and-wicks-lim-on-a-15-minimum-wage.pdf>

percentile of income earners). **Home ownership increases by 10%** for residents moving from our 2<sup>nd</sup> income bracket to the 3<sup>rd</sup> income bracket (40<sup>th</sup> percentile to 60<sup>th</sup> percentile of income earners).<sup>4</sup>

The US Census shows that 20% of Baltimore households earn \$14,999/per year or less,<sup>5</sup> that \$24,999 or more per year/puts a household in the 40% range, and that \$34,999 puts a household in the 60% range.<sup>6</sup> Thus, **for a household falling anywhere within these three brackets, it takes very little additional income to move from one income bracket to the next.**

Baltimore's Finance Department assumes a \$15.7 million increase in income tax revenue from the 23,200 workers it says will be impacted by the minimum wage. At Baltimore's local income tax of 3.2%, \$15.7 million in taxes comes from an expected \$490.625 million in increased wages, which is **an average wage increase of \$21,147 per year, per employee.** Though this is a facially excessive estimate of wage increase, **even half of that estimate is more than sufficient to move any low waged worker from the 1<sup>st</sup> to the 2<sup>nd</sup> income bracket, or from the 2<sup>nd</sup> to the 3<sup>rd</sup> income bracket.** That means an increase in home ownership of either 10% or 15%, depending on the change in income tax bracket, based on Zillow's findings. **Let us assume an average increase in home ownership of 12.5%, for the 23,200 workers the City expects to be impacted by a wage increase.**

- 23,200 workers x 12.5% = 2,900 new homeowners
- 2,900 homes at the City's average home value of \$152,400 = \$3,246.12 in property taxes per home, or \$9.4 million total

**An increase in revenue of \$9.4 million from new property taxes reduces the budget shortfall from \$29.42 million to \$20.02 million.**

#### A Higher Level of Income Correlates to Less Police Interaction

BNIA shows that Sandtown-Winchester/Harlem Park has an average household income of \$24,374.<sup>7</sup> BNIA shows that The Waverlies have an average household income of \$32,651.<sup>8</sup> Thus, **even a modest percentage of the \$21,147 per capita increase that the Department of Finance expects, for one wage earner and certainly for multiple wage earners in one household, is sufficient to change a family's demographic profile** from that of a Sandtown family, to that of a Waverly family.

The number of adults arrested per 1,000 residents is 28.8 in the Waverlies, and 107.5 in Sandtown-Winchester/Harlem Park. Though other factors are certainly present, changing

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<sup>4</sup> <https://www.zillow.com/research/homeownership-by-income-9419/>

<sup>5</sup> <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

<sup>6</sup> *Id.*

<sup>7</sup> [http://bniajfi.org/community/Sandtown-Winchester\\_Harlem%20Park/](http://bniajfi.org/community/Sandtown-Winchester_Harlem%20Park/)

<sup>8</sup> <http://bniajfi.org/community/The%20Waverlies/>

a family's income levels and the associated quality of life it entitles them to by even a modest amount plays a significant role in its relationship with the police department, and as such, Baltimore's enforcement costs.

The City's estimate of 23,200 of City residents impacted by a **minimum wage increase represents 3.7% of the City's population**. Now let us assume that, as the BNIA data shows, the improved quality of life that correlates to a higher income, and a higher income neighborhood, **entitles those workers to 75% less likelihood of arrest**.

If Baltimore City's police budget, \$475.4 million in 2016, is localized to just 3.7% of the population and reduced by 75%, the City would save \$13.19 million in enforcement costs.

**\$13.19 million in reduced enforcement costs brings the \$20.02 million budget shortfall to \$6.83 million.**

#### Higher Household Incomes Mean Higher Graduation Rates

America's Promise Alliance found that low-income students have a 13% lower graduation rate than the rest of the student population in Maryland schools.<sup>9</sup> The US Census shows that in Baltimore, high school graduates have a 28% higher employment rate than non-graduates.<sup>10</sup>

The Baltimore City Department of Planning found that in Baltimore, high school graduates earn an average of \$8,126 more per year than workers with less than a college degree.<sup>11</sup> If we assume a 13% impact on high school graduation rate for children in the population of 23,200 residents that City Government anticipates being impacted by wage increases, and assume an impact on only one child per household to mitigate disparity between households with no children and households with multiple children, we arrive at a population size of 3,016.

An average income of \$8,126 more per year for this population of 3,016 would introduce \$24,508,016 to Baltimore's economy, which would mean **\$784,256.51 more annually in local income taxes**.

Increasing the employment rate of this population of 3,016 by 28% would impact 845 students. At Baltimore's average per capita income of \$25,707 per year, this is an additional \$21,722,415 in income per year for the population, creating **an additional \$695,117.28 in annual local income tax**.

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<sup>9</sup> <http://www.americaspromise.org/resource/building-gradnation-2012-acgr-state-graduation-gap-between-low-income-and-non-low-income>

<sup>10</sup> <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

<sup>11</sup> <http://planning.baltimorecity.gov/planning-data#Education, Children & Economic Well-Being>

**Together, increased graduation rates represent an additional revenue stream of \$1.48 million per year for the City, bringing the minimum wage budget shortfall down to \$5.35 million per year.**

**Increased Wages Mean Decreased Homelessness**

According to the Washington Post, **roughly 45% of homeless individuals nationwide have worked within the last 30 days.**<sup>12</sup> Their employment, among other factors, leading to an insufficient income to achieve housing stability leads both to their homelessness, and in turn, to their difficulty maintaining employment.

In 2016, the City spent \$1,780,543 on homelessness prevention, \$3,555,836 on outreach to the homeless, \$5,210,053 on temporary housing for the homeless (keep in mind, this is money from the general fund- non-City funding sources double the amount being spent), and \$716,837 on permanent housing for the homeless (the other \$22 million spent here is from federal funds). **This represents \$11,263,269 in cost to the Baltimore City general fund.**

If the 45% of homeless individuals who have worked within the last 30 days begin to earn income at the Finance Department's projected per capita increase of \$21,147 per year, in addition to the current base earnings provided \$8.25/hr. (an income of \$17,160 annually) they will likely increase their income level enough to achieve housing stability in a personal capacity. Even a success rate of only 50% for this population of 45% would drop the demand on current funding by 22.5%. Programs that provide housing-first services for this population, and utilize its increased earning capacity to help cover costs, would have an even higher success rate than leaving them to battle market forces without assistance.

If Baltimore decreases homelessness by 22.5% from the increased housing stability a higher wage allows for, it could save \$2,534,235.52 per year.

**\$2,543,235.52 in cost savings brings the minimum wage budget impact down to \$2.81 million.**

**Conclusion**

Even a cursory overview of potential cost savings and revenue increases for City Government demonstrates the inadequacy of the Finance Department's projected budget shortfall from a \$15/hr. minimum wage. Combined with an even mildly successful attempt to control wasteful costs elsewhere in the City's budget, this analysis demonstrates the extreme feasibility of covering a minimum wage increase to \$15/hr. for City workers.

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<sup>12</sup> <http://www.washingtonpost.com/wp-dyn/content/article/2010/07/09/AR2010070902357.html>





The Baltimore Partnership to End Childhood Hunger collaboratively engages civic and community groups to end hunger for all children and families in Baltimore City, transforming Baltimore into a city where all children have reliable access to the nutritious food required to thrive throughout their lives.

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### IN SUPPORT OF CB 17-0018: City Minimum Wage

March 1, 2017

Councilwoman Sneed, and members of the Labor Committee,

The Baltimore Partnership to End Childhood Hunger is in strong support of Council Bill 17-0018. Our work depends heavily upon the resources aimed at increasing food security for our children and their families – including school meals, afterschool and summer meals, and vital programs like SNAP and WIC. However, we recognize that these are only stop-gap measures, and that the real path to greater food security is greater economic security city-wide.

The need is great: one quarter of Baltimore City residents live in food deserts, areas with a disproportionate lack of access to grocery stores and healthy food options. For our children, that number is even higher, with one out of every three children living in food deserts<sup>1</sup>. Nearly one third of City residents receive SNAP, and one quarter of Baltimore City residents earn wages that keep them below the federal poverty line. More than half of all families in Baltimore City are led by single parents with children and utilizing nutritional supplemental benefits. Before implementing free meals at our schools, nearly 85% of our student population took advantage of free and reduced-price meals.

Raising the minimum wage to \$15 an hour would raise the prospects of low-wage workers – particularly employees of color. African Americans are nearly twice as likely to live below the federal poverty line than whites, and are more likely to be employed in low wage positions. People of color also reside in food deserts on a disparate basis: 8% of white Baltimoreans live in food deserts, compared to 34% of our African Americans residents.<sup>2</sup> Elevating the minimum wage would enable families to better meet their own economic needs and secure the futures of their children through the reliable purchase of nutritious food. For these reasons, we recognize that this legislation is not just one of economic justice, or one of racial justice, but one of food justice as well.

Lastly, the Baltimore Partnership recognizes the need for all workers, regardless of age, to have access to wages that support their ability to purchase healthy foods for themselves and/or their families. We believe that our working teens and young adults should have equal access to financial security and upward mobility.

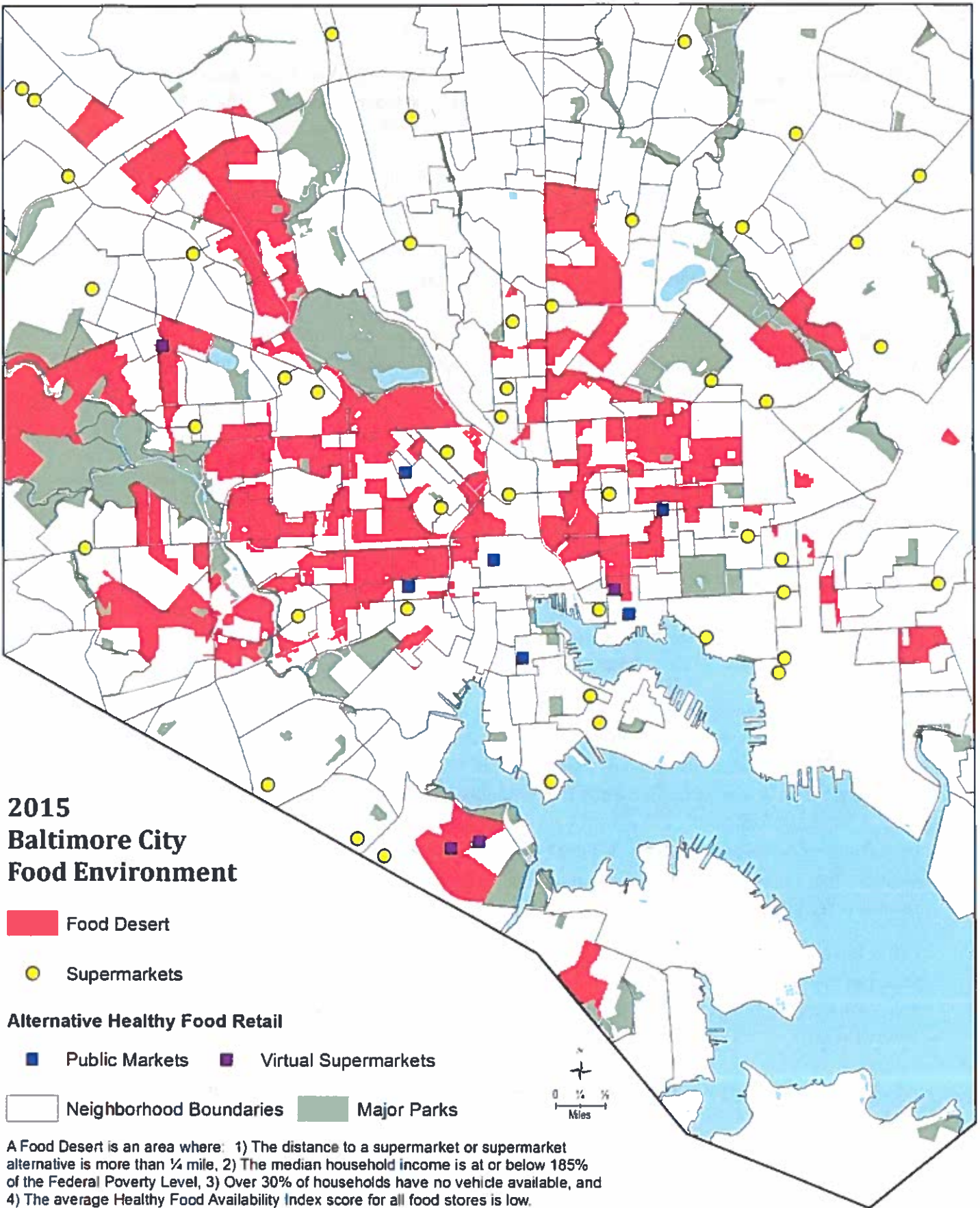
The Baltimore Partnership to End Childhood Hunger urges a favorable vote on City Council Bill 17-0018.

*Submitted on behalf of The Policy Committee of the Baltimore Partnership to End Childhood Hunger. For more information, contact Melissa Moore, Chair, at [mmoore@familyleague.org](mailto:mmoore@familyleague.org)*

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<sup>1</sup> Buczynski, Amanda Behrens, Holly Freishtat, and Sarah Buzogany. *Mapping Baltimore City's Food Environment: 2015 Report*. Baltimore: Johns Hopkins Center for a Liveable Future, 2015. <http://mdfoodsystemmap.org/2015-baltimore-city-food-access-map/>

<sup>2</sup> Ibid.



## **Understanding the Minimum Wage's True Impact on Baltimore's Businesses**

### Overview

We do not need to speculate at the potential impact on Baltimore's businesses from a minimum wage increase. Neither do we need to hold up competing studies. Looking at the bulk of minimum wage studies over the last two decades, and the data they rely on, demonstrates that Baltimore businesses will not be harmed by a minimum wage increase.

### Minimum Wage Gains Do Not Mean Job Loss

Beginning in the 1990s, researchers began to utilize methodologies<sup>1</sup> that "control for variables unrelated to the minimum wage— such as regional employment trends not driven by minimum wage changes— that otherwise may bias a study's findings." This body of work is often referred to as the "new minimum wage research," an uninspired title with incredibly inspiring results. To understand the consistent takeaways this body of work is producing, economists began conducting "meta-studies"<sup>2</sup> that are essentially surveys of all credible research within the field.

The first meta-study, conducted in 2009, shows there is<sup>3</sup> "little or no significant impact of minimum wage increases on employment." The study utilizes 1,492 different findings from 64 distinct studies, and maps the conclusions of each against "the statistical precision of the findings." In interpreting the mapped data, economist Jared Bernstein explains, "the strong clumping around zero [impact on jobs] provides a useful summary of decades of research on this question [of whether minimum wage increases cost jobs.]" A second meta-study was conducted<sup>4</sup> by Dale Belman and Paul Wolfson in 2014, utilizing 70 studies that offer 439 distinct outcomes, which render one defining conclusion: "It appears that if negative effects on employment are present, they are too small to be statistically detectable. Such effects would be too modest to have meaningful consequences in the dynamically changing labor markets."

In peer review, MIT Economist David Autor characterized these findings<sup>5</sup> as "a fairly irrefutable case that state minimum wage laws do raise earnings in low wage jobs, but do not reduce employment." Autor's views are shared by an ever-expanding share of US economists, and represent a sea change in our understanding of the labor market. The University of Chicago's Booth School of Business conducted a survey of the nation's leading economists in 2013,<sup>6</sup> and found that over 75% "believe that the benefits of raising the minimum wage and indexing it for inflation outweigh any costs." Traditionally centrist

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<sup>1</sup> *Id.*

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

figures like former Secretaries of the Treasury Larry Summers and Robert Rubin have joined this chorus,<sup>7</sup> and even Goldman Sachs released a report<sup>8</sup> on minimum wage increases “which did not mention disemployment at all– neither as an immediate effect, nor as a forecast.”

This increasing consensus on the minimum wage’s benign employment impact led President Obama’s Department of Labor to list disemployment<sup>9</sup> as one of its minimum wage myths. In doing so, the department referenced a letter to President Obama from over 600 economists, including 7 Nobel Prize winners, reinforcing the arguments made above. To be fair, skeptics can still point to a trickle of anti-minimum wage economists and their studies, but it appears more certain each day that these researchers will be remembered in much the same fashion as tobacco apologists and climate change deniers who held on to the bitter end.

### Minimum Wage Gains Do Not Increase the Cost of Goods

Seattle is an interesting case study for minimum wage impacts, because the city raised its minimum wage at a local level, moving local wages beyond the state minimum utilized by surrounding municipalities. This makes it an especially relevant indicator for cities like Baltimore, who are also considering minimum wage increases at a local rather than state level. Seattle’s minimum wage increases the city’s minimum wage to \$15 an hour, stepped out in increments through 2021, and then indexes the minimum wage to increase with inflation. One of the most persistent arguments against the wage increase was a belief that higher prices for goods, services, and rent were an inevitable outcome of the increase. Many minimum wage advocates ceded the point, pivoting instead to an argument that increased wages were worth a marginal increase in prices.

Four researchers at the University of Washington studied the impact<sup>10</sup> of Seattle’s wage increases on consumer prices after the increases began. The researchers “visited grocery stores, gas stations, restaurants, and retail outlets,” and “also scraped the Web to check local prices on goods, services, and rent” before the wage increase took hold, then repeated the process after a year of business under the increased wage. Their “analysis of grocery, retail, gasoline, and rent prices has found little or no evidence of price increases in Seattle relative to the surrounding areas.” “The team found no measurable price hike at all at grocery stores, gas stations, or retail outlets,” and the “only place where they found some increase was at restaurants, where prices went up on average around 7%.” Even this 7% increase at restaurants is ameliorated by context though, as “they also tested restaurants outside of Seattle and saw increases there as well, meaning that it could reflect higher food costs or other factors beyond the minimum wage hike.” The takeaway from this labor-intensive study then, is that even for minimum wage increases that skeptics believe put a local market

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<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> <https://www.dol.gov/featured/minimum-wage/mythbuster>

<sup>10</sup> <http://seattle.legistar.com/View.ashx?M=F&ID=4395916&GUID=23C988CE-DB66-4FA2-A58A-F5B4FBD4AD7D>