

SENATE BILL 1019

K3

8lr1908

By: **Senator Robinson**

Introduced and read first time: February 5, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – State Minimum Wage Rate – Increase**

3 FOR the purpose of specifying the State minimum wage rate that is in effect for certain
4 periods of time for certain employers; increasing, except under certain
5 circumstances, the State minimum wage rate in effect for certain periods of time
6 based on certain calculations; requiring the Commissioner of Labor and Industry,
7 beginning at a certain time, to annually determine and announce the growth in a
8 certain consumer price index, if any, and the new State minimum wage rate in effect
9 under a certain provision of this Act; defining certain terms; and generally relating
10 to the State minimum wage rate.

11 BY repealing and reenacting, with amendments,
12 Article – Labor and Employment
13 Section 3–413
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2017 Supplement)

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

18 **Article – Labor and Employment**

19 3–413.

20 (a) **(1)** In this section[, “employer”] **THE FOLLOWING WORDS HAVE THE**
21 **MEANINGS INDICATED.**

22 **(2) “CONSUMER PRICE INDEX” MEANS THE CONSUMER PRICE INDEX**
23 **FOR ALL URBAN CONSUMERS FOR THE WASHINGTON–BALTIMORE METROPOLITAN**
24 **AREA OR A SUCCESSOR INDEX PUBLISHED BY THE FEDERAL BUREAU OF LABOR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **STATISTICS.**

2 (3) **“EMPLOYER”** includes a governmental unit.

3 (4) **“MIDSIZED EMPLOYER”** MEANS AN EMPLOYER THAT:

4 (I) EMPLOYS AT LEAST 11 EMPLOYEES, BUT FEWER THAN 50
5 EMPLOYEES; OR

6 (II) EMPLOYS 11 OR MORE EMPLOYEES AND:

7 1. HAS TAX EXEMPT STATUS UNDER § 501(C)(3) OF THE
8 INTERNAL REVENUE CODE; OR

9 2. PROVIDES HOME HEALTH SERVICES UNDER 42 C.F.R.
10 § 440.70 OR HOME AND COMMUNITY-BASED SERVICES UNDER 42 C.F.R. § 440.180
11 AND RECEIVES AT LEAST 75% OF GROSS REVENUES FROM THE MARYLAND MEDICAL
12 ASSISTANCE PROGRAM.

13 (5) **“SMALL EMPLOYER”** MEANS AN EMPLOYER THAT EMPLOYS 10 OR
14 FEWER EMPLOYEES.

15 (b) Except as provided in subsection (d) of this section and § 3-414 of this subtitle,
16 each employer shall pay:

17 (1) to each employee who is subject to both the federal Act and this subtitle,
18 at least the greater of:

19 (i) the minimum wage for that employee under the federal Act; or

20 (ii) the State minimum wage rate set under subsection (c) of this
21 section; and

22 (2) each other employee who is subject to this subtitle, at least:

23 (i) the greater of:

24 1. the highest minimum wage under the federal Act; or

25 2. the State minimum wage rate set under subsection (c) of
26 this section; or

27 (ii) a training wage under regulations that the Commissioner adopts
28 that include the conditions and limitations authorized under the federal Fair Labor
29 Standards Amendments of 1989.

1 (c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3) OF THIS
2 SUBSECTION, THE State minimum wage rate is:

3 [(1) for the 6-month period beginning January 1, 2015, \$8.00 per hour;

4 (2) for the 12-month period beginning July 1, 2015, \$8.25 per hour;

5 (3) for the 12-month period beginning July 1, 2016, \$8.75 per hour;

6 (4) (I) for the 12-month period beginning July 1, 2017, \$9.25 per hour;

7 [and

8 (5) (II) FOR THE 12-MONTH PERIOD beginning July 1, 2018, [\$10.10]
9 \$12.25 per hour;

10 (III) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,
11 \$13.00 PER HOUR;

12 (IV) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2020,
13 \$14.00 PER HOUR;

14 (V) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2021,
15 \$15.00 PER HOUR; AND

16 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022, AND
17 EACH JULY 1 THEREAFTER, THE RATE DETERMINED BY THE COMMISSIONER UNDER
18 PARAGRAPH (4)(II) OF THIS SUBSECTION.

19 (2) THE STATE MINIMUM WAGE RATE FOR A MIDSIZED EMPLOYER IS:

20 (I) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2018,
21 \$12.00 PER HOUR;

22 (II) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,
23 \$12.50 PER HOUR;

24 (III) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2020,
25 \$13.25 PER HOUR;

26 (IV) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2021,
27 \$14.00 PER HOUR;

28 (V) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022,

1 **\$14.50 PER HOUR;**

2 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023,
3 **\$15.00 PER HOUR;**

4 (VII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024, AND
5 EACH JULY 1 THEREAFTER, UNTIL IT IS EQUAL TO THE MINIMUM WAGE RATE UNDER
6 PARAGRAPH (1)(VI) OF THIS SUBSECTION, THE SUM, ROUNDED TO THE NEAREST 5
7 CENTS, OF:

8 1. THE MINIMUM WAGE RATE IN EFFECT FOR THE
9 IMMEDIATELY PRECEDING 12-MONTH PERIOD MULTIPLIED BY THE AVERAGE
10 PERCENT GROWTH, IF ANY, IN THE CONSUMER PRICE INDEX DETERMINED BY THE
11 COMMISSIONER UNDER PARAGRAPH (4)(II)1 OF THIS SUBSECTION; AND

12 2. IF THE AMOUNT CALCULATED UNDER ITEM 1 OF THIS
13 ITEM IS LESS THAN 50 CENTS ABOVE THE MINIMUM WAGE RATE IN EFFECT FOR THE
14 IMMEDIATELY PRECEDING 12-MONTH PERIOD, 1% OF THE MINIMUM WAGE RATE IN
15 EFFECT FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, UP TO A TOTAL
16 INCREASE OF 50 CENTS; AND

17 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1 OF THE
18 YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE MINIMUM WAGE RATE
19 UNDER ITEM (VII) OF THIS PARAGRAPH IS EQUAL TO THE MINIMUM WAGE RATE
20 UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION, AND EACH JULY 1 THEREAFTER,
21 THE RATE UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION.

22 (3) THE STATE MINIMUM WAGE RATE FOR A SMALL EMPLOYER IS:

23 (I) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2018,
24 **\$12.00 PER HOUR;**

25 (II) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,
26 **\$12.50 PER HOUR;**

27 (III) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2020,
28 **\$13.00 PER HOUR;**

29 (IV) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2021,
30 **\$13.50 PER HOUR;**

31 (V) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022,
32 **\$14.00 PER HOUR;**

1 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023,
2 \$14.50 PER HOUR;

3 (VII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024,
4 \$15.00 PER HOUR;

5 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2025, AND
6 EACH JULY 1 THEREAFTER, UNTIL IT IS EQUAL TO THE MINIMUM WAGE RATE UNDER
7 PARAGRAPH (1)(V) OF THIS SUBSECTION, THE SUM, ROUNDED TO THE NEAREST 5
8 CENTS, OF:

9 1. THE MINIMUM WAGE RATE IN EFFECT FOR THE
10 IMMEDIATELY PRECEDING 12-MONTH PERIOD MULTIPLIED BY THE AVERAGE
11 PERCENT GROWTH, IF ANY, IN THE CONSUMER PRICE INDEX DETERMINED BY THE
12 COMMISSIONER UNDER PARAGRAPH (4)(II)1 OF THIS SUBSECTION; AND

13 2. IF THE AMOUNT CALCULATED UNDER ITEM 1 OF THIS
14 ITEM IS LESS THAN 50 CENTS ABOVE THE MINIMUM WAGE RATE IN EFFECT FOR THE
15 IMMEDIATELY PRECEDING 12-MONTH PERIOD, 1% OF THE MINIMUM WAGE RATE IN
16 EFFECT FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, UP TO A TOTAL
17 INCREASE OF 50 CENTS; AND

18 (IX) FOR THE 12-MONTH PERIOD BEGINNING JULY 1 OF THE
19 YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE MINIMUM WAGE RATE
20 UNDER ITEM (VIII) OF THIS PARAGRAPH IS EQUAL TO THE MINIMUM WAGE RATE
21 UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION, AND EACH JULY 1 THEREAFTER,
22 THE RATE UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION.

23 (4) (I) BEGINNING JULY 1, 2022, AND EACH JULY 1 THEREAFTER,
24 THE STATE MINIMUM WAGE RATE UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION
25 SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST MULTIPLE OF 5
26 CENTS, THAT EQUALS THE PRODUCT OF:

27 1. THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE
28 IMMEDIATELY PRECEDING 12-MONTH PERIOD; AND

29 2. THE AVERAGE PERCENT GROWTH IN THE CONSUMER
30 PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD, AS
31 DETERMINED BY THE COMMISSIONER UNDER SUBPARAGRAPH (II)1 OF THIS
32 PARAGRAPH.

33 (II) BEGINNING OCTOBER 1, 2021, AND EACH OCTOBER 1

1 THEREAFTER, THE COMMISSIONER SHALL DETERMINE AND ANNOUNCE:

2 1. THE AVERAGE PERCENT GROWTH, IF ANY, IN THE
3 CONSUMER PRICE INDEX BASED ON THE IMMEDIATELY PRECEDING 12-MONTH
4 PERIOD FOR WHICH DATA IS AVAILABLE ON OCTOBER 1; AND

5 2. THE STATE MINIMUM WAGE RATE THAT WOULD BE
6 EFFECTIVE UNDER PARAGRAPH (1)(VI) OF THIS SUBSECTION FOR THE 12-MONTH
7 PERIOD BEGINNING THE FOLLOWING JULY 1.

8 (III) IF THE COMMISSIONER DETERMINES THAT THERE IS A
9 DECLINE OR NO GROWTH IN THE CONSUMER PRICE INDEX, THE STATE MINIMUM
10 WAGE RATE SHALL REMAIN THE SAME AS THE RATE THAT WAS IN EFFECT FOR THE
11 IMMEDIATELY PRECEDING 12-MONTH PERIOD.

12 (d) (1) (i) Except as provided in paragraph (2) of this subsection and
13 subject to subparagraph (ii) of this paragraph, an employer may pay an employee a wage
14 that equals a rate of 85% of the State minimum wage established under this section if the
15 employee is under the age of 20 years.

16 (ii) An employer may pay to an employee the wage provided under
17 subparagraph (i) of this paragraph only for the first 6 months that the employee is
18 employed.

19 (2) (i) This paragraph applies only to an employer that is an
20 amusement or a recreational establishment, including a swimming pool, if the employer:

21 1. operates for no more than 7 months in a calendar year; or

22 2. for any 6 months during the preceding calendar year, has
23 average receipts that do not exceed one-third of the average receipts for the other 6 months.

24 (ii) An employer may pay an employee a wage that equals the
25 greater of:

26 1. 85% of the State minimum wage established under this
27 section; or

28 2. \$7.25.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2018.