

# Maryland Moves Toward Minimum Wage Increase

By Jessica Summers

The Maryland legislature has moved one step closer towards increasing the state's minimum wage – an effort which has split the business community, drawing support from some and opposition from others.

On Friday, March 7, 2014, the Maryland House of Delegates voted to approve HB295, a bill which would ultimately increase Maryland's minimum wage from \$7.25 per hour to \$10.10 per hour. The bill was introduced and promoted by Maryland Governor Martin O'Malley as one of his top legislative priorities of 2014.

As passed in the House of Delegates, the bill would raise the minimum wage to \$8.20 per hour on January 1, 2015, \$9.15 per hour on January 1, 2016 and \$10.10 per hour on January 1, 2017. Under the bill, the state minimum wage would continue to serve as a floor rather than a ceiling, permitting Maryland counties to establish minimum wages higher than the state minimum, just as Montgomery and Prince George's Counties did last year. Both Montgomery and Prince George's Counties' measures phase the minimum wage increase in over four years (like the House of Delegates bill would) beginning with an increase to \$8.40 per hour on January 1, 2014 and concluding at a minimum wage of \$11.50 per hour effective October 1, 2017.

The House of Delegates bill was originally drafted to include future increases indexed to inflation and as well as an increase in the minimum wage for tipped workers. However, both of these provisions were stripped from the bill as part of the negotiations in the House of Delegates.

Consideration of the minimum wage issue will now move to the Maryland State Senate, which is expected to pass a minimum wage increase, though not necessarily in the same form as the House of Delegates' bill.

Maryland is just one of many states and localities, including the District of Columbia, which have recently moved towards, or have already passed, minimum wage increases. In January 2014, DC Mayor Vincent Grey signed into a law a measure to raise the district's minimum wage to \$11.50 per hour by July 2016, with annual cost of living adjustments thereafter. In President Barack Obama's January 28, 2014, State of the Union address he called on lawmakers to increase the federal minimum wage. However, while federal efforts to raise the minimum wage are likely to be slowed by partisan gridlock, business owners should be aware of and prepared for minimum wage potential minimum wage increases in Maryland and other states and localities.