

SENATE BILL 235

K3, P4

8lr0510

By: **Senators Robinson, Manno, and Smith**

Introduced and read first time: January 19, 2018

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Minimum Wage – Indexing**

3 FOR the purpose of increasing, except under certain circumstances, the State minimum wage
4 rate in effect for certain periods of time based on annual growth in a certain Consumer
5 Price Index; requiring the Commissioner of Labor and Industry, beginning at a certain
6 time, to annually determine and announce the growth in the Consumer Price Index, if
7 any, and the new State minimum wage rate; defining a certain term; repealing obsolete
8 provisions of law; and generally relating to the payment of wages.

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

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

16 **Article – Labor and Employment**

17 3–413.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

10 (i) the greater of:

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

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

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

17 (c) **(1)** The State minimum wage rate is:

18 **[(1)** for the 6–month period beginning January 1, 2015, \$8.00 per hour;

19 **(2)** for the 12–month period beginning July 1, 2015, \$8.25 per hour;

20 **(3)** for the 12–month period beginning July 1, 2016, \$8.75 per hour;

21 **(4)] (I)** for the 12–month period beginning July 1, 2017, \$9.25 per hour;

22 **[and]**

23 **[(5)] (II)** **FOR THE 12–MONTH PERIOD** beginning July 1, 2018, \$10.10
24 per hour; **AND**

25 **(III) FOR THE 12–MONTH PERIOD BEGINNING JULY 1, 2019, AND**
26 **EACH SUBSEQUENT 12–MONTH PERIOD, THE RATE DETERMINED AND ANNOUNCED**
27 **BY THE COMMISSIONER UNDER PARAGRAPH (2)(II) OF THIS SUBSECTION.**

28 **(2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS**
29 **PARAGRAPH, FOR THE 12–MONTH PERIOD BEGINNING JULY 1, 2019, AND EACH**

1 **JULY 1 THEREAFTER, THE STATE MINIMUM WAGE RATE SHALL BE INCREASED BY**
2 **THE AMOUNT, ROUNDED TO THE NEAREST CENT, THAT EQUALS THE PRODUCT OF:**

3 1. **THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE**
4 **IMMEDIATELY PRECEDING 12-MONTH PERIOD; AND**

5 2. **THE AVERAGE PERCENTAGE GROWTH IN THE**
6 **CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD,**
7 **AS DETERMINED BY THE COMMISSIONER UNDER SUBPARAGRAPH (II)1 OF THIS**
8 **PARAGRAPH.**

9 **(II) BEGINNING MARCH 1, 2019, AND ON EACH SUBSEQUENT**
10 **MARCH 1, THE COMMISSIONER SHALL DETERMINE AND ANNOUNCE:**

11 1. **THE AVERAGE PERCENTAGE GROWTH, IF ANY, IN THE**
12 **CONSUMER PRICE INDEX BASED ON THE IMMEDIATELY PRECEDING 12-MONTH**
13 **PERIOD FOR WHICH DATA ARE AVAILABLE ON MARCH 1; AND**

14 2. **THE STATE MINIMUM WAGE RATE EFFECTIVE FOR**
15 **THE 12-MONTH PERIOD BEGINNING THE FOLLOWING JULY 1.**

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

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

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

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

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

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

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

1
2 section; or

1. 85% of the State minimum wage established under this

3

2. \$7.25.

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2018.