

SENATE BILL 721

K3

2lr0316
CF HB 698

By: **Senators Waldstreicher and McCray**

Introduced and read first time: February 7, 2022

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of increasing the State minimum wage rates in effect for certain years;
4 repealing the authority of the Board of Public Works to temporarily suspend an
5 increase to the State minimum wage rate; and generally relating to the State
6 minimum wage rate.

7 BY repealing and reenacting, with amendments,
8 Article – Labor and Employment
9 Section 3–413
10 Annotated Code of Maryland
11 (2016 Replacement Volume and 2021 Supplement)

12 BY repealing
13 Article – Labor and Employment
14 Section 3–413.1
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2021 Supplement)

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

19 **Article – Labor and Employment**

20 3–413.

21 (a) (1) In this section the following words have the meanings indicated.

22 (2) “Employer” includes a governmental unit.

23 (3) “Small employer” means an employer that employs 14 or fewer

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



employees.

(b) Except as provided in subsection (d) of this section and [§§ 3–413.1 and] § ~~3–414~~ of this subtitle, each employer shall pay:

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

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

(ii) the State minimum wage set under subsection (c) of this section;

and

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

(i) the highest minimum wage under the federal Act; or

(ii) the State minimum wage set under subsection (c) of this section.

(c) (1) [Subject to § 3–413.1 of this subtitle and except] **EXCEPT** as provided in paragraph (2) of this subsection, the State minimum wage rate is:

(i) [for the 12–month period beginning July 1, 2017, \$9.25 per hour;

(ii) for the 18–month period beginning July 1, 2018, \$10.10 per hour;

(iii) for the 12–month period beginning January 1, 2020, \$11.00 per hour;

(iv) for the 12–month period beginning January 1, 2021, \$11.75 per hour;

(v) for the [12–month] **6–MONTH** period beginning January 1, 2022, \$12.50 per hour; **AND**

[(vi)] **(II)** [for the 12–month period] beginning [January] **JULY** 1, [2023] **2022**, [\$13.25 per hour;

(vii) for the 12–month period beginning January 1, 2024, \$14.00 per hour; and

(viii) beginning January 1, 2025,] \$15.00 per hour.

(2) [Subject to § 3–413.1 of this subtitle, the] **THE** State minimum wage rate for a small employer is:

- 1 (i) [for the 18-month period beginning July 1, 2018, \$10.10 per
2 hour;
- 3 (ii) for the 12-month period beginning January 1, 2020, \$11.00 per
4 hour;
- 5 (iii) for the 12-month period beginning January 1, 2021, \$11.60 per
6 hour;
- 7 (iv)] for the [12-month] **6-MONTH** period beginning January 1, 2022,
8 \$12.20 per hour;
- 9 [(v)] **(II)** for the 12-month period beginning [January] **JULY** 1,
10 **[2023] 2022, [\$12.80] \$13.60** per hour; **AND**
- 11 [(vi)] **(III)** [for the 12-month period] beginning [January] **JULY** 1,
12 **[2024] 2023, [\$13.40** per hour;
- 13 (vii) for the 12-month period beginning January 1, 2025, \$14.00 per
14 hour;
- 15 (viii) for the 6-month period beginning January 1, 2026, \$14.60 per
16 hour; and
- 17 (ix) beginning July 1, 2026,] \$15.00 per hour.
- 18 (d) An employer may pay an employee a wage that equals a rate of 85% of the
19 State minimum wage established under this section if the employee is under the age of 18
20 years.
- 21 [3-413.1.
- 22 (a) In this section, “Board” means the Board of Public Works.
- 23 (b) (1) Subject to subsection (d) of this section and except as provided in
24 paragraph (2) of this subsection, on or before October 1, 2020, and October 1 each year
25 thereafter until October 1, 2024, the Board shall determine whether the seasonally
26 adjusted total employment from the Current Employment Statistics series as reported by
27 the U.S. Bureau of Labor Statistics for the most recent 6-month period is negative as
28 compared with the immediately preceding 6-month period.
- 29 (2) The Board is not required to make a determination under paragraph
30 (1) of this subsection if the Board has previously temporarily suspended an increase to the
31 minimum wage rate specified under § 3-413(c) of this subtitle.

(c) (1) Subject to subsection (d) of this section, the Board may temporarily suspend an increase to the minimum wage rate specified under § 3–413(c) of this subtitle if the Board determined under subsection (b)(1) of this section that the seasonally adjusted total employment is negative.

(2) If the seasonally adjusted total employment is negative, the Board may consider the performance of State revenues in the previous 6 months, as reported by the Office of the Comptroller, in determining whether to temporarily suspend an increase to the minimum wage rate specified under § 3–413(c) of this subtitle.

(d) The Board may temporarily suspend an increase to the minimum wage rate under subsection (c)(1) of this section only one time.

(e) If the Board temporarily suspends an increase to the minimum wage rate specified under § 3–413(c) of this subtitle:

(1) the minimum wage rate in effect for the period beginning the following January 1 shall remain the same as the rate that was in effect for the immediately preceding 12-month period;

(2) the remaining minimum wage rates specified in § 3–413 of this subtitle shall take effect 1 year later than the date specified;

(3) the Board shall notify the Commissioner that the minimum wage rate increase for the period beginning the following January 1 is suspended for 1 year; and

(4) a rate increase under §§ 7–307, 16–201.3, and 16–201.4 of the Health – General Article for the immediately following fiscal year may not go into effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2022.