



Date: March 2, 2023

Committee: Finance

Bill: Senate Bill 555- Human Services – Fair Wage Act

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose membership consists of owners and managers of more than 207,246 rental housing homes in more than 937 apartment communities. Our members house over 667,000 residents of the State of Maryland throughout the entire State of Maryland. MMHA membership also includes more than 216 associate members that supply goods and services to the multi-housing industry. More information is available at <https://www.mmhaonline.org/>

Senate Bill 555 (SB 555) amends the State minimum wage requirements. At present, the law requires a gradual phase in of the \$15 minimum wage requirement over a period of 8 years. It is structured such that minimum wage would reach \$15 by 2025. The bill proposes to remove the gradual increase, and beginning Oct. 1st, 2023, institute a minimum wage of \$15. Going forward, the Commissioner of Labor and Industry establishes the State minimum wage based on the following formula: either the lesser of (1) the average CPI growth for the preceding 12-month period or (2) 5%, rounded to the nearest 5 cents. The Commissioner shall announce the average CPI growth rate for the preceding 12 months and the new state minimum wage every year beginning March 1st 2025. If there is no growth, or if CPI declines in the preceding 12 months, the minimum wage shall remain the same for the next 12 months.

As a general proposition, MMHA believes that wages should be commensurate with the cost of living. However, minimum wage should be reassessed and reauthorized by the Maryland General Assembly regularly, rather than predetermined by a rigid formula with limited factors. For these reasons, MMHA requests an unfavorable report on SB 555.

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