

# HOUSE BILL 664

K3, P4

8lr1500  
CF SB 543

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By: **Delegates Hettleman, Fennell, Waldstreicher, Ali, Anderson, Angel, Atterbeary, Barkley, B. Barnes, D. Barnes, Barron, Barve, Beidle, Brooks, Carr, Conaway, Cullison, Dumais, Ebersole, Fraser–Hidalgo, Frick, Frush, Gaines, Gibson, Gilchrist, Glenn, Gutierrez, Hayes, Haynes, Healey, Hixson, C. Howard, Jackson, Jalisi, Jones, Kaiser, Kelly, Knotts, Korman, Kramer, Lafferty, Lam, J. Lewis, R. Lewis, Lierman, Luedtke, McCray, McIntosh, A. Miller, Moon, Morales, Mosby, Patterson, Pena–Melnik, Pendergrass, Platt, Proctor, Queen, Reznik, Robinson, Rosenberg, Sanchez, Sophocleus, Sydnor, Tarlau, Turner, Valderrama, Valentino–Smith, Vallario, A. Washington, M. Washington, Wilkins, K. Young, and P. Young**

Introduced and read first time: January 31, 2018

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Payment of the Minimum Wage Required**  
3 **(Fight for Fifteen)**

4 FOR the purpose of specifying the State minimum wage rate that is in effect for certain  
5 time periods; increasing, except under certain circumstances, the State minimum  
6 wage rate in effect for certain periods of time based on annual growth in a certain  
7 consumer price index; requiring the Commissioner of Labor and Industry, beginning  
8 at a certain time, to annually determine and announce the growth in the consumer  
9 price index, if any, and the new State minimum wage rate; repealing certain  
10 provisions of law that authorize certain employers to pay certain employees a certain  
11 wage that is less than the State minimum wage under certain circumstances;  
12 specifying the tip credit amount that is in effect for certain time periods; prohibiting  
13 an employer, beginning on a certain date, from including a tip credit amount as part  
14 of the wage of certain employees; requiring an employer, beginning at a certain time,  
15 to pay certain employees a wage that is at least equal to the State minimum wage  
16 rate; requiring the Governor, in certain fiscal years, to include in a certain budget  
17 proposal certain funding increases to reimburse community services; defining  
18 certain terms; and generally relating to the payment of wages.

19 BY repealing and reenacting, with amendments,  
20 Article – Health – General  
21 Section 7–307

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2015 Replacement Volume and 2017 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article – Labor and Employment  
5 Section 3–413 and 3–419  
6 Annotated Code of Maryland  
7 (2016 Replacement Volume and 2017 Supplement)

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

10 **Article – Health – General**

11 7–307.

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

13 (2) “Community direct service worker” means an employee of a community  
14 provider that provides treatment or services to developmentally disabled individuals.

15 (3) “Community provider” means a community–based agency or program  
16 funded by the Administration to serve individuals with developmental disabilities.

17 (4) “Rate” means the reimbursement rate paid by the Department to a  
18 community provider from the State General Fund, Maryland Medical Assistance Program  
19 funds, other State or federal funds, or a combination of funds.

20 (b) Notwithstanding the provisions of this title or any other provision of law, the  
21 Department shall reimburse community providers as provided in this section.

22 (c) Subject to subsection (d) of this section, the Department shall increase the rate  
23 of reimbursement for community services providers each fiscal year by the amount of rate  
24 increase included in the State budget for that fiscal year.

25 (d) (1) The Governor’s proposed budget for fiscal year 2016 shall include a  
26 3.5% rate increase for community service providers over the funding provided in the  
27 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
28 Community Services for fiscal year 2015.

29 (2) The Governor’s proposed budget for fiscal year 2017 shall include a  
30 3.5% rate increase for community service providers over the funding provided in the  
31 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
32 Community Services for fiscal year 2016.

33 (3) The Governor’s proposed budget for fiscal year 2018 shall include a  
34 3.5% rate increase for community service providers over the funding provided in the

1 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
2 Community Services for fiscal year 2017.

3 (4) The Governor's proposed budget for fiscal year 2019 shall include a  
4 3.5% rate increase for community service providers over the funding provided in the  
5 legislative appropriation for Object 08 Contractual Services in Program M00M01.02  
6 Community Services for fiscal year 2018.

7 (5) **THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2020**  
8 **SHALL INCLUDE A 7% RATE INCREASE FOR COMMUNITY SERVICES OVER THE**  
9 **FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR OBJECT 08**  
10 **CONTRACTUAL SERVICES IN PROGRAM M00M01.02 COMMUNITY SERVICES FOR**  
11 **FISCAL YEAR 2019.**

12 (6) **THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2021**  
13 **SHALL INCLUDE A 5.5% RATE INCREASE FOR COMMUNITY SERVICES OVER THE**  
14 **FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR OBJECT 08**  
15 **CONTRACTUAL SERVICES IN PROGRAM M00M01.02 COMMUNITY SERVICES FOR**  
16 **FISCAL YEAR 2020.**

17 (7) **THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2022**  
18 **SHALL INCLUDE A 5.5% RATE INCREASE FOR COMMUNITY SERVICES OVER THE**  
19 **FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR OBJECT 08**  
20 **CONTRACTUAL SERVICES IN PROGRAM M00M01.02 COMMUNITY SERVICES FOR**  
21 **FISCAL YEAR 2021.**

22 (8) **THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2023**  
23 **SHALL INCLUDE A 5.5% RATE INCREASE FOR COMMUNITY SERVICES OVER THE**  
24 **FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR OBJECT 08**  
25 **CONTRACTUAL SERVICES IN PROGRAM M00M01.02 COMMUNITY SERVICES FOR**  
26 **FISCAL YEAR 2022.**

27 (9) **THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2024**  
28 **SHALL INCLUDE A 5.5% RATE INCREASE FOR COMMUNITY SERVICES OVER THE**  
29 **FUNDING PROVIDED IN THE LEGISLATIVE APPROPRIATION FOR OBJECT 08**  
30 **CONTRACTUAL SERVICES IN PROGRAM M00M01.02 COMMUNITY SERVICES FOR**  
31 **FISCAL YEAR 2023.**

32 (10) **THE GOVERNOR'S PROPOSED BUDGET FOR FISCAL YEAR 2025,**  
33 **AND FOR EACH FISCAL YEAR THEREAFTER, SHALL INCLUDE A PERCENTAGE RATE**  
34 **INCREASE THAT IS NOT LESS THAN THE PERCENTAGE INDEXED INCREASE IN THE**  
35 **STATE MINIMUM WAGE RATE UNDER § 3-413 OF THE LABOR AND EMPLOYMENT**  
36 **ARTICLE FOR COMMUNITY SERVICES OVER THE FUNDING PROVIDED IN THE**  
37 **LEGISLATIVE APPROPRIATION FOR OBJECT 08 CONTRACTUAL SERVICES IN**

1 **PROGRAM M00M01.02 COMMUNITY SERVICES FOR THE IMMEDIATELY PRECEDING**  
 2 **FISCAL YEAR.**

3 (e) The Governor's proposed budget for fiscal year 2016 and thereafter for  
 4 community service providers shall be presented in the same manner, including object and  
 5 program information, as provided for in the fiscal year 2015 budget.

6 (f) A portion of the funds in subsection (e) of this section may be allocated to  
 7 address the impact of an increase in the State minimum wage on wages and benefits of  
 8 direct support workers employed by community providers licensed by the Developmental  
 9 Disabilities Administration.

10 **Article – Labor and Employment**

11 3–413.

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

14 **(2)** **“CONSUMER PRICE INDEX” MEANS THE CONSUMER PRICE INDEX**  
 15 **FOR ALL URBAN CONSUMERS FOR THE WASHINGTON–BALTIMORE METROPOLITAN**  
 16 **AREA OR A SUCCESSOR INDEX PUBLISHED BY THE FEDERAL BUREAU OF LABOR**  
 17 **STATISTICS.**

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

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

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

23 (i) the minimum wage for that employee under the federal Act; or  
 24 (ii) the State minimum wage rate set under subsection (c) of this  
 25 section; and

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

27 (i) the greater of:  
 28 1. the highest minimum wage under the federal Act; or  
 29 2. the State minimum wage rate set under subsection (c) of  
 30 this section; or

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

4 (c) (1) The State minimum wage rate is:

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

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

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

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

9 [and]

10 [(5) (II) FOR THE 12-MONTH PERIOD beginning July 1, 2018, \$10.10  
11 per hour;

12 (III) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2019,  
13 \$11.00 PER HOUR;

14 (IV) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2020,  
15 \$12.00 PER HOUR;

16 (V) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2021,  
17 \$13.00 PER HOUR;

18 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2022,  
19 \$14.00 PER HOUR;

20 (VII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023,  
21 \$15.00 PER HOUR; AND

22 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024, AND  
23 EACH JULY 1 THEREAFTER, THE RATE DETERMINED BY THE COMMISSIONER UNDER  
24 PARAGRAPH (2)(II) OF THIS SUBSECTION.

25 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS  
26 PARAGRAPH, FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024, AND EACH  
27 SUBSEQUENT 12-MONTH PERIOD, THE STATE MINIMUM WAGE RATE SHALL BE  
28 INCREASED BY THE AMOUNT, ROUNDED TO THE NEAREST MULTIPLE OF 5 CENTS,  
29 THAT EQUALS THE PRODUCT OF:

30 1. THE STATE MINIMUM WAGE RATE IN EFFECT FOR THE

1 IMMEDIATELY PRECEDING 12-MONTH PERIOD; AND

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

6                                   **(II) BEGINNING OCTOBER 1, 2023, AND EACH OCTOBER 1**  
7 **THEREAFTER, THE COMMISSIONER SHALL DETERMINE AND ANNOUNCE:**

8                                   **1. THE AVERAGE PERCENT GROWTH, IF ANY, IN THE**  
9 **CONSUMER PRICE INDEX BASED ON THE IMMEDIATELY PRECEDING 12-MONTH**  
10 **PERIOD FOR WHICH DATA ARE AVAILABLE ON OCTOBER 1; AND**

11                                   **2. THE STATE MINIMUM WAGE RATE THAT WOULD BE**  
12 **EFFECTIVE FOR THE 12-MONTH PERIOD BEGINNING THE FOLLOWING JULY 1.**

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

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

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

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

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

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

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

31                                   1. 85% of the State minimum wage established under this  
32 section; or



1 (VI) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2023,  
2 \$12.00;

3 (VII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2024,  
4 \$13.50; AND

5 (VIII) FOR THE 12-MONTH PERIOD BEGINNING JULY 1, 2025,  
6 \$15.00.

7 (2) BEGINNING JULY 1, 2026, AN EMPLOYER:

8 (I) MAY NOT INCLUDE A TIP CREDIT AMOUNT AS PART OF THE  
9 WAGE OF AN EMPLOYEE TO WHOM THIS SECTION APPLIES; AND

10 (II) SHALL PAY AN EMPLOYEE A WAGE THAT IS AT LEAST EQUAL  
11 TO THE STATE MINIMUM WAGE ESTABLISHED UNDER § 3-413 OF THIS SUBTITLE.

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