

# Salis Area COC\_FAV\_SB403

Uploaded by: Chambers, Bill

Position: FAV



**SALISBURY AREA  
CHAMBER OF  
COMMERCE**

144 EAST MAIN ST.

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MARYLAND  
21803-0510

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**ACCREDITED BY  
THE CHAMBER OF  
COMMERCE OF THE  
UNITED STATES  
SINCE 1966**

February 19, 2020

Senator Delores G. Kelley  
Chair, Senate Finance Committee  
2 East, Miller Office Building  
Annapolis, MD 21401

Dear Senator Kelley,

On behalf of the seven-hundred members, including many agricultural businesses, the Salisbury Area Chamber of Commerce respectfully requests a Favorable Report on Senate Bill 403- Labor and Employment-Maryland Wage and Hour Law-Agricultural Stands. Senate Bill 403 would establish an exemption from the Maryland Wage and Hour Law (minimum wage) for an individual employed at an agricultural farm stand that sells perishable or seasonable produce that the employer has produced on his/her farm. There are more than 1,400 family farm stands in Maryland which are primarily seasonal in nature. These small businesses largely employ young individuals in their first ever job, almost all high school or college students for this seasonal work. Due to the volatile business that farming is, weather dependent, commodity pricing on a national scale and market competition from commercial produce markets (grocers), these farm stands can mean the difference between a family farm staying solvent year over year. Being required to comply with the mandated minimum wage at its current and future levels, places these family owned and operated stands in an uncompetitive disadvantage relative to commercial grocers.

Small businesses and agricultural businesses in Maryland are driving forces for job creation and economic vitality statewide. We urge a Favorable Report on SB 403.

Sincerely,

William Chambers  
President / CEO  
Salisbury Area Chamber of Commerce  
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Salisbury, Maryland 21801  
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# **MDChamber\_Griffin\_FAV\_SB403**

Uploaded by: Griffin, Andrew

Position: FAV



**LEGISLATIVE POSITION:**

**Favorable**

**Senate Bill 403: Labor and Employment--Maryland Wage and Hour Law--Agricultural Stands  
Senate Finance Committee**

**Thursday, February 20, 2020**

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families.

Senate Bill 403 would establish an exemption from the Maryland Wage and Hour Law (minimum wage) for an individual employed at an agricultural stand that sells perishable or seasonable fresh fruits, vegetables or horticultural commodities that the employer has produced. This exemption was not included as part of the agricultural exemption set forth in HB 166/SB 280: Fight for Fifteen, which the General Assembly passed last session.

There are over 1,400 family farm or agricultural stands in Maryland that operate primarily on a seasonal basis. These small businesses largely employ individuals in their first job, including high school and college students who are available for seasonal employment.

Due to the volatile nature of farming, futures pricing, weather and market competition, the ability to maintain a viable agricultural stand can mean the difference between a farm staying solvent year over year. Being forced to comply with the state's mandated minimum wage at its current level puts these family-owned-and-operated stands at a competitive disadvantage relative to commercial grocers.

Small businesses are the driving force for job creation and economic expansion in Maryland and make up 92 percent of the state's registered companies. The Maryland Chamber of Commerce believes that state policy should protect and promote their ability to remain solvent as well as grow and expand.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on **SB 403**.

**OC COC\_FAV\_SB 403**

Uploaded by: Pursel, Melanie

Position: FAV



**The Greater Ocean City, Maryland  
Chamber of Commerce, Inc.**

**TESTIMONY OFFERED ON BEHALF OF  
THE GREATER OCEAN CITY CHAMBER OF COMMERCE**

**IN SUPPORT OF**

**SB403 Labor and Employment - Maryland Wage and Hour Law - Agricultural Stands**

**BEFORE THE SENATE FINANCE COMMITTEE**

February 20, 2020

The Greater Ocean City Chamber of Commerce, representing more than 900 regional, seasonal businesses and job creators, strongly supports **SB 403** Labor and Employment - Maryland Wage and Hour Law - Agricultural Stands.

This bill will establish an exemption from the Maryland Wage and Hour Law for an individual employed at an agricultural stand that primarily sells at retail perishable or seasonal fresh fruits, vegetables, or horticultural commodities that the employer has produced. Since agriculture has already been exempted, this was extending the law to the produce stands and farmers markets where the products are sold, an extension of the farm operations and scope.

The Greater Ocean City Chamber of Commerce Membership respectfully requests a Favorable Report for **SB 403** Labor and Employment - Maryland Wage and Hour Law - Agricultural Stands. Please feel free to contact me with any questions regarding the position of the Greater Ocean City Chamber of Commerce at 410-213-0144 ext 102.

Sincerely,

Melanie A. Pursel, M.S.

President & CEO

*Eunice Q. Sorin Visitor & Conference Center*

12320 Ocean Gateway, Ocean City, Maryland 21842 • 410-213-0144 • Fax 410-213-7521

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# **SB 403 MBC Test**

Uploaded by: Senator Carozza, Senator Carozza

Position: FAV

MARY BETH CAROZZA  
Legislative District 38  
Somerset, Wicomico,  
and Worcester Counties

Education, Health, and Environmental Affairs  
Committee



Annapolis Office  
James Senate Office Building  
11 Bladen Street, Room 314  
Annapolis, Maryland 21401  
410-841-3645 · 301-858-3645  
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MaryBeth.Carozza@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

**STATEMENT OF SUPPORT BY BILL SPONSOR – SENATOR MARY BETH  
CAROZZA**  
**SENATE BILL 403 LABOR AND EMPLOYMENT–  
MARYLAND WAGE AND HOUR LAW—AGRICULTURAL STANDS**  
**SENATE FINANCE COMMITTEE HEARING**  
**FEBRUARY 20, 2020**

Thank you, Chair Kelley and Vice Chair Feldman and member of the Senate Finance Committee for this opportunity to present Senate Bill 403 with Senate President Emeritus Miller and request your support of SB 403 as amended that simply clarifies the current agricultural exemption to the Maryland Wage and Hour Law to include those employed at an agricultural stand, retail farm or farmers' market.

As way of background, Senate Bill 403 is one of the initiatives included in the bipartisan Senate Small Business Workgroup's legislative package unveiled earlier this session. The legislation was drafted in the fall after workgroup members heard from their local farm bureaus and chambers of commerce members who raised concerns that the agricultural exemption in the new minimum wage law did not include agricultural stands and farmers' markets.

The current Maryland Wage and Hour Agricultural Exemption exempts those employed by an employer who is engaged in the processing of perishable food items, those employed in agriculture if the employer used no more than 500 agricultural-worker days per quarter during the preceding year, those engaged primarily in the range production of livestock, employed as a hand-harvest laborer, or is paid on a piece-rate basis.

Senate Bill 403 clarifies the Agricultural Exemption in the current Maryland Wage and Hour Law by including those employed at an agricultural stand and as amended by including a retail farm or a farmers' market that primarily sells at retail perishable or seasonal fresh fruits, vegetables, or horticultural commodities that the employer has produced.

I believe Senate Bill 403 is consistent with the original intent of the agricultural exemption to the new minimum wage law and simply clarifies the exemption to include agricultural stands, retail farms and farmers' markets as narrowly defined in the amendment.

In closing, I want to thank all the local farm bureau and chambers of commerce members who worked with us during the interim to identify the problem with the current agricultural exemption and helped us craft a narrow, targeted bill to clarify and strengthen the agricultural exemption which will be helpful to our farm families across the State of Maryland. I respectfully request a favorable report of Senate Bill 403 in support of our farm families.



# **MarylandFarmBureau\_FAV\_SB403**

Uploaded by: Welch, Parker

Position: FAV



# Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

February 20, 2020

To: Senate Finance Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of SB 403 - Labor and Employment - Maryland Wage and Hour Law - Agricultural Stands**

On behalf of our member families, I submit this written testimony in support of SB 281, legislation that establishes an exemption from the Maryland Wage and Hour Law for an individual employed at an agricultural stand that primarily sells retail perishable or seasonal fresh fruits, vegetables, or horticultural commodities that the farmer has produced.

Most of the employees that fill these seasonal farm market jobs are youth between 16 and 18 years old. In most cases, this is their first job. The cost of labor is a major issue with farm profitability especially when the farmer retains ownership in their crop and looks to retail it to the consumer. Even at a retail price, margins are very small. Increasing the minimum wage 33% prevents a farmer from offering youth opportunities to have their first job at their operation. This bill would allow the farmer to offer those beginning jobs without a massive increase in labor costs.

**Maryland Farm Bureau Policy:** We support maximum opportunities for youth to work on farms. We believe youth gain important life skills, learn safety around animals and equipment, benefit from involvement in programs like 4-H and FFA, become interested in careers in agriculture, better understand that farmers are professionals and use best management practices, and establish a strong work ethic. Therefore, we urge government not to limit these opportunities.

**Amendment:** Strike language on page 3, lines 7-9 and replace with: **(15) IS EMPLOYED AT AN AGRICULTURAL STAND, RETAIL FARM OR FARMERS' MARKET THAT PRIMARILY SELLS AGRICULTURAL PRODUCTS THAT THE EMPLOYER HAS PRODUCED.**

**MARYLAND FARM BUREAU SUPPORTS SB 403 WITH AMENDMENT**

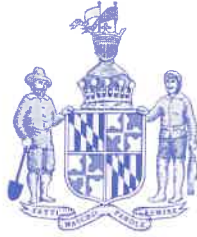
Colby Ferguson  
Director of Government Relations

*For more information contact Colby Ferguson at (240) 578-0396*

## **Kemerer\_UNF\_SB403**

Uploaded by: Kemerer, Hannibal

Position: UNF



STATE OF MARYLAND  
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.

WRITER'S DIRECT DIAL NO.

(410) 576-6584

TO: The Honorable Delores G. Kelley, Chair, Senate Finance Committee

FROM: Office of the Attorney General

DATE: February 20, 2020

RE: SB 403 — Labor and Employment – Maryland Wage and Hour Law –  
Agricultural Stands (**OPPOSE**)

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The Office of the Attorney General urges an unfavorable report on Senate Bill 403, a bill to amend Section 3-403 of the Maryland Labor and Employment Article. This legislation is designed to exempt from the State's minimum wage laws *all employees* "employed at an agricultural stand that primarily sells at retail perishable or seasonal fresh fruits, vegetables, or horticultural commodities that the employer produced."

We believe there are more than adequate exemptions from the State minimum wage under existing law. Under State law, the following categories of workers are already exempted from the minimum wage:

- Nonadministrative employees at an organized camp, including a resident or day camp;
- Part-time (less than 20 hours per week) employees under the age of 16;
- Outside salesmen;
- Individuals compensated on commission;
- Immediate family members (e.g. child, parent, spouse, etc.) of the employer;
- Drive-in theater workers;
- Special education program employees under a public school system;
- Workers involved in canning, freezing, packing, or first processing of perishable or seasonal fresh fruits, vegetables, or horticultural commodities, poultry or seafood;
- Volunteers supporting the activities of a charitable, educational, nonprofit or religious organization if the service is provided gratuitously and there's no employer-employee relationship;

- Agriculture employees if, during each quarter of the preceding calendar year, the employer used no more than 500 agricultural—worker days;
- Livestock range production workers;
- Hand-harvest laborers paid on a piece-rate basis if they commute daily from a residence to the farm and were agricultural workers less than 13 weeks of the preceding calendar year, or are under 17, employed with a parent or guardian, and are paid at the same rate that an employee who is at least 17 years old is paid on the same farm.

It is difficult to conceive of anyone who does not fall in one of the foregoing exemptions and yet actually works at an agricultural stand. However, such workers—toiling in the outdoors for many hours a day—certainly deserve to earn \$10.10 per hour.

For all of the foregoing reasons, we urge an unfavorable report on SB 403.

cc: Senate Finance Committee Members  
Senator Mary Beth Carozza  
Senator Thomas V. “Mike” Miller, Jr.  
Senator Jason C. Gallion  
Senator Katie Fry Hester  
Senator Chris West

# **MD Center on Economic Policy\_UNF\_SB403**

Uploaded by: Orr, Benjamin

Position: UNF

# Taking Away Worker Protections Would Move Maryland Backward

## Position Statement in Opposition to Senate Bill 403

*Given before the Senate Finance Committee*

Lawmakers made a wise choice in 2019 by gradually raising Maryland's minimum wage to \$15 per hour over several years. Strong worker protections ensure that we all benefit as our economy grows, not just the wealthy few. Workers at farmers markets and farm stands work just as hard as anyone else—just as farm workers, young workers, and tipped workers do—and deserve the same protections. The Maryland Center on Economic Policy opposes Senate Bill 403 because it would reverse our state's progress toward an inclusive, healthy economy that works for all of us.

We should measure the health of our economy not simply by the number of dollars exchanged or the number of people who go to work each day, but by its ability to raise all families' standard of living. Yet our economy has largely moved in the opposite direction over the last half century. As total economic activity continued to grow, typical workers fell further behind while the wealthiest 1 percent doubled their slice of the economic pie.<sup>i</sup>

Basic standards like minimum wage and overtime protections push against this negative trend, helping to ensure that everyone shares in the benefits of a growing economy. But policymakers have too often undermined these protections by carving out special exclusions—in many cases with an explicit goal of excluding workers of color.<sup>ii</sup> Maryland's wage and hour laws already exclude a staggering number of workers, including:<sup>iii</sup>

Certain seasonal employees; part-time employees younger than age 16; salesmen and those who work on commission; an employer's immediate family; drive-in theater employees; employees training in a special education program in a public school; employees of an establishment that sells food and drink for on-premises consumption and has an annual gross income of \$400,000 or less; employees employed by an employer who is engaged in canning, freezing, packing, or first processing of perishable or seasonal fresh fruits, vegetables, poultry, or seafood; and certain farm workers.

Adding yet another arbitrary exclusion would only serve to entrench our legacy of racist labor policy, chip away at the number of workers with full legal protection, and reverse Maryland's recent steps toward an inclusive, equitable economy.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Finance Committee make an unfavorable report on Senate Bill 403.**

## Equity Impact Analysis: Senate Bill 403

### *Bill summary*

Senate Bill 403 would exclude workers at farmers markets and farm stands from basic minimum wage and overtime protections.

### *Background*

The General Assembly in 2019 passed legislation to gradually raise Maryland's minimum wage to \$15 per hour over several years. As introduced, the bill would have raised wages for 573,000 workers by \$2.6 billion and benefited 273,000 children once fully phased in.

However, lawmakers weakened the bill by adding a number of special carve-outs. While the scheduled minimum wage increases will still benefit hundreds of thousands of workers, it will also leave many behind:

- The law will continue to allow companies to pay tipped workers just \$3.63 per hour, less than 25 percent of the full minimum wage.
- The law will continue to exclude farm workers.
- The law takes away minimum wage protections from some young workers who stay at the same job for more than six months.
- The law does not include any provision to ensure the minimum wage keeps up with inflation in future years, meaning that workers will have to rely on lawmakers just to make sure the purchasing power of their wages doesn't erode over time.

### *Equity Implications*

Historically, policymakers have often excluded certain workers from basic standards like wage and overtime protections in order to advance, protect, or compromise with a white-dominated racial hierarchy.<sup>iv</sup> The workers harmed by these carve-outs today do not always look the same as when the exclusions were created, but they are still more likely to face a range of economic roadblocks than those who benefit from the law's full protection:<sup>v</sup>

- Although Senate Bill 403 targets a relatively small set of specific jobs—which means there are not enough data to evaluate the specific impacts, these jobs exist at the intersection of two disproportionately low-wage industries. While typical Maryland workers overall take home about \$59,600 per year, agricultural workers take home only \$27,100 and retail workers take home only \$34,700.
- Compared to other industries, agricultural workers in Maryland are disproportionately likely to be Latinx, white, or members of a racial group not represented in Census Bureau categories. Compared to other industries, retail workers are disproportionately likely to be American Indian/Alaska Native, multiracial, Black, or members of a racial group not represented in Census Bureau categories

### *Impact*

Senate Bill 403 would likely **worsen racial and economic equity** in Maryland.

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<sup>i</sup> Christopher Meyer, "What a \$15 Minimum Wage Would Mean for Maryland: Good Jobs, Secure Families, and a Healthy Economy," Maryland Center on Economic Policy, 2018, [http://www.mdeconomy.org/wp-content/uploads/2018/02/MDCEP\\_FF15\\_report-2.pdf](http://www.mdeconomy.org/wp-content/uploads/2018/02/MDCEP_FF15_report-2.pdf)

<sup>ii</sup> Rebecca Smith, Sarah Paoletti, Erin Argueta, Robert Manzanares, Chris Newman, and Chivy Sok, "Labor and Employment Rights in the United States: A Critical Look at U.S. Compliance with the Convention on the Elimination of All Forms of Racial Discrimination," U.S. Human Rights Network, [https://www.nelp.org/wp-content/uploads/2015/03/CERD\\_labor\\_chapter\\_FINAL\\_120607.pdf](https://www.nelp.org/wp-content/uploads/2015/03/CERD_labor_chapter_FINAL_120607.pdf)

<sup>iii</sup> Senate Bill 403 Fiscal and Policy Note.

<sup>iv</sup> Smith et al.

<sup>v</sup> MDCEP analysis of 2014–2018 IPUMS American Community Survey microdata.



**PJC\_UNF\_SB 403**

Uploaded by: Robinson, Tyra

Position: UNF



Tyra Robinson, Attorney  
Public Justice Center  
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## SB 403

### Labor and Employment – Maryland Wage and Hour Laws – Agricultural Stands Hearing of the Senate Finance Committee February 20, 2020

#### POSITION: OPPOSE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work through litigation and public policy. The PJC **OPPOSES SB 403** and requests an **UNFAVORABLE** report.

**SB 403 will prevent workers from meeting their and their families' basic needs.** The decision to buy local food and produce has grown over recent years. Local farmers markets, for example, have gone from 2,000 markets in 1994 to 8,600 in 2019.<sup>1</sup> This growth has provided job opportunities. A variety of people from different walks of life work at farm stands. Reducing protections for workers in one job requires them to find another job to fill the gap. But one job should be enough, and workers should be paid in full for the work they do. SB 403 will prevent this from happening, decrease worker income, and make it more difficult for workers to meet their and their families' basic needs.

**SB 403 hurts workers by creating an unnecessary exemption.** The current exemptions in the Maryland Wage and Hour Law should not be expanded to accommodate businesses' desire to pay employees less. The Maryland minimum wage rate just increased in January of this year.<sup>2</sup> Understanding that an employer's ability to pay its employees may differ depending on the size of the employer, the Maryland Minimum Wage law outlines a ladder of minimum wage steps from the present until 2026. This ladder already includes consideration of small businesses and their operations. An exemption to further exclude more workers from protections is not needed and will do greater harm than good.

For the foregoing reasons, the PJC **OPPOSES SB 403** and urges an **UNFAVORABLE** report. Should you have any questions, please call Tyra Robinson at 410-625-9409 ext. 223.

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<sup>1</sup> Jodi Helmer, National Public Radio, *Why Are So Many Farmers Markets Failing? Because the Market is Saturated*. <https://www.npr.org/sections/thesalt/2019/03/17/700715793/why-are-so-many-farmers-markets-failing-because-the-market-is-saturated> (Mar. 17, 2019).

<sup>2</sup> Md. Code Lab. & Empl. § 3-413(c)(1) and (2)

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*