

Introduced by: Councilmember Clarke, *Young, Dorsey, Scott, Burnett, and Ed Stone*

Prepared by: Department of Legislative Reference *Cohen, Sneed, Reisinger, Henry, Stoltz* Date: February 1, 2017

Referred to: LABOR Committee

Also referred for recommendation and report to municipal agencies listed on reverse.

CITY COUNCIL 17-0018

*Robert Stoltz*

*Bill A*

A BILL ENTITLED

*Paul J. Young*  
*Rob Dorsey*

AN ORDINANCE concerning

**Labor and Employment - City Minimum Wage**

- 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)

*Edward R. Casey*

BY repealing and reordaining, without amendments

Article 11 - Labor and Employment  
Section(s) 1-3  
Baltimore City Code  
(Edition 2000)

*Marjorie Clarke*  
*Sharon M. [Signature]*

**\*\*The introduction of an Ordinance or Resolution by Councilmembers at the request of any person, firm or organization is a courtesy extended by the Councilmembers and not an indication of their position.**

**Agencies**

Baltimore City Public School System

Baltimore Development Corporation

City Solicitor

Comptroller's Office

Department of Audits

Department of Finance

Department of General Services

Department of Housing and Community Development

Department of Human Resources

Department of Planning

Other: [REDACTED]

Other:

Other:

Department of Public Works

Department of Real Estate

Department of Recreation and Parks

Department of Transportation

Fire Department

Health Department

Mayor's Office of Employment Development

Mayor's Office of Human Services

Mayor's Office of Information Technology

Office of the Mayor

Police Department

Other:  Mayor's Office of Employee Development

Other:

**Boards and Commissions**

Board of Estimates

Board of Ethics

Board of Municipal and Zoning Appeals

Comm. for Historical and Architectural Preservation

Commission on Sustainability

Employees' Retirement System

Other:

Other:

Other:

Environmental Control Board

Fire & Police Employees' Retirement System

Labor Commissioner

Parking Authority Board

Planning Commission

Wage Commission

Other:

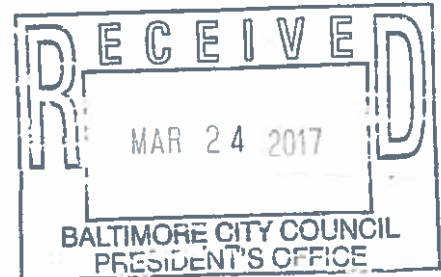
Other:

Other:



**CATHERINE E. PUGH**  
MAYOR

*100 Holliday Street, Room 250  
Baltimore, Maryland 21202*



March 24, 2017

The Honorable President &  
Members of the Baltimore City Council  
City Hall  
100 North Holliday Street  
Suite 400  
Baltimore, MD 21201

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

Dear Mr. President and Members of the Council:

After careful consideration and deliberation, I have decided to veto **City Council Bill #17-0018, Labor and Employment – City Minimum Wage**.

The recent news of our declining population has added to this decision. All indications are that if the current minimum wage legislation is implemented - like residents who have moved to neighboring jurisdictions - businesses, small and large, will choose to do the same.

Among the factors that have contributed to my decision are: the impact this legislation will have on the City's budget, the negative implications it will have on the City's economy, many unaddressed issues we attempted to address through amendments, as well as serious concerns raised by residents and business owners.

I want you all to know that no one wants to see wages in our city, state and country increase more than I do. I look forward to the state-wide increase in the minimum wage to \$10.10 that I fought so hard for in Annapolis as the Senate Majority Leader. The State's minimum wage increase will take place in 2018 and I believe working families will benefit from and deserve these increased wages. Baltimore companies, corporations and City government, along with surrounding jurisdictions, are already preparing together now for these increases.



I have also had conversations with my counterparts, County Executives in the surrounding jurisdictions of Anne Arundel County, Baltimore County, Harford and Howard County. They advised that while it might mean greater opportunities for them – because businesses and organizations have warned that they would move into their counties if Baltimore took this action - they were clear that they were not advancing minimum wage increases on their own and would concur with the State's rise in the minimum wage in 2018 as required by law. The movement of any businesses to surrounding counties would only create more hardship for Baltimore residents who would then be forced to incur costs to travel outside the city. These executives have assured me that they stand with Baltimore because an economically strong City is important to the region and important to the state.

As the City's Chief Executive Officer, I have taken an oath to manage its fiscal health and well-being. According to the Department of Finance, the net budgetary impact on the City's finances is estimated as a \$115.8 million cost over the next seven years. This additional cost comes while the City has an existing structural budget deficit, additional City maintenance of effort contributions and service support for the Baltimore City Public Schools, and new costs to implement the terms of the Department of Justice consent decree with the Baltimore Police Department. An unintended consequence of this bill would be an increase on employee costs for the utility, which will require raising water bills or reducing investment in critical infrastructure. These financial risks and others that the City faces are already straining the City's budget. Signing this bill into law would only exacerbate the City's fiscal challenges and require further service reductions and layoffs in the City workforce.

I have significant reservations about the Bill's impact on business and the local economy. As a City, we already have the highest property tax rate in the state which is more than double any of our surrounding jurisdictions. We also have the highest income tax rate, the highest personal property tax rate, and the highest utility tax rate in the State of Maryland. Moreover, increasing water rates, an important, but aggressive bottle tax and a complex regulatory structure, Baltimore City already is a challenging place to operate a business. Despite those obstacles, we are seeing job growth and have attracted a number of businesses to Baltimore City in the last 24 months. However, increasing the wage rate by 50% would create a competitive disadvantage that may well be impossible to overcome. The growth that we've seen, while robust, is still nascent and I am concerned that this bill would stall, stagnate or even reverse into decline.

My goal is to bring more retail to every community of this City, especially those areas where investment has not occurred in decades. These businesses and the services that they provide should not just be in affluent communities.

An uncompetitive wage rate will make our efforts and ability of attracting and retaining neighborhood amenities more difficult or impossible.

An amendment was proposed that would have tied the increase in the minimum wage to a corresponding increase in surrounding jurisdictions. This is important not just for the competitiveness of our City businesses, but also for the local labor market. According to a previous report by the Baltimore Development Corporation, nearly 61% of low wage job workers commute into Baltimore City from surrounding counties. Raising the wage in the City alone would create more outside competition for our residents in an already competitive environment. The intended benefits for our citizens would invariably be gained by the labor force of surrounding counties. I believe that a broader regional effort, and optimally, a national effort, would be the best way to prevent this type of job gentrification or job compression.

County Executive Isiah Leggett recently vetoed a similar \$15 minimum wage bill in Montgomery County. In his message to the County Council, he cited many of the same concerns regarding his own local economy. When the



executives of one of the wealthiest counties in our state and country contemplates those issues; it not only gives me great pause, but makes clear to me that the City of Baltimore should pay close attention to those apprehensions. The County Executive also cited how a minimum wage increase in his county would impact Medicaid providers - an unintended consequence, that should not be overlooked. Since such providers cannot pass on the cost of increases through rate increases; the \$15 minimum wage was estimated to increase operation costs by 5.5% annually. This type of evaluation is key to understanding the total impact of a minimum increase in Baltimore, yet, I am not aware of a comparable study being conducted by City Council or local providers. Given the large number of hospitals in Baltimore City, this level of consideration is imperative.

In an effort to support our City Council in its deliberations on legislation, I will include in my proposed budget, a new position for the City Council President's office, a fiscal analyst who will calculate the financial impact of all legislation on the City's financial health. I believe this will be a valuable tool for our Council Members as they continue to seek ways to make Baltimore better and stronger.

Finally, in conversations with close friends, neighbors, business owners and faith leaders who live in Baltimore City, I have been asked to do what is best for Baltimore – create more jobs, provide more training and opportunities for the 76,000 people who are unemployed in our city as we prepare for the State's minimum wage increase to \$10.10 in 2018.

I understand and appreciate the Council's desire to increase the minimum wage. I hope that the City Council will be my partner in achieving these important goals.

Sincerely,



Catherine E. Pugh  
Mayor  
City of Baltimore

cc: Tisha Edwards, Chief of Staff, Office of the Mayor  
Pete Hammen, Chief Operating Officer, Office of the Mayor  
James T. Smith, Chief of Strategic Alliances, Office of the Mayor  
Karen Stokes, Director of Government Relations, Office of the Mayor





**CITY OF BALTIMORE**  
**ORDINANCE \_\_\_\_\_**  
**Council Bill 17-0018**

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Introduced by: Councilmember Clarke, President Young, Councilmembers Dorsey, Scott,  
Burnett, Middleton, Cohen, Sneed, Reisinger, Henry, Stokes

Introduced and read first time: February 6, 2017

Assigned to: Labor Committee

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Committee Report: Favorable with amendments

Council action: Adopted

Read second time: March 6, 2017

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**AN ORDINANCE CONCERNING**

**Labor and Employment – City Minimum Wage**

1

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11 bad faith employee complaints to the Wage Commission; establishing certain penalties;  
12 clarifying and conforming related provisions; and generally relating to the minimum wage to  
13 be paid to employees in Baltimore City.

14 BY repealing and reordaining, with amendments

15 Article 11 - Labor and Employment

16 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,  
17 and 6-2

18 Baltimore City Code

19 (Edition 2000)

20 BY repealing and reordaining, without amendments

21 Article 11 - Labor and Employment

22 Section(s) 1-3

23 Baltimore City Code

24 (Edition 2000)

**EXPLANATION:** CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.  
Underlining indicates matter added to the bill by amendment.  
~~Strike-out~~ indicates matter stricken from the bill by  
amendment or deleted from existing law by amendment.

**Council Bill 17-0018**

1 BY adding  
2 Article 11 - Labor and Employment  
3 Section(s) 1-4, 1-5, 2-7 to 2-9, 3-2A, and 3-2B  
4 Baltimore City Code  
5 (Edition 2000)

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

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

13 **Baltimore City Code**

14 **Article 11. Labor and Employment**

15 **Division 1. Minimum Wage law**

16 **Subtitle 1. Definitions; General Provisions**

17 **§ 1-1. Definitions.**

18 (a) *In general.*

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

20 (b) *Employ.*

21 "Employ" means to permit to work.

22 (c) *Employer.*

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

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

29 (3) "EMPLOYER" INCLUDES THE CITY OF BALTIMORE.

30 (d) *Employee.*

31 (1) "Employee" means any person [permitted or instructed to work or be present by an  
32 employer] WHO WORKS FOR AN EMPLOYER, OR IS EXPECTED TO WORK FOR AN

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

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

5 **Subtitle 2. Wage Commission**

6 **§ 2-2. Members.**

7 (a) *In general.*

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

10 (1) 2 REPRESENTATIVES FROM THE LABOR COMMUNITY;

11 (2) 2 REPRESENTATIVES FROM COMMUNITY-BASED ORGANIZATIONS; AND

12 (3) 1 REPRESENTATIVE FROM THE BUSINESS COMMUNITY.

13 (B) *TERM.*

14 COMMISSION MEMBERS ARE APPOINTED FOR TERMS OF 2 YEARS.

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

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

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

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

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

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

26 **§ 2-5. General powers and duties.**

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

28 (1) formulate and carry out a comprehensive educational and action program designed to  
29 eliminate the payment of substandard wages to employees in the City of Baltimore;

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

16 **§ 2-6. Rules and regulations.**

17 (a) *Commission may adopt.*

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

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

23 [(b) *Scope.*]

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

25 [(1) those further defining:

- 26 (i) persons engaged in voluntary service to a nonprofit organization;
- 27 (ii) persons employed in a bona fide executive, supervisory, or professional  
28 capacity;
- 29 (iii) persons employed by any member of their immediate family; and

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1 (iv) persons compensated upon a commission basis; and]

2 [(2) those:

3 (i) establishing deductions in allowance for the reasonable value of uniforms,  
4 board, lodging, or other facilities, items, or services supplied by the employer;

5 (ii) defining students and employees customarily receiving tips; and

6 (iii) defining handicapped persons, for the purposes of § 3-2 of this Division  
7 I.]

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

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

10 (1) published by the Commission as soon as possible after their adoption; and

11 (2) made available ON THE CITY'S WEBSITE AND ON PAPER, without charge, to any  
12 persons requesting them.

13 **§ 2-7. MULTILINGUAL POSTERS.**

14 (A) *POSTER TO BE PROVIDED.*

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

17 (B) *POSTER LANGUAGES.*

18 THE COMMISSION MUST MAKE THIS POSTER AVAILABLE IN:

19 (1) ENGLISH;

20 (2) SPANISH; AND

21 (3) ANY OTHER LANGUAGES SPOKEN BY MORE THAN FIVE PERCENT (5%) OF THE  
22 WORKFORCE IN THE CITY OF BALTIMORE.

23 **§ 2-8. INTERAGENCY COOPERATION.**

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



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**§ 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 ONE 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.

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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 PARAGRAPH (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~~ THE GREATER OF:

15 (1) \$3.63; OR

16 (2) THE DOLLAR FIGURE USED TO CALCULATE THE STATE MAXIMUM TIP CREDIT IN  
17 EFFECT UNDER STATE LABOR AND EMPLOYMENT ARTICLE §3-419(C).

18 (C) *TIP POOLS.*

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

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

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

26 § 3-2A. **EXCEPTIONS – MISCELLANEOUS.**

27 (A) *YOUTH JOB PROGRAMS.*

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

32 (B) *WORK-STUDY PROGRAMS.*

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

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1 (C) *INTERNSHIPS.*

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

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

14 (D) *YOUNG WORKERS.*

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

17 (E) *EMPLOYEES WITH DISABILITIES.*

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

24 (F) *MARYLAND ZOO IN BALTIMORE.*

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

29 (G) MOED APPROVED TRAINING PROGRAMS.

30 TRAINEES ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I FOR  
31 UP TO 6 MONTHS WHILE PARTICIPATING IN A JOB TRAINING PROGRAM THAT IS:

- 32 (1) APPROVED BY THE MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT; AND
- 33 (2) INTENDED TO LEAD TO PERMANENT EMPLOYMENT IN A FIELD DIRECTLY RELATED  
34 TO THE TRAINING AT A RATE OF PAY AT OR ABOVE THE MINIMUM WAGE REQUIRED

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BY § 3-1(B) {"MINIMUM WAGE REQUIRED: MINIMUM WAGE"} OF THIS SUBTITLE  
UPON SUCCESSFUL COMPLETION OF THE TRAINING PROGRAM.

§ 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;

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

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

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

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

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

7 **§ 3-4. Withholding.**

8 (a) *Required consent.*

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

11 (1) REQUIRED BY LAW;

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

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

15 (b) *Violations.*

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

19 **§ 3-5. Wages due on termination of employment.**

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

24 **§ 3-6. Posting summary of law.**

25 (a) *Employer to post.*

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

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1 (b) *Violations.*

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

4 § 3-8. Payroll records.

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

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

- 8 (i) name[.];  
9 (ii) social security number[.];  
10 (iii) address at time of employment[.];  
11 (iv) occupation[.];  
12 (v) time worked each day[.]; and  
13 (vi) rate of pay

14 for each [of his employees] EMPLOYEE.

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

18 (b) *Right of inspection.*

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

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

26 (3) [(2)]It [shall be] IS a violation of this Division I to prevent, obstruct, or to attempt to  
27 prevent or obstruct [such] THE entries and inspections ALLOWED BY THIS SUBSECTION.

28 (C) *EFFECTS OF FAILURE TO MAINTAIN RECORDS.*

29 IF AN EMPLOYER FAILS TO CREATE AND RETAIN CONTEMPORANEOUS WRITTEN OR  
30 ELECTRONIC RECORDS DOCUMENTING ITS EMPLOYEES' WAGES EARNED, OR DOES NOT  
31 ALLOW THE COMMISSION REASONABLE ACCESS TO ITS RECORDS, IT SHALL BE PRESUMED  
32 THAT THE EMPLOYER HAS VIOLATED THIS DIVISION I, AND THE EMPLOYEE'S REASONABLE



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1 ESTIMATE REGARDING HOURS WORKED AND WAGES PAID SHALL BE RELIED ON, ABSENT  
2 CLEAR AND CONVINCING EVIDENCE OTHERWISE.

3 **Subtitle 4. Enforcement Procedures**

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

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

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

12 (b) *Contents.*

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

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

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

21 **§ 4-2. Complaints by Commission.**

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

26 **§ 4-3. Investigation for probable cause.**

27 (A) *IN GENERAL.*

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

30 (1) investigate the facts alleged [therein]; and

31 (2) make a finding of probable cause for the [said] complaint or lack of it.

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1 (B) *TIMELY INVESTIGATIONS.*

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

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

6 (i) CONCLUDE ITS INVESTIGATION WITHIN 120 DAYS FROM RECEIPT OF THE  
7 COMPLAINT; AND

8 (ii) SETTLE THE COMPLAINT UNDER § 4-6 {"PROBABLE CAUSE CONFERENCE;  
9 SETTLEMENT AGREEMENT"} OF THIS SUBTITLE, DISMISS THE COMPLAINT  
10 UNDER § 4-5(B) {"FINDING OF PROBABLE CAUSE: PROBABLE CAUSE NOT  
11 FOUND"} OF THIS SUBTITLE, OR ISSUE A FINAL ORDER UNDER § 4-7 {"FINAL  
12 ORDER"} OF THIS SUBTITLE, WITHIN 1 YEAR FROM RECEIPT OF THE COMPLAINT.

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

15 (C) *NOTIFICATIONS.*

16 (1) THE COMMISSION MUST:

17 (i) PROVIDE TIMELY NOTIFICATION OF A COMPLAINT, INCLUDING ALL ALLEGED  
18 FACTS RELEVANT TO THE COMPLAINT, TO THE RESPONDENT, AND

19 (ii) REQUEST THAT THE RESPONDENT MAKE A WRITTEN RESPONSE TO THE  
20 COMPLAINT WITHIN 15 DAYS FROM THE DATE OF THE NOTIFICATION .

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

24 (D) *FULL INVESTIGATION OF EMPLOYER.*

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

28 § 4-5. [Dismissal for lack] FINDING of probable cause.

29 (A) *PROBABLE CAUSE FOUND.*

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

33 (1) NOTIFY THE RESPONDENT AND COMPLAINANT THAT PROBABLE CAUSE HAS BEEN  
34 FOUND; AND

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

4 (B) PROBABLE CAUSE NOT FOUND.

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

9 **§ 4-6. Probable cause conference; settlement agreement.**

10 (a) *Conference.*

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

13 (1) [persuade respondent to] cease and desist its illegal action;

14 (2) commence paying [complainant such] THE IMPACTED EMPLOYEE OR EMPLOYEES  
15 THE lawful wages [as are] required by this Division I; [and]

16 (3) reimburse [complainant] ALL IMPACTED EMPLOYEES for the difference between  
17 what [he] THEY had been receiving as wages and what [he] THEY should have  
18 lawfully received; AND

19 (4) PAY ANY FINES OR PENALTIES ASSESSED BY THE COMMISSION PURSUANT TO THIS  
20 DIVISION I.

21 (b) *Settlement agreement.*

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

24 **§ 4-7. Final order.**

25 (a) *In general.*

26 If:

27 (1) the Commission and the respondent shall fail to reach agreement, or

28 (2) the respondent shall fail to meet his obligations under such agreement:

29 (i) within 30 days thereof, or

30 (ii) within such other time as may be specified therein,

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

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1 (B) *CONTENTS OF ORDER.*

2 A FINAL ORDER ISSUED UNDER THIS SECTION WILL:

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

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

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

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

13 (II) THE RESPONDENT FAILS TO MEET ITS OBLIGATIONS UNDER ANY SETTLEMENT  
14 AGREEMENT.

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

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

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

20 § 4-8. [Judicial] ADMINISTRATIVE, JUDICIAL, and appellate review.

21 (A) *IN GENERAL.*

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

25 (B) *PROCEDURES.*

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

28 (C) *DETERMINATION.*

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

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

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

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

3 (D) *FINDINGS.*

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

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

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

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

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

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

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

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

23 **§ 4-9. Referral to Solicitor.**

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

31 **§ 4-10. Confidential information.**

32 (a) *Employer's payroll.*

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

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1 (b) *Identity of complainant.*

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

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

8 **Subtitle 5. Other Prohibited Conduct**

9 **§ 5-1. By employer - retaliation against employee.**

10 (A) *FAMILY MEMBER DEFINED.*

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

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

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

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

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

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

- 28 (I) TERMINATION, DEMOTION, SUSPENSION, OR REPRIMAND;  
29 (II) INVOLUNTARY TRANSFER, REASSIGNMENT, OR DETAIL TO AN ASSIGNMENT  
30 THAT A REASONABLE PERSON WOULD FIND LESS FAVORABLE;  
31 (III) FAILURE TO PROMOTE, HIRE, OR TAKE OTHER FAVORABLE PERSONNEL ACTION;

Council Bill 17-0018

1 (IV) REPORTING, OR THREATENING TO REPORT, THE ACTUAL OR SUSPECTED  
2 CITIZENSHIP OR IMMIGRATION STATUS OF AN EMPLOYEE, FORMER EMPLOYEE,  
3 OR FAMILY MEMBER OF AN EMPLOYEE TO A FEDERAL, STATE, OR LOCAL  
4 AGENCY; OR

5 (V) ENGAGING IN ANY CONDUCT THAT WOULD DISSUADE A REASONABLE  
6 EMPLOYEE FROM ENGAGING IN ACTIVITIES PROTECTED BY THIS DIVISION I.

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

9 (C) *RIGHTS PROTECTED.*

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

12 (1) REQUESTING PAYMENT OF A MINIMUM OR OVERTIME WAGE;

13 (2) MAKING OR FILING A COMPLAINT TO THE COMMISSION, OR IN COURT, FOR ALLEGED  
14 VIOLATIONS OF THIS DIVISION I;

15 (3) PARTICIPATING IN ANY OF THE COMMISSION'S PROCEEDINGS OR IN ANY  
16 ADMINISTRATIVE OR JUDICIAL ACTION REGARDING AN ALLEGED VIOLATION OF  
17 THIS DIVISION I;

18 (4) MAKING USE OF ANY OF THE CIVIL REMEDIES PROVIDED IN THIS DIVISION I; OR

19 (5) INFORMING ANY PERSON OF HIS OR HER POTENTIAL RIGHTS UNDER THIS DIVISION I.

20 (D) *REBUTTABLE PRESUMPTION.*

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

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

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

28 (1) the reinstatement of [such] THE employee with backpay to the date of violation;  
29 AND

30 (2) UNPAID WAGES.

31 **§ 5-2. By employer - violation of rule or regulation.**

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

**Council Bill 17-0018**

1 **[§ 5-6. By employees.]**

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

3 (1) make any groundless, unfounded, or malicious complaint to the Commission; or

4 (2) in bad faith, institute or testify in any proceeding before the Commission under the  
5 provisions hereof.]

6 **Subtitle 6. Penalties and Fines**

7 **§ 6-2. Fines.**

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

10 (1) for a 1<sup>st</sup> offense, [~~\$250~~] \$300 for each violation;

11 (2) for a 2<sup>nd</sup> offense, [~~\$500~~] \$550 for each violation; and

12 (3) for each subsequent offense, \$1,000 for each violation.


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

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



**Council Bill 17-0018**

Certified as duly passed this \_\_\_\_\_ day of MAR 20, 2017

  
\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to Her Honor, the Mayor,

this \_\_\_\_\_ day of MAR 20, 2017


  
\_\_\_\_\_  
Chief Clerk

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Mayor, Baltimore City

Approved For Form and Legal Sufficiency

This 21<sup>st</sup> Day of March 2017.

  
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AMENDMENTS TO COUNCIL BILL 17-0018  
(First Reader Copy)

By: The Labor Committee  
{To be offered on the Council Floor}

Amendment No. 1

On page 12, in lines 13 and 14, strike "NOT LESS THAN AN AMOUNT EQUAL TO THE MINIMUM WAGE REQUIRED BY § 3-1 {"MINIMUM WAGE REQUIRED"} OF THIS SUBTITLE MINUS THE" and substitute "THE GREATER OF :

(1) \$3.63; OR

(2) THE DOLLAR FIGURE USED TO CALCULATE THE STATE "

Amendment No. 2

On page 13, after line 26, insert:

**ADOPTED**

"(G) MOED APPROVED TRAINING PROGRAMS.

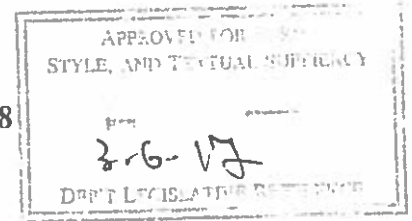
TRAINEES ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I FOR UP TO 6 MONTHS WHILE PARTICIPATING IN A JOB TRAINING PROGRAM THAT IS :

(1) APPROVED BY THE MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT; AND

(2) INTENDED TO LEAD TO PERMANENT EMPLOYMENT IN A FIELD DIRECTLY RELATED TO THE TRAINING AT A RATE OF PAY AT OR ABOVE THE MINIMUM WAGE REQUIRED BY § 3-1(B) {"MINIMUM WAGE REQUIRED : MINIMUM WAGE"} OF THIS SUBTITLE UPON SUCCESSFUL COMPLETION OF THE TRAINING PROGRAM."



AMENDMENTS TO COUNCIL BILL 17-0018  
(First Reader Copy)



By: Councilmember Pinkett  
{To be offered on the Council Floor}

Amendment No. 1

On page 13, before line 27, insert:

“(H) SUPERMARKETS IN FOOD DESERT INCENTIVE AREAS .

- (1) EMPLOYEES OF ANY SUPERMARKET IN A FOOD DESERT INCENTIVE AREA . AS DEFINED BY CITY CODE ARTICLE 28, § 10-30 {“FOOD DESERT INCENTIVE AREAS (PERSONAL PROPERTY TAX CREDIT)”}. ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.
  
- (2) EMPLOYEES OF ANY SUPERMARKET WHOSE CLOSURE THE HEALTH COMMISSIONER DETERMINES WOULD CREATE A FOOD DESERT . AS DEFINED BY CITY CODE ARTICLE 28, § 10-30 {“FOOD DESERT INCENTIVE AREAS (PERSONAL PROPERTY TAX CREDIT)”}. ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.”.

**FAILED**



AMENDMENTS TO COUNCIL BILL 17-0018  
(First Reader Copy)



By: Councilmember Schleifer  
{To be offered on the Council Floor}

**Amendment No. 1**

On page 13, before line 27, insert:

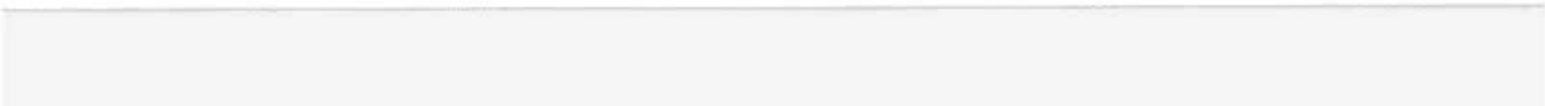
“(H) PART-TIME EMPLOYEES.

EMPLOYEES WHO ARE EMPLOYED FOR A WORKWEEK OF LESS THAN 20 HOURS ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.”.

**FAILED**

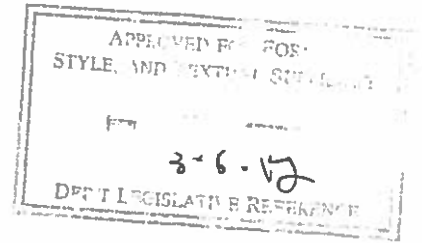


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AMENDMENTS TO COUNCIL BILL 17-0018  
(First Reader Copy)



By: Councilmember Schleifer  
{To be offered on the Council Floor}

Amendment No. 1

On page 1, in lines 8 and 9, strike “setting Baltimore City’s small employer minimum wage through 2026; ”; and, on page 2, in line 3, before “3-2A” insert “and”; and, in that same line, strike “, and 3-2B”; and, on page 4, in line 14, strike “\$400,000” and substitute “\$1 MILLION”; and, on page 13, before line 27, insert:

“(H) SMALL EMPLOYERS.

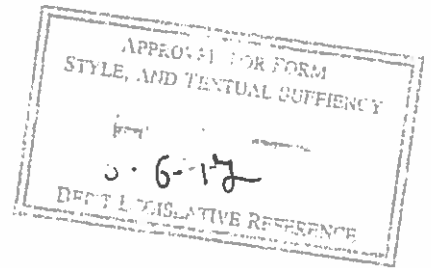
EMPLOYEES OF ANY SMALL EMPLOYER ARE EXEMPT FROM THE MINIMUM WAGE REQUIREMENTS OF THIS DIVISION I.”; and,

on that same page, strike lines 27 through 34 in their entireties; and, on page 14, strike lines 1 through 27 in their entireties.

**FAILED**



AMENDMENTS TO COUNCIL BILL 17-0018  
(First Reader Copy)



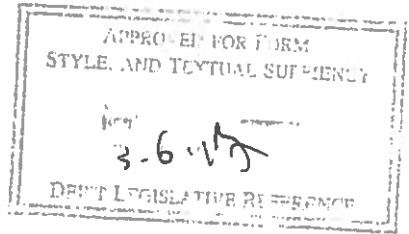
By: Councilmember Costello  
{To be offered on the Council Floor}

Amendment No. 1

On page 1, in line 13, after “provisions”, insert “delaying the implementation of this ordinance until similar minimum wage rates have gone into effect in a neighboring county; setting a special effective date;”; and, on page 24, in line 12, strike “it is enacted” and substitute “that legislation setting a minimum wage of at least \$15 an hour by 2023 goes into effect in any 1 of Baltimore, Howard, and Anne Arundel counties”.

**FAILED**





AMENDMENTS TO COUNCIL BILL 17-0018  
(First Reader Copy)

By: Councilmember Costello  
{To be offered on the Council Floor}

**Amendment No. 1**

On page 1, in line 3, strike “for the years 2019 through 2023”; and, on that same page, strike line 4 in its entirety and substitute “setting the schedule and formula for future increases to Baltimore City’s minimum wage rates:”; and, in line 9, strike “through 2026” and substitute “rate”.

**Amendment No. 2**

On page 9, in line 24, strike “STARTING” and substitute “IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY SUBSECTION (C) OF THIS SECTION, AFTER”; and, on that same page, in line 25, after “(3)”, insert “IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY SUBSECTION (C) OF THIS SECTION,”; and, in that same line, strike “, 2020” and substitute “OF THE YEAR IN WHICH THE CITY MINIMUM WAGE RATE IS \$11.25”; and, in line 26, after “(4)”, insert “IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY SUBSECTION (C) OF THIS SECTION,”; and, in that same line, strike “, 2021” and substitute “OF THE YEAR IN WHICH THE CITY MINIMUM WAGE RATE IS \$12.50”; and, in line 27, after “(5)”, insert “IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY SUBSECTION (C) OF THIS SECTION,”; and, in that same line, strike “, 2022” and substitute “OF THE YEAR IN WHICH THE CITY MINIMUM WAGE RATE IS \$13.75”; and, in line 28, after “(6)”, insert “IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY SUBSECTION (C) OF THIS SECTION,”; and, in that same line, strike “, 2023” and substitute “OF THE YEAR IN WHICH THE CITY MINIMUM WAGE RATE IS \$15.00”; and, in line 30, strike “(C)” and substitute “(D)”.

**Amendment No. 3**

On page 10, in line 1, after “(C)” insert:

“REQUIRED ECONOMIC DETERMINATION.

(1) THE COMMISSION, PRIOR TO JULY 1 OF EACH YEAR, MUST MAKE A DETERMINATION BASED ON THE BUREAU OF LABOR STATISTICS NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATE FOR BALTIMORE CITY, THAT THE BALTIMORE CITY

**FAILED**

UNEMPLOYMENT RATE WAS 6.4% OR LOWER FOR THE PREVIOUS CALENDAR YEAR BEFORE THE CITY MINIMUM WAGE MAY BE INCREASED UNDER SUBSECTION (B) OF THIS SECTION.

(2) IF THE COMMISSION DETERMINES THAT THE UNEMPLOYMENT RATE WAS ABOVE 6.4%, THE CITY MINIMUM WAGE RATE SHALL REMAIN THE SAME AS THE RATE THAT WAS IN EFFECT FOR THE IMMEDIATELY PRECEDING 12 MONTH PERIOD.

(D)”; and, on that same page, in line 15, strike “(D)” and substitute “(E)”; and, in line 26, strike “(E)” and substitute “(F)”.

#### **Amendment No. 4**

On page 13, in line 29, strike “UNTIL JANUARY 1, 2017, THE” and substitute “THE”; and, on page 14, in line 18, strike “STARTING” and substitute ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE {“REQUIRED ECONOMIC DETERMINATION”}, AFTER”; and, in line 19, after “(3)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2020” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$10.70”; and, in line 20, after “(4)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2021” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$11.30” and, in line 21, after “(5)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2022” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$11.90”; and, in line 22, after “(6)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2023” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$12.50”; and, in line 23, after “(7)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2024” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$13.10”; and, in line 24, after “(8)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2025” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$13.70”; and, in line 25, after “(9)”, insert ““IF THE COMMISSION MAKES THE DETERMINATION REQUIRED BY §3-1(C) OF THIS SUBTITLE.”; and, in that same line, strike “, 2026” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$14.30”; and, in line 26, strike “2027” and substitute “OF THE YEAR IN WHICH THE WAGE RATE IS \$15.00”.

FORMATTED BY DLR

03/06/17

AMENDMENTS TO COUNCIL BILL 17-018  
(1<sup>st</sup> Reader Copy)

By: Councilmember Stokes  
{To be offered on the Council Floor}

Amendment No. 1

On page 1, at the end of the list of the Bill's sponsors, insert ". Stokes".

**ADOPTED**



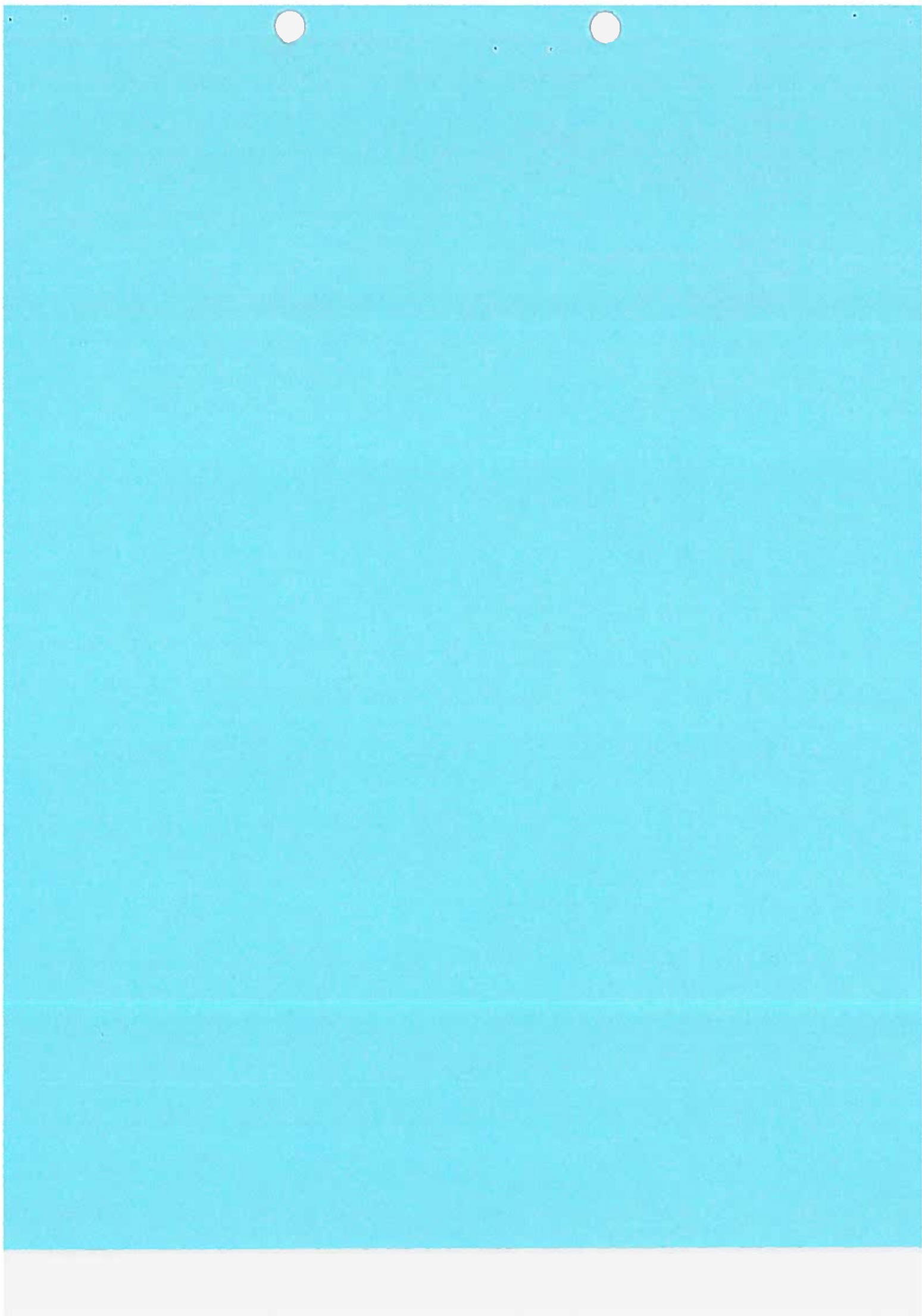


**By adding**

**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)**

**By repealing**

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



# BALTIMORE CITY COUNCIL LABOR COMMITTEE VOTING RECORD

DATE: March 1, 2017

BILL NUMBER: 17-0018

BILL TITLE: Labor and Employment – City Minimum Wage

MOTION BY: Clarke      SECONDED BY: Henry

FAVORABLE

FAVORABLE WITH AMENDMENTS

UNFAVORABLE

WITHOUT RECOMMENDATION

NAME	YEAS	NAYS	ABSENT	ABSTAIN
Sneed, Shannon, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stokes, Robert, Vice Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Costello, Eric	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry, Bill	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarke, Mary Pat	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<b>TOTALS</b>	<u>4</u>	<u>1</u>	<u>—</u>	<u>—</u>

CHAIRPERSON: Marguerite Murray

COMMITTEE STAFF: Marguerite Murray, Initials: M.M.





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

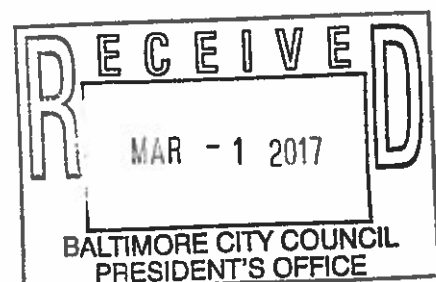
As the 501(c)6 membership-based Destination Marketing Organization charged with driving economic impact through the attraction of conventions, group and leisure visitors, Visit Baltimore had initially taken no formal position on Council Bill 16-0655 – electing instead to defer to the allied organizations 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

100 Light Street, 12th Floor  
Baltimore, MD 21202

O 410 659-7300  
F 443 817 0613

Baltimore.org



*Opposed w/  
Comments*



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.

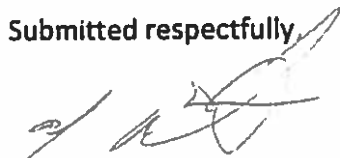
- Industry reports also show that, after establishing exhibit hall/space availability, destinations are mainly compared by their hotels – in particular room prices and quality; and, that rising labor costs are factored into booking decisions by MEETING PLANNERS. If Baltimore's minimum wage were to be 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





*Rhagen*, City for:

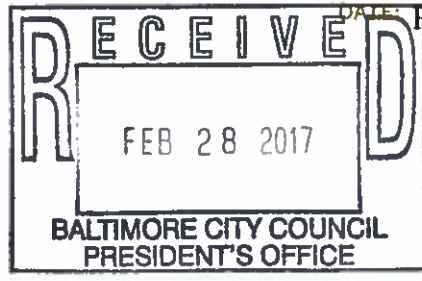
<b>FROM</b>	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 432, City Hall (410-396-4941)
	SUBJECT	City Council Bill #17-0018 – Minimum Wage

CITY of  
**BALTIMORE**

**MEMO**



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



DATE: February 27, 2017

Attention: Ms. Natawna Austin

I am herein reporting on City Council bill 17-0018, the purpose of which is to set Baltimore City's minimum wage rate through 2022, set the formula to determine Baltimore City's minimum wage from 2023 onward, and to propose a variety of changes to the Wage Commission's composition, procedures, and enforcement mechanisms.

The proposed bill would set the City's minimum wage equal to the State of Maryland rate until July 1, 2019, and then apply additional increases to \$11.25 (FY20), \$12.50 (FY21), \$13.75 (FY22), and \$15.00 (FY23).

**Analysis**

We see three potential implications for the City's finances:

**Part-Time / Temporary Employees:** As of October 1, 2016, the City had 2,023 employees on the payroll that were classified as either part-time or temporary employees. Many of these employees, such as Community Aides, Seasonal Maintenance Aides, and Recreation Arts Instructors, currently earn a wage that is either at or slightly above the current State-mandated minimum wage of \$8.75 per hour. The proposed legislation sets the City's minimum wage equal to the State minimum wage through Fiscal 2019, but thereafter the City minimum wage would exceed the State by an increasing amount per year. For purposes of this analysis, we assumed that the State minimum wage, which is only set through Fiscal 2019, would grow an additional 2% per year:

Minimum Wage	FY17	FY18	FY19	FY20	FY21	FY22	FY23
State	\$8.75	\$9.25	\$10.10	\$10.30	\$10.50	\$10.71	\$10.92
City (proposed)	<u>\$8.75</u>	<u>\$9.25</u>	<u>\$10.10</u>	<u>\$11.25</u>	<u>\$12.50</u>	<u>\$13.75</u>	<u>\$15.00</u>
Difference	\$0.00	\$0.00	\$0.00	\$0.95	\$2.00	\$3.04	\$4.08

As the City minimum wage increases beyond the State minimum, many of the City's part-time and temporary workers' hourly wages would fall below the new City-mandated minimum wage. Bringing these wages up to the new minimum would have a direct cost impact to the City:

*opposed w/ comments*



Impact	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Employees Affected	0	0	0	941	1,162	1,363	1,554
Cost Impact (\$ millions)	\$0.0	\$0.0	\$0.0	\$0.6	\$1.8	\$3.2	\$4.8

**Pay Compression:** The proposed legislation would not directly affect the City’s full-time employees. The City’s lowest-paid full-time employees already earn nearly \$14 per hour. With 2% wage growth per year these employees would already exceed the \$15 minimum wage by Fiscal 2023.

However, the increase in the minimum wage will put upward pressure on overall wages in order to maintain the salary differential between lower-skilled, higher-skilled, and supervisory workers. For example, the legislation would directly raise the wages of Seasonal Maintenance Aides, which in turn would put upward salary pressure on higher-skilled Laborer positions in AFSCME, which would put pressure on Crew Leaders, and then supervisors, and so forth. The same spillover effect would occur in CUB between the lowest-paid Community Aides and progressively higher classifications such as Office Assistants, Office Supervisors, and Administrative Coordinators.

To maintain full salary differential, the City would need to provide wage increases for full-time employees in AFSCME and CUB that matches the rapid growth in the minimum wage. The following table shows the significant cost impact to the City of providing these wage increases for these two unions:

Impact (\$ millions)	FY17	FY18	FY19	FY20	FY21	FY22	FY23
AFSCME	\$0.0	\$0.0	\$0.0	\$5.0	\$10.3	\$15.7	\$21.1
CUB	\$0.0	\$0.0	\$0.0	\$7.0	\$15.0	\$22.8	\$30.5
<b>Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$12.0</b>	<b>\$25.3</b>	<b>\$38.5</b>	<b>\$51.6</b>

**Income Tax:** Lastly, we analyzed the potential impact of the legislation on the City’s income tax revenues. The City’s tax rate is 3.2%, and is budgeted at \$317.6 million in Fiscal 2017, which represents 18% of General Fund revenues.

An increase in the minimum wage will increase wages and income which should in turn boost the City’s Income Tax revenue. In tax year 2015, 38,500 tax returns were filed by Baltimore City taxpayers with an Adjusted Gross Income of \$20,000 or less, which roughly equates to workers making at or slightly above the current minimum wage. Note that in Maryland income tax is paid based on where the taxpayer lives regardless of where the income is earned. Of those 38,500 returns only 23,200 earned their income in the City, and so only these taxpayers would be affected by the legislation. If these taxpayers’ income were boosted based on the proposed minimum wage schedule, the City’s income tax revenues would increase by \$15.7 million above baseline by Fiscal 2023.

Offsetting these gains would be the potential loss of Income Tax revenue due to lower employment levels. A recent survey of hundreds of minimum wage studies indicates that each 10% increase in the minimum wage typically results in a 1-3% reduction in employment levels. In addition, these reductions tend to fall most heavily on lower-skilled jobs and workers. If the City were to



experience a 1% reduction in employment levels each year, Income Tax revenues would decrease by \$4.1 million annually below baseline by Fiscal 2023.

The table below shows the net effect of both of these scenarios on the City's Income Tax revenue:

Impact (\$ millions)	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Wage Increase	\$0.0	\$0.0	\$0.0	\$2.8	\$4.9	\$8.7	\$15.7
Reduced Employment	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>(\$0.9)</u>	<u>(\$2.0)</u>	<u>(\$3.0)</u>	<u>(\$4.1)</u>
<b>Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1.9</b>	<b>\$2.9</b>	<b>\$5.7</b>	<b>\$11.6</b>

### Conclusion

City Council Bill 17-0018 would have a direct and costly impact on the City's finances. By Fiscal 2023 the legislation would cost the City \$44.8 million annually above baseline, for a total of \$115.8 million over the next seven years:

Impact (\$ millions)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Part-Time Costs	\$0.0	\$0.0	\$0.0	\$0.6	\$1.8	\$3.2	\$4.8	<b>\$10.5</b>
Pay Compression Costs	\$0.0	\$0.0	\$0.0	\$12.0	\$25.3	\$38.5	\$51.6	<b>\$127.4</b>
Income Tax Revenues	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>(\$1.9)</u>	<u>(\$2.9)</u>	<u>(\$5.7)</u>	<u>(\$11.6)</u>	<b>(\$22.1)</b>
<b>Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$10.7</b>	<b>\$24.2</b>	<b>\$36.0</b>	<b>\$44.8</b>	<b>\$115.8</b>

Part-time and temporary worker wages would need to increase to comply with the minimum wage with a direct cost of \$4.8 million annually by Fiscal 2023.

In turn, those higher wages would put upward pressure on wages for more highly-skilled full-time employees in AFSCME and CUB. To maintain the current spacing in the salary scales between unskilled, skilled, and supervisory workers would cost an additional \$51.6 million annually above baseline in Fiscal 2023. To put that cost in perspective, an additional \$51.6 million would require the elimination of 793 full-time positions, which represents 5.6% of the City's workforce.

The City would likely see a net increase in Income Tax revenue due to higher local wages even after accounting for employment losses, but these additional revenues would not come close to offsetting the significant new costs to the City.

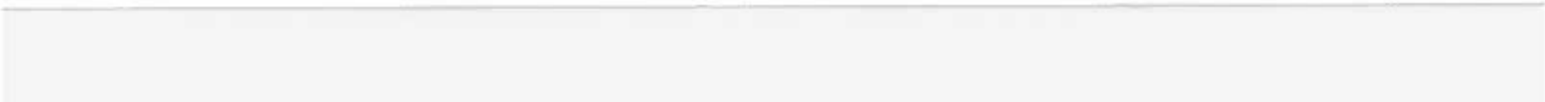
For these reasons, the Department of Finance opposes the passage of City Council Bill 17-0018.

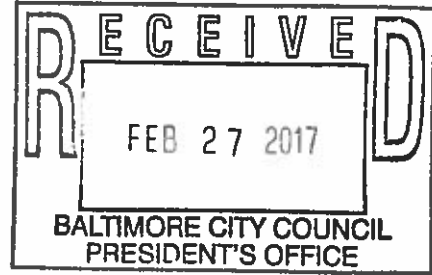
cc: Henry Raymond  
Angela Gibson

*Visit our website @ [www.baltimorecity.gov](http://www.baltimorecity.gov)*



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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/ comment*





## **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



**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.





<b>FROM</b>	<b>NAME &amp; TITLE</b>	Jason Perkins-Cohen, Director <i>[Signature]</i>	CITY of <b>BALTIMORE</b> <b>MEMO</b>	
	<b>AGENCY NAME &amp; ADDRESS</b>	Mayor's Office of Employment Development 417 E. Fayette Street, Suite 468		
	<b>SUBJECT</b>	<b>City Council Bill 17-0018 – Labor and Employment – City Minimum Wage</b>		

**TO**

The Honorable President and Members of the City Council

DATE: February 24, 2017

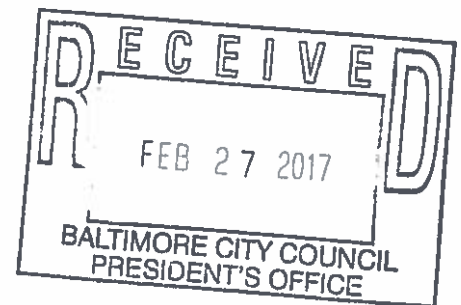
Council Bill 17-0018 proposes to set Baltimore City's minimum wage rate from years 2019 – 2023 and onward, sets the terms and qualifications for Wage Commission members, establishes a system to ensure tipped employees receive a minimum wage, creates a requirement for multilingual posters and defines methods of filing complaints with, investigations by, and restitutions from the Wage Commission. Its intent is to raise the wages of city residents to a level that better meets the standard of living costs for Baltimore, while ensuring future wages track with adjustments in the Consumer Price Index.

The Mayor's Office of Employment Development (MOED) takes no position on City Council Bill 17-0018. The agency recognizes that it is imperative that Baltimore City residents are able to earn wages that can allow them to provide for themselves and their families. We work actively to provide city residents quality employment and training opportunities that will allow them to earn wages comparable or greater than the wage rates described in this bill, because we understand the cost of housing, food, medical care, transportation, and other needs have grown much quicker than wages have over the past several decades.

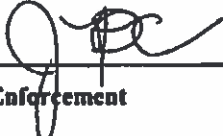

We believe in the merits of this bill, to increase city residents' standard of living, provide a means of grievance for those who have been underpaid, and support Baltimore's economy. We also appreciate that this bill exempts participants in City-sponsored youth jobs programs (including YouthWorks and Hire One Youth) but take no position on the specific provisions in City Council Bill 17-0018.

cc: Kyron Banks  
James Smith

*No position*





<b>F R O M</b>	Name & Title	Jill P. Carter, Director 	CITY OF BALTIMORE  <b>MEMO</b>	
	Agency Name & Address	Office of Civil Rights & Wage Enforcement 7 E. Redwood Street, 9 <sup>th</sup> Floor		
	Subject	Re: Labor and Employment - City Minimum Wage City Council Bill No.: 17-0018		

**To:** Dear President and Members of the Baltimore City Council    **Date:** February 24, 2017

The Baltimore City Office of Civil Rights and Wage Enforcement (OCRWE) appreciates the opportunity to weigh in on the above referenced bill and how its passage might impact on wage enforcement.

The Wage Commission enforces prevailing and living wage laws paid on contracts within the city of Baltimore. Enforcement includes manual review of certified payrolls followed by investigation for misclassification and overtime if a discrepancy is determined. In addition to review of certified payrolls, the Wage Commission also investigates complaints from individuals that believe they are paid unfair wages.

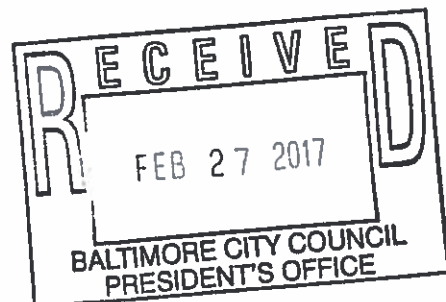
The Wage Commission does not currently enforce the minimum wage law. The enforcement agency for minimum wage compliance is the Maryland Department of Labor, Licensing, and Regulation (DLLR). If the above referenced bill were passed, enforcement of the minimum wage law would return to the OCRWE. This would cause a substantial increase in the number of investigations and thus require a substantial increase in the number of wage compliance officers (investigators).

Since DLLR currently handles all minimum wage cases that arise in Baltimore City, OCRWE refers all complaints to DLLR. At present, this is approximately twenty (20) complaints each month. OCRWE staff for the Wage Commission consists of four (4) full and part-time employees: one full-time Compliance Officer II; one full-time Compliance Officer I; one part-time contractual file clerk, and one administrative coordinator that does not conduct investigations. The current cases load warrants at least two (2) additional full-time compliance officers in order to ensure contractor compliance with living wage and prevailing wage laws.

Therefore, the minimum wage increase would warrant no less than 4-5 additional compliance officers to monitor wage compliance and conduct investigations.

We look forward to continued discussions on the Baltimore City Minimum Wage Law and how our office might assist with its enforcement.

*Comments*





Mary H. Talley

FROM	NAME & TITLE	Mary H. Talley, Director & Chief Human Capital Officer
	AGENCY NAME & ADDRESS	Department of Human Resources 201 E. Baltimore Street, Baltimore, Maryland 21202
	SUBJECT	City of Baltimore Council Bill, 17-0018 Labor and Employment- City Minimum Wage

CITY of BALTIMORE

MEMO



TO The Honorable Bernard "Jack" Young  
and Members of the Baltimore City Council  
City Hall  
100 N. Holliday Street, Room 409  
Baltimore, Maryland 21202

DATE:  
February 24, 2017

Dear Council President Young and Members of the City Council:

**Recommended Position**

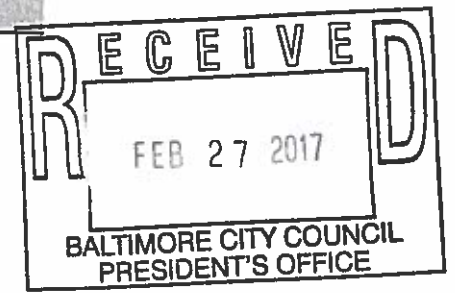
The Department of Human Resources ("DHR") reviewed the above captioned City Council Bill 17-0018 ("Bill") and supports in concept, the Council's desire to raise the wages of the City's least paid employees. However, additional analysis is required to gather a more complete understanding of the impact on the City of raising the minimum wage. Such large increases, over a relatively short period of time will significantly increase the City's budget deficit, as well as affect thousands of Baltimore City government employees who are currently paid at, near or above the minimum wage because salary scales will need to be elevated to ensure appropriate pay differentials amongst the established position classifications and associated pay grades. Accordingly, DHR takes **no position** on the Bill. The comments below highlight some probable unintended consequences of the Bill.

**Comments and Analysis**

Both nationally and locally, there is much ongoing debate regarding the feasibility of raising the wages of the lowest-paid employees. The Bill proposes the minimum wage for City employees be increased to \$15 per hour by 2022. Currently, the City's minimum wage mirrors Maryland State minimum wage of \$8.25 per hour. The increases proposed by the Bill are listed in the chart below.

Date	Minimum Wage
Until 7/1/2019	A rate not less than the higher of MD or Federal Minimum Wage
7/1/2019	\$11.25
7/1/2020	\$12.50
7/1/2021	\$13.75
7/1/2022	\$15.00

No position





Of the City's current 13,529 employees,<sup>1</sup> 2,221 employees earn less than \$15 per hour. The job classifications of those positions earning \$15 per hour and less include, Community Aide, Crossing Guard, Library Assistant, Lifeguard, Recreation Instructor, Seasonal Maintenance Aide and Swimming Pool Operator. These positions are entry level and typically do not require prior work experience and have minimal education requirements. Notwithstanding the entry-level nature of these positions, the profile of the City's minimum wage earner varies to include students, retirees and mid-level employees. Given the City's current workforce and financial state, there are several probable unintended consequences of raising the minimum wage at the rate suggested by the Bill.

### Wage Compression

Despite good intentions, the increases proposed in the Bill will have an effect on employees who are currently paid below the minimum, as well as on employees who are paid at or near the minimum. Wage compression occurs when the lower-paid (typically, less skilled) employees' wages rise and the wages of existing (or more experienced) employees do not. The result is lesser skilled employees being paid as much, or nearly as much, as more skilled employees, thus, creating wage compression. Wage compression can assist in creating employee morale issues and can effect employee perceptions regarding pay fairness. When it comes to perceptions of pay fairness, employees judge their relative worth to the organization based on the required competencies (e.g. knowledge, skills, and abilities) to accomplish their job responsibilities in comparison to other positions across the organization. If employees are already earning at or near \$15 per hour and believe their position and skillset warrants more than the minimum wage they will expect that their pay be increased proportionally above those occupying lower job classifications. Essentially, raising the minimum wage will have a ripple effect on the wages of supervisory and other employees who earn above minimum wage. However, it is highly unlikely that the City's budget can provide and sustain the increases necessary to avoid the wage compression that raising the minimum wage will cause. The highly probable result of wage compression is a decrease in employee productivity and engagement, increased complaints and grievances, and thoughts and feelings of being undervalued and depreciated all of which negatively impact employee morale.

### Reduced Opportunities for Current and Future Employees

The City will be forced to make tough decisions to fund the increases proposed by the bill. In times of fiscal restraint, benefits offered to employees, like funding for training and professional development are likely to decrease. Similarly, funding for technological advances that can assist in employee efficiency are likely to be delayed or reduced. It is also not unreasonable to assume that positions deemed as non-essential may be eliminated, and tasks will be reassigned to more highly skilled and/or senior employees. Effectively, the City's workforce will be responsible for providing the same levels of service with fewer human capital resources; and such a practice is linked to diminished morale, increased stress and work errors.

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<sup>1</sup> As of February 17, 2017.





The proposed minimum wage increase is also likely to impede the City's workforce planning strategies. Although an increase to the minimum wage will attract more people to join the City's workforce, the higher minimum wage associated with entry level positions will require the City to provide more competitive wages to attract/retain higher skilled employees; or alternatively, replace higher skilled employees with lower skilled employees. Essentially, if the City is unable to provide wages that more closely align with higher level skillsets those employees will leave the City's employ for more competitive salaries. Resultantly, the City's workforce composition will include lower-skilled employees, which is likely to affect constituent service delivery.

An increase in the minimum wage will have far-reaching effects, considerably more than simply increasing the wages of the City's least paid employees.



CITY OF BALTIMORE

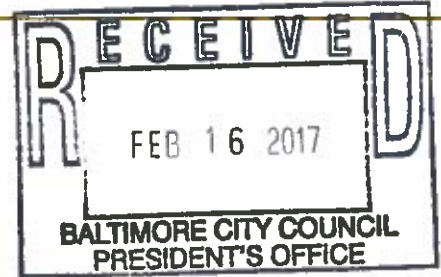
CATHERINE E. PUGH, Mayor



DEPARTMENT OF LAW

101 City Hall  
Baltimore, Maryland 21202

February 16, 2017



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

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

Dear Mr. President and City Council Members:

The Law Department has reviewed City Council Bill 17-0018 for form and legal sufficiency. The bill sets Baltimore City’s minimum wage rate for the years 2019 through 2023 and sets the formula to determine Baltimore City’s minimum wage rate from 2023 onward. It defines certain terms and repeals and creates certain exceptions. In addition, it sets the terms and qualifications for Wage Commission members, and requires the production and posting of multilingual posters summarizing Baltimore City’s minimum wage laws. The bill also sets Baltimore City’s tipped minimum wage rate and sets Baltimore City’s small employer minimum wage through 2026. It also limits the withholdings employers may make from employee wages. Further, the bill allows any person to make a complaint to the Wage Commission, changes the Wage Commission’s procedures for responding to complaints, and repeals the prohibition of bad faith employee complaints to the Wage Commission. The bill also establishes certain penalties and clarifies and conforms related provisions.

The Mayor and City Council may “exercise within the limits of Baltimore City all the power commonly known as the Police Power to the same extent as the State has or could exercise that power within the limits of Baltimore City,” and may “pass any ordinance, not inconsistent with the provisions of this Charter or the laws of the State, which it may deem proper in the exercise of any of the powers, either express or implied, enumerated in this Charter, as well as any ordinance as it may deem proper in maintaining the peace, good government, health and welfare of Baltimore City.” Baltimore City Charter, Article II, §§ 27, 47. The City has the power to establish a minimum wage under its broad police powers. *Mayor and City Council v. Sitnick*, 254 Md. 303, 309-10 (1969). In *Sitnik*, the Court of Appeals found that the State minimum wage law did not preempt local legislation establishing a more generous minimum wage, concluding instead that the State and the City had concurrent authority to legislate within the field. *Id.* at 322.

“Minimum wage regulation is considered social and economic legislation,” and courts generally defer to the legislature’s judgment in crafting such enactments. *New Mexicans for Free Enterprise v. The City of Santa Fe*, 138 N.M. 785, 803 (2005). With regard to certain

*Fav w/ comments*



employers or employees not covered by Council Bill 17-0018 under the "Definitions" and "Exception(s)" provisions, the Law Department notes that federal labor law, as well as legislation from state and local jurisdictions, includes exceptions to minimum wage laws based on occupation, business size, and age, to name just a few. Courts reviewing such exceptions employ a rational basis test. Under this analysis, courts "must determine whether there is 'any reasonably conceivable state of facts that could provide a rational basis for the classification.'" *RUI One Corp. v. City of Berkeley*, 371 F.3d 1137, 1154 (9<sup>th</sup> Cir.2004), *cert. denied*, 543 U.S. 1081 (2005), quoting, *FCC v. Beach Communications, Inc.*, 508 U.S. 307, 313 (1993).

In other words, the rational-basis inquiry is lenient, the Court need only to determine if there are plausible reasons for the legislative action." *RUI One Corp.*, 371 F.3d at 1154-56. *See, e.g., International Franchise Ass'n, Inc. v. City of Seattle*, 803 F.3d 389, 400-07 (2015), *cert. denied*, 136 S.Ct. 1838 (2016) (in case denying preliminary injunction against enforcement of wage law, classification based on number of employees and business model held not to be discriminatory or violate equal protection; rational relationship existed between franchises and their classification as large employer); *Garcia v. Four Points Sheraton LAX*, 188 Cal.App.4<sup>th</sup> 364, 383-84 (2010) (legislative classification of hotels with 50 or more guest rooms and located in airport corridor did not violate equal protection); *Visiting Homemaker Service of Hudson County v. Bd. of Chosen Freeholders of County of Hudson*, 380 N.J.Super. 596, 611-12 (App.Div.2005) (county living wage ordinance which directed contractors to provide increased minimum wage to their employees providing food, janitorial, unarmed security guard, and home health care services to county held not to violate equal protection despite claim that it applied only to certain employers); *New Mexicans for Free Enterprise*, 138 N.M. at 804 (local ordinance creating exception for businesses with fewer than 25 employees found not to violate equal protection); *RUI One Corp.*, 371 F.3d at 1154-56 (living wage ordinance targeting only employers of a certain size operating within marina found not to violate equal protection). *See also Branch v. McGeeney*, 123 Md. App. 330, 361 (1998) (claims of discrimination on the basis of age are reviewed under rational basis scrutiny; official action must be rationally related to a legitimate state purpose).

In sum, Council Bill 17-0018 is consistent with the authority of the City Council. Therefore, the Law Department approves it for form and legal sufficiency.

Sincerely,  
  
Jennifer Landis  
Assistant Solicitor

cc: David Ralph, Acting City Solicitor  
Karen Stokes, Director, Mayor's Office of Government Relations  
Kyron Banks, Mayor's Legislative Liaison  
Angela C. Gibson, Mayor's Legislative Liaison  
Elena DiPietro, Chief Solicitor, General Counsel Division  
Hilary Ruley, Chief Solicitor  
Victor Tervalá, Chief Solicitor





## BILL SYNOPSIS

Committee: Labor

Bill 17-0018

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### Labor and Employment – City Minimum Wage

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**Sponsor:** Councilmember Clarke, et al

**Introduced:** February 6, 2017

**Purpose:**

FOR the purpose of setting Baltimore City's minimum wage rate for the years 2017 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.

**Effective:** On the 30<sup>th</sup> day after the date it is enacted.

**Hearing Date/Time/Location:** Wednesday/March 1, 2017/5:00 PM/Council Chambers

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### Agency Reports

Department of Law  
Department of Human Resources  
Wage Commission  
Baltimore Development Corporation  
Mayor's Office of Employment Development  
Department of Finance

Favorable/Comments





## Analysis

### Current Law

The Fair Labor Standards Act of 1938 (FLSA) is a **Federal statute** of the United States. The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments. The FLSA covers most, but not all, private and public sector employees. In addition, certain employers and employees are exempt from coverage. . The Fair Labor Standards Act applies to "any individual employed by an employer" but not to independent contractors or volunteers because they are not considered "employees" under the FLSA

Children under eighteen cannot do certain dangerous jobs, and children under the age of sixteen cannot work during school hours.

A **minimum wage** is the lowest remuneration that employers may legally pay to workers. Although minimum wage laws are in effect in many jurisdictions, differences of opinion exist about the benefits and drawbacks of a minimum wage. Supporters of the minimum wage say it increases the standard of living of workers, reduces poverty, reduces inequality, boosts morale and forces businesses to be more "efficient."

According to the **Economic Policy Institute**, the minimum wage in the United States would have been \$18.28 in 2013 if the minimum wage had kept pace with labor productivity

The **Maryland Wage and Hour Law** is the **State complement** to the Federal FLSA of 1938. State law sets minimum wage standards to provide a maintenance level consistent with the needs of the population. State law specifies that an employee must be paid the greater of the federal minimum wage (which is currently \$7.25 per hour) or \$8.75 per hour. Under Chapter 262 or 2014, the State minimum wage is scheduled to increase on an incremental basis over the next two years to \$9.125 per hour as of July 1, 2017 and \$10.10 per hour as of July 1, 2018.

Article 11 of the **Baltimore City Code**, under **Division I** outlines the rules, mandates and regulations for **Baltimore City's** minimum wage laws.

### Background

Per the primary sponsor of the legislation, "Workers in our city can't make ends meet! We have looked to other jurisdictions for help but have come up short! We are concerned about workers meeting their physiological needs! The question is: 'What can we (local government) do? This is the intent of the bill; economic parity is the goal!"

Upon approval Council Bill 17-0018 would raise Baltimore City's minimum wage to \$15 per hour by 2022 for businesses with more than 50 employees and by 2026 for smaller businesses.

Low-wage employees 21 years of age and older at large companies would receive incremental raises until the minimum wage reached \$15 an hour in 2022. Small businesses with an annual gross income of \$400,000 or less or fewer than 50 employees would have until July 1, 2026 (incremental increases) to pay their worker at that rate.

The legislation also includes but is not limited to:

- Updates language for **Wage Commission**
  - identifies background/criteria for appointing the 5 members
  - updates responsibilities and duties of the 5 members
  - updates advertisement and posting requirements for Commission
  - establishing partnerships with local, state and federal agencies; including educational and outreach programs/partnerships and the rules and regulations for same.



- Updates language for **Wage Requirements**
  - for the next 1½ years (**until** July 1, 2019) the City’s minimum wage will follow the State’s minimum wage schedule
  - beginning **July 1, 2019 and each year through 2022** the minimum wage increases incrementally and will be at \$15 per hour come July 1, 2022.
  - Those qualifying as small businesses beginning on July 1, 2018 would pay a minimum wage of \$10.10 per hour and **each year thereafter** through July 1, 2025 would increase minimum wage by 60 cents per hour/per each year; **effective July 1, 2026** would be required to pay \$15 per hour and all years thereafter the minimum wage paid would be the same as the City’s minimum wage in effect.
- Failing to maintain adequate records guidelines
- Enforcement procedures including penalties and fines for violations
- **Exceptions** to Wage Requirements
  - Full-time students
  - Work-study Programs
  - Employees (tips) – over \$30 per month
  - Employees with disabilities
  - Employees of the Maryland Zoo, and
  - **Others**

There are some businesses and business advocacy groups who are in opposition to the legislation and some labor groups who support it.

**House Bill 371 entitled Labor and Employment – Wages and Benefits – Preemption of Local Authority** was introduced in the General Assembly on January 25, 2017; a hearing was held on February 7, 2017. The bill is still in the House. If this bill is enacted it would become effective on June 1, 2017 and could block Baltimore City and other jurisdictions from raising its minimum wage above the state’s minimum wage. *A copy is attached.*

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### Additional Information

**Fiscal Note:** None

**Information Source(s):** City Code, Federal and State laws, Council Bill 17-0018, various news articles surrounding minimum wages in Maryland and/or Baltimore City and all agency reports received as of this writing.

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Analysis by: *M.M.* Marguerite Murray  
 Analysis Date: February 24, 2017

Direct Inquiries to: 443-984-3485



# HOUSE BILL 317

K3, L6

71r0533

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By: Delegates Davis, Jameson, and C. Wilson  
Introduced and read first time: January 25, 2017  
Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Wages and Benefits – Preemption of Local Authority**

3 FOR the purpose of limiting the authority of the Commissioner of Labor and Industry to  
4 enforce a local minimum wage law; prohibiting a county or municipality from  
5 enacting a law that regulates wages or benefits for employees other than employees  
6 of the county or municipality; prohibiting a law enacted by a county or municipality  
7 that regulates wages or benefits for employees other than employees of the county  
8 or municipality from being enforced under certain circumstances; and generally  
9 relating to the authority of counties and municipalities to enact laws that regulate  
10 wages and benefits.

11 BY repealing and reenacting, with amendments,  
12 Article – Labor and Employment  
13 Section 3–102  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume)

16 BY adding to  
17 Article – Labor and Employment  
18 Section 3–105  
19 Annotated Code of Maryland  
20 (2016 Replacement Volume)

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

23 **Article – Labor and Employment**

24 3–102.

25 (a) In addition to any duties set forth elsewhere, the Commissioner shall:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.





- 1 (1) enforce Subtitle 2 of this title;
- 2 (2) carry out Subtitle 3 of this title;
- 3 (3) enforce Subtitle 4 of this title;
- 4 (4) enforce Subtitle 9 of this title; and
- 5 (5) **SUBJECT TO § 3-105 OF THIS SUBTITLE**, enforce a local minimum  
6 wage law.

7 (b) If the Governor declares an emergency or disaster, then, with the consent of  
8 the Governor, the Commissioner may suspend enforcement of any provision of Subtitle 2 of  
9 this title until the emergency or disaster ends.

10 (c) **[The] SUBJECT TO § 3-105 OF THIS SUBTITLE, THE** Commissioner has the  
11 same powers and duties in enforcing a local minimum wage law as the Commissioner has  
12 in enforcing Subtitle 4 of this title.

13 **3-105.**

14 (A) **A COUNTY OR MUNICIPALITY MAY NOT ENACT A LAW THAT REGULATES**  
15 **THE WAGES OR BENEFITS PROVIDED BY AN EMPLOYER OTHER THAN THE COUNTY**  
16 **OR MUNICIPALITY.**

17 (B) **ANY PROVISION OF LAW ENACTED BY A COUNTY OR MUNICIPALITY THAT**  
18 **REGULATES THE WAGES OR BENEFITS PROVIDED BY AN EMPLOYER OTHER THAN**  
19 **THE COUNTY OR MUNICIPALITY MAY NOT BE ENFORCED IF THE PROVISION WAS**  
20 **ENACTED ON OR AFTER JANUARY 1, 2017.**

21 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June**  
22 **1, 2017.**





**Entitled:** Labor and Employment - Wages and Benefits - Preemption of Local Authority  
**Sponsored by:** Delegate Davis  
**Status:** In the House - Hearing 2/07 at 1:00 p.m.

<b>Synopsis:</b>	Limiting the authority of the Commissioner of Labor and Industry to enforce a local minimum wage law, prohibiting a county or municipality from enacting a law that regulates wages or benefits for employees other than employees of the county or municipality; and prohibiting a law enacted by a county or municipality that regulates wages or benefits for employees other than employees of the county or municipality from being enforced if the specified provision was enacted on or after January 1, 2017; etc.
<b>Analysis:</b>	Fiscal and Policy Note
<b>All Sponsors:</b>	Delegates Davis, Jamason, and C. Wilson
<b>Additional Facts:</b>	Bill File Type: Regular Effective Date(s): June 1, 2017
<b>Committee(s):</b>	Economic Matters
<b>Broad Subject(s):</b>	Private Sector Labor and Industry Local Government - Generally
<b>Narrow Subject(s):</b>	Chartered Counties Counties -see also- Chartered Counties; Code Counties Labor and Industry; Division of Municipal Corporations -see also- Annap; Balt; Hager; OC Rules and Regulations Salaries and Compensation -see also- Overtime; Reimb. Rates Work, Labor and Employment -see also- Col Barg; Holiday; etc
<b>Statutes:</b>	Article - Labor and Employment (3-102, 3-105)

February 8, 2017 9:53 A.M.





**HEARING NOTES**

**Bill: 17-0018**

**Labor and Employment - City Minimum Wage**

**Committee:** Labor

**Chaired By:** Councilmember Sharon Sneed

**Hearing Date:** Wednesday, March 1, 2017

**Time (Beginning):** 5:10 PM

**Time (Ending):** 10:20 PM

**Location:** Clarence "Du" Burns Chamber

**Total Attendance:** Approximately 200

**Committee Members in Attendance:**

- Sharon Sneed
- Robert Stokes
- Mary Pat Clarke
- Bill Henry
- Eric Costello

Bill Synopsis in the file? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Attendance sheet in the file? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Agency reports read? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Hearing televised or audio-digitally recorded?.....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Certification of advertising/posting notices in the file?.....	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Evidence of notification to property owners? .....	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> n/a
Final vote taken at this hearing? .....	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> n/a
Motioned by: .....	Councilmember Clarke		
Seconded by:.....	Councilmember Henry		
Final Vote: .....	Fav. with Amendments		

**Major Speakers**

*(This is not an attendance record.)*

- Larry Ennels, Wage Commission



- Jennifer Landis, Law Department
  - Jason Perkins-Cohen, Mayor's Office of Employment Development
  - William Cole, Baltimore Development Corporation
  - Six (6) Panels in support of the legislation – **A list of the panelists are in the bill file**
  - Eight (8) Panels in opposition of the legislation – **A list of the panelists are in the bill file**
  - Deneen Morgan-Burley, Speak Up! Speak Out! c/o DramiMatics TM
- 

### Major Issues Discussed

1. The chairman advised the attendees about how the hearing would proceed stating that each speaker would be given two minutes to testify. She discussed the agency reports received and asked each representative did they have anything else to add.
2. The representative from the Law Department discussed their proposed amendments.
3. The representative from the Baltimore Development Corporation discussed proposed amendments.
4. Some highlighted topics, comments, concerns, and etc. from the **six panels in support** of the legislation were:
  - Too many people are relying on public assistance
  - Workers are barely surviving!
  - I am a business owner and I support the legislation
  - Data/statistics given regarding other jurisdictions who have increased minimum wages
  - You can't expect workers to perform productively if they are not paid well; including young workers as well!
  - Human resources are our greatest asset!
  - We need good jobs; not just jobs! The City already has enough low paying jobs!
  - The District of Columbia raised their minimum wage and the economy is thriving!
  - The bill creates an uneven playing field! Therefore, it will be unintended consequences!
  - Those under 21 years of age should not be excluded from the legislation!
  - Study showed that at least \$49,000 annual salary is needed to maintain a two-bedroom apartment
  - Many people are struggling off of the \$8.75/hr. wage
  - Comments regarding food deserts
  - Statistics for poverty in City
  - The increase is not happening now but it needs to come!
  - Struggling to pay bills and can barely pay for food, shelter/rent; we are not begging but asking for what is fair
  - Tired of living with my parents (less space and less privacy); concerned about student loan debts and the few summer jobs
  - Bill leaves out too many workers! Young workers should not be exempt from the bill!
  - This is a moral issue; not an economic one
5. Some highlighted topics, comments, concerns, and etc. from the **eight panels in opposition** of the legislation were:
  - Legislation is counterproductive to businesses
  - There will be unintended consequences
  - If bill passes will have to decrease work size; this not a threat but a natural outcome!
  - If bill passes will increase competition with other states
  - Legislation will hurt not enhance employment for city residents



- Legislation will attract low wage employees from other jurisdictions
  - Online sales has affected business profits
  - Defined “job compression”
  - Can’t afford to increase wages for employees and still keep business in the city
  - The bill is doom to back fire!
  - Business owners strongly opposed the legislation
  - As a businessman my goal is to grow my company!
  - I pay wages based on an employee’s skill set!
  - We need to work together not against each other!
  - Profit margins are very slim
  - I believe in working hard to move up the ladder!
  - Business does not received any outside funds – such as federal funds
  - Our goal is at the end of the day to pay our principal and debts
  - We support efforts to help struggling families in the city
  - We are not oppose to paying workforce a higher wage but are mandated by state and cannot charge fees (if passed a supplement would be needed)
  - If we received additional funding we have no problem passing it on to workers
  - If bill is passed will have to stop the services we provided in the city
  - Since 2000 State assistance for mental health and substance abuse has been declining but the need for these services is increasing!
  - Will effect ability to compete with other cities
  - Will be layoffs
  - Shifting business out of the city
  - Afraid I will not be able to make payroll!
  - Comments regarding using kiosks in place of human resources
6. The committee/council members in attendance asked questions, made comments, stated concerns and etc. Some highlights of same were:
- This bill is about compromise!
  - If you have to pay your employees less than minimum wage you should not be in business!
  - When State raised the minimum wage did you oppose it?
  - Expedition of automation – comments regarding having robots do job(s)
  - Did anyone of you lobby against Amazon?
  - How many restaurants do you represent that makes over \$1 million?
  - We are talking about a word called, “SKILLED”
    - The city have residents with CDL licenses who can’t get jobs
    - There are skilled workers of all kinds throughout her district!
    - We have skilled people in Baltimore City
    - Lacking skills is used against the City but it is not true!
  - 25% of city residents are living in food deserts!
  - If this bill is passed grocery stores will likely leave the city; this is the case here!
  - How many labor unions do you represent? How many members make under 15/hour?
  - I would like to bring a Fortune 500 Company to the City. Where in this bill would that entice any Fortune 500 Company to come?
  - Is there any study regarding job loss?
  - Workforce in City (how many live in the city?)





- Do you pay cost of living adjustments to your employees?
- Do you plan to keep your wages flat?
- Unintended Consequences
  - Having a minimum wage that is so depressed whereas you cannot sustain a family!
- YMCA on Druid Hill Avenue – Labor rates – if this bill passes what will it do to your operation?
- Can you tell us how the bill will impact the 10 community schools and Head Start operations?
- How can one part of my district be progressing and the other part not?
- If this bill passes my biggest program will be the omission of the youth!
- Concerned about the hardships associated with being a student, so many are trying to push themselves forward!

7. The representative from Speak Up! Speak Out! quoted a poem.

8. Vote taken.

**Further Study**

Was further study requested?

Yes     No

If yes, describe.

**Committee Vote:**

S. Sneed: ..... Yea  
 R. Stokes: ..... Yea  
 E. Costello: ..... Nay  
 M. Clarke: ..... Yea  
 B. Henry: ..... Yea

*M. M*  
 Marguerite Murray, Committee Staff

Date: March 2, 2017

cc: Bill File  
 OCS Chrono File



## **PANELS IN SUPPORT OF LEGISLATION**



PANEL 1	PANEL 2	PANEL 3	PANEL 4	PANEL 5	PANEL 6	PANEL 7	PANEL 8
Girume ✓ Ashenafi, Coalition	David Cooper EPI	Rodney Moore - Youth Against Oppression	Kevin Lindamood Healthcare for the Homeless ✓	Malik Harris	Hannah Rosenbloom - MDWF ✓	32BJ Regina Banks ✓	Penny Trofhar at Light St Cycles/Will arrive at 7:30pm)
Deborah Odom- 1499-	Ben Smith Tidmore group	Keogh Baltimore Bicycle Works	Christopher Streeter - Communities United	Chae Wilson - Barclay - Investment Cooperation	Duasias ✓ Peterson - UMB School of Social Work	Father Ty Hullinger	Elissa Silverman DC Councilmember
Laura Huzar NELP ✓	Sonathon Huth 32BJ Elena -Sawerville	Charly Carter MDWF ✓	Fatima ✓ Whitmore Local 500	Jaimie Egan Gonzalez-SEH 32BJ Egan ✓	Andrew Brotiger ✓ Organics	Sharon Crowell Communities United Worker ✓	
Business Owner ✓ Jaqueline Jones (Sugar)	Gerardo Benevides - Healthcare for the Homeless	Matt Quinlan Family League of Baltimore ✓	Melissa Schober, community advocate ✓	D'aunte Stewart ✓	1199 member Rashia Teombe	1199 - Carolyn Taylor Chester	
MP's additional in MP's additional in	Anthony Williams ✓						



Pro panel



Panel 7 and 8  
did not testimony  
at the hearing



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**PANELS IN OPPOSITION OF LEGISLATION**





Con

	✓	Donald Fry	✓
	✓	Kirby Fowler	✓
1		Richard Clinch	✓
		Cailey Locklair-Tolle	✓
		Melvin Thompson	✓
	✓	Jay Steinmetz	✓
		John Danko	✓
2		<del>Phil Finken</del>	✓
		John Thomas	✓
		<del>Tuis Cruz</del>	
		James Owens	✓
		Edwin Roseborough	✓
3		Dawn Green	✓
		Kevin Butler	
		Sheldon Funderburk	✓
		Van Reiner	✓
4		John Hoey	✓
		Bryn Parchman	✓
		Heather Iliff	✓
		Dennis Moody	✓
		Kathleen Durkin	✓
5		Lee Kingham	✓
		Mat Rice	✓
		Lauren Kallins	✓
		Amy Rohrer	✓
		Khaled Said	
6		Jason Curtis	
		Brandon Rosenblatt	✓
		Bhushan Raval	✓
		Mike O'Halloran	✓
7		George Good	✓
		James Shaffer	✓

✓ Phil Han

✓ Shannon Hall



Phil Han

Kathleen Lyon

Munawwar  
Chaudhry

Khaled Shakra

8

Gaurav Parikh

Ashish Parikh

Ankur Jariwala

✓ panel-2



**CITY OF BALTIMORE  
COUNCIL BILL 17-0018  
(First Reader)**

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Introduced by: Councilmember Clarke, President Young, Councilmembers Dorsey, Scott,  
Burnett, Middleton, Cohen, Sneed, Reisinger, Henry

Introduced and read first time: February 6, 2017

Assigned to: Labor Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Human Resources, Wage  
Commission, Baltimore Development Corporation, Mayor's Office of Employment  
Development, Department of Finance

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Labor and Employment -- City Minimum Wage**

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

15 BY repealing and reordaining, with amendments

16 Article 11 - Labor and Employment

17 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,  
18 and 6-2

19 Baltimore City Code  
20 (Edition 2000)

21 BY repealing and reordaining, without amendments

22 Article 11 - Labor and Employment

23 Section(s) 1-3

24 Baltimore City Code  
25 (Edition 2000)

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

**Council Bill 17-0018**

1 BY adding

2 Article 11 - Labor and Employment  
3 Section(s) 1-4, 1-5, 2-7 to 2-9, 3-2A, and 3-2B  
4 Baltimore City Code  
5 (Edition 2000)

6 BY repealing

7 Article 11 - Labor and Employment  
8 Section(s) 5-6  
9 Baltimore City Code  
10 (Edition 2000)

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

13 **Baltimore City Code**

14 **Article 11. Labor and Employment**

15 **Division 1. Minimum Wage law**

16 **Subtitle 1. Definitions; General Provisions**

17 **§ 1-1. Definitions.**

18 (a) *In general.*

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

20 (b) *Employ.*

21 "Employ" means to permit to work.

22 (c) *Employer.*

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

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

29 (3) "EMPLOYER" INCLUDES THE CITY OF BALTIMORE.

30 (d) *Employee.*

31 (1) "Employee" means any person [permitted or instructed to work or be present by an  
32 employer] WHO WORKS FOR AN EMPLOYER, OR IS EXPECTED TO WORK FOR AN

Council Bill 17-0018

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                   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 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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**§ 1-5. 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;

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

16 **§ 2-6. Rules and regulations.**

17 (a) *Commission may adopt.*

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

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

23 [(b) *Scope.*]

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

25 [(1) those further defining:

- 26 (i) persons engaged in voluntary service to a nonprofit organization;
- 27 (ii) persons employed in a bona fide executive, supervisory, or professional  
28 capacity;
- 29 (iii) persons employed by any member of their immediate family; and

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1 (iv) persons compensated upon a commission basis; and]

2 [(2) those:

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

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

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

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

13 **§ 2-7. MULTILINGUAL POSTERS.**

14 (A) *POSTER TO BE PROVIDED.*

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

17 (B) *POSTER LANGUAGES.*

18 THE COMMISSION MUST MAKE THIS POSTER AVAILABLE IN:

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

23 **§ 2-8. INTERAGENCY COOPERATION.**

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

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**§ 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 ONE 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.

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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 PARAGRAPH (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 employec, 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) *INTERSHIPS.*

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 I; 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 employee].

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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1 Subtitle 5. Other Prohibited Conduct

2 § 5-1. By employer - retaliation against employee.

3 (A) FAMILY MEMBER DEFINED.

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

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

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

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

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

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

- 21 (i) TERMINATION, DEMOTION, SUSPENSION, OR REPRIMAND;  
22 (ii) INVOLUNTARY TRANSFER, REASSIGNMENT, OR DETAIL TO AN ASSIGNMENT  
23 THAT A REASONABLE PERSON WOULD FIND LESS FAVORABLE;  
24 (iii) FAILURE TO PROMOTE, HIRE, OR TAKE OTHER FAVORABLE PERSONNEL ACTION;  
25 (iv) REPORTING, OR THREATENING TO REPORT, THE ACTUAL OR SUSPECTED  
26 CITIZENSHIP OR IMMIGRATION STATUS OF AN EMPLOYEE, FORMER EMPLOYEE,  
27 OR FAMILY MEMBER OF AN EMPLOYEE TO A FEDERAL, STATE, OR LOCAL  
28 AGENCY; OR  
29 (v) ENGAGING IN ANY CONDUCT THAT WOULD DISSUADE A REASONABLE  
30 EMPLOYEE FROM ENGAGING IN ACTIVITIES PROTECTED BY THIS DIVISION I.

31 (3) THE PROTECTIONS OF THIS SECTION APPLY TO ANY PERSON WHO MISTAKENLY BUT IN  
32 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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**Subtitle 6. Penalties and Fines**

**§ 6-2. Fines.**

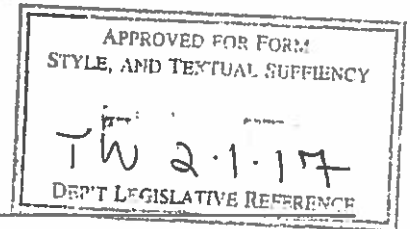
Any employer [or employee] who violates this Division I shall forfeit and pay to the City of Baltimore a penalty as follows:

- (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.

**INTRODUCTORY\***  
**CITY OF BALTIMORE**  
**COUNCIL BILL \_\_\_\_\_**



Introduced by: Councilmember Clarke

A BILL ENTITLED

AN ORDINANCE concerning

**Labor and Employment – City Minimum Wage**

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 ONE 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 I; 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**

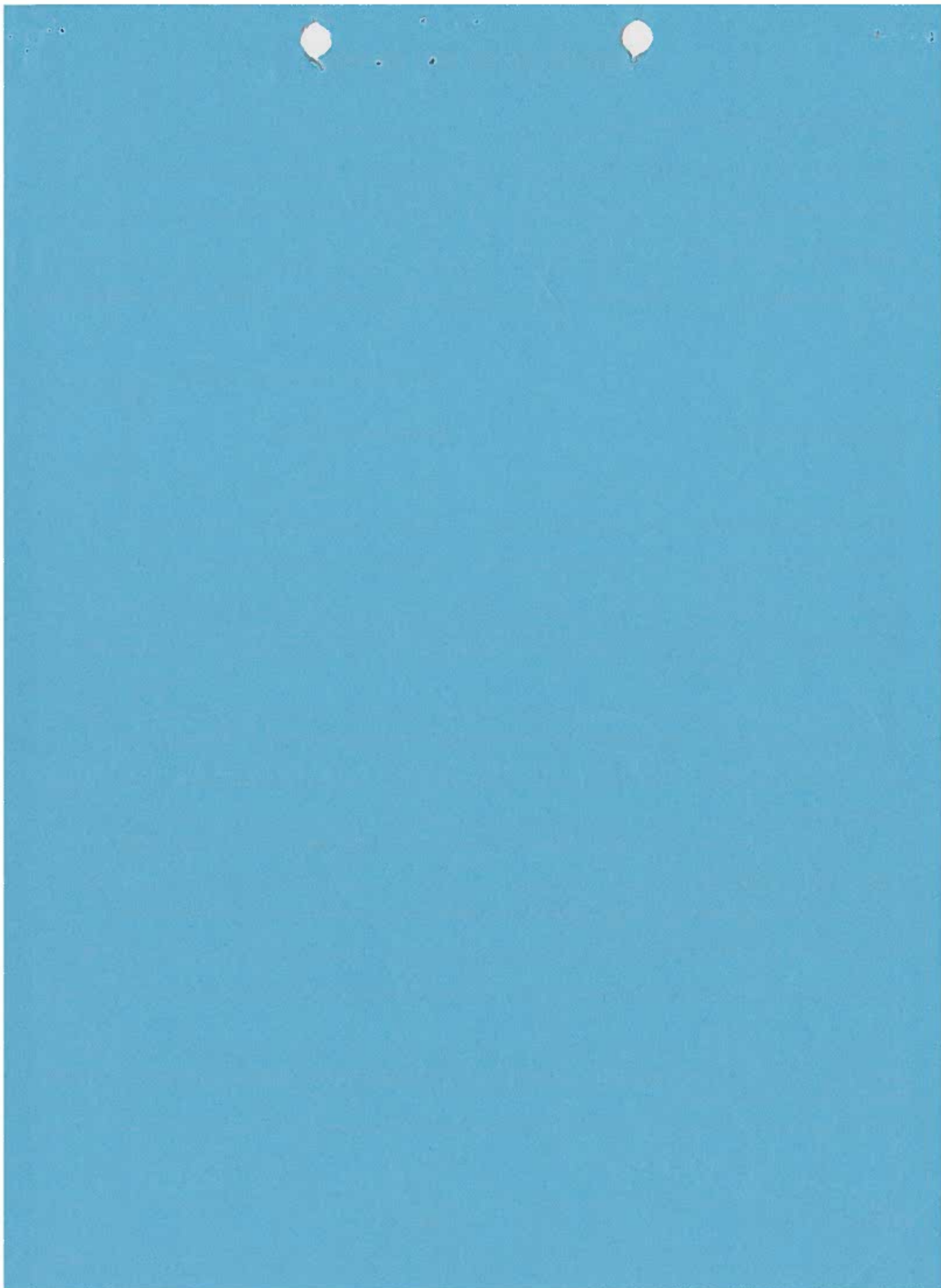
**§ 6-2. Fines.**

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.



**ACTION BY THE CITY COUNCIL**

FEB 06 2017

FIRST READING (INTRODUCTION) \_\_\_\_\_ 20 \_\_\_\_\_

PUBLIC HEARING HELD ON March 1, 2017 \_\_\_\_\_ 20 \_\_\_\_\_

COMMITTEE REPORT AS OF March 6, 2017 \_\_\_\_\_ 20 \_\_\_\_\_

FAVORABLE  UNFAVORABLE  FAVORABLE AS AMENDED  WITHOUT RECOMMENDATION

*m.m.*

*X*  
*m.m.*

  
Chair

COMMITTEE MEMBERS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMMITTEE MEMBERS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SECOND READING: The Council's action being favorable (unfavorable), this City Council bill was (was not) ordered printed for Third Reading on:

MAR 06 2017  
20

Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

Amendments introduced by Pinkett, Schleifer, Costello - DEFEATED

MAR 20 2017  
20

THIRD READING \_\_\_\_\_ 20 \_\_\_\_\_

Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

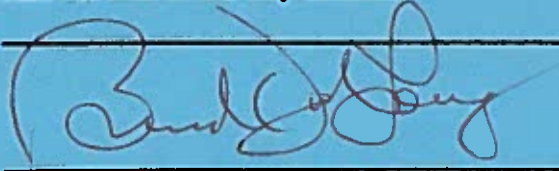
THIRD READING (ENROLLED) \_\_\_\_\_ 20 \_\_\_\_\_

Amendments were read and adopted (defeated) as indicated on the copy attached to this blue backing.

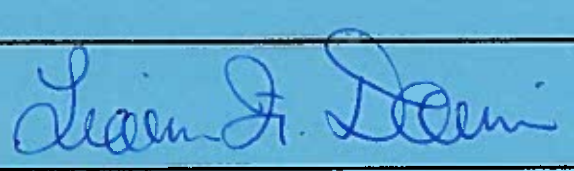
THIRD READING (RE-ENROLLED) \_\_\_\_\_ 20 \_\_\_\_\_

WITHDRAWAL \_\_\_\_\_ 20 \_\_\_\_\_

There being no objections to the request for withdrawal, it was so ordered that this City Council Ordinance be withdrawn from the files of the City Council.



President



Chief Clerk



**FROM THE DESK OF**

*Marguerite Murray*

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March 3, 2017

Per instructions:

Attached are written testimony received for CC17-0018 Labor and Employment – City Minimum Wage.

For your review and/or file!





**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,