



Wes Moore | Governor  
Aruna Miller | Lt. Governor  
Kevin A. Anderson | Secretary of Commerce  
Signe Pringle | Deputy Secretary of Commerce

**DATE:** March 2, 2023  
**BILL NO:** Senate Bill 555  
**BILL TITLE:** Fair Wage Act of 2023  
**COMMITTEE:** Senate Finance  
Senate Budget and Taxation  
**POSITION:** Support

The Maryland Department of Commerce (Commerce) supports Senate Bill 555- Fair Wage Act of 2023.

**Background:**

Senate Bill 555 establishes the State’s minimum wage as \$15.00 per hour beginning October 1, 2023, and indexes future minimum wages to inflation each year beginning July 1, 2025 with the exception of certain conditions.

**Rationale:**

In 2019, Maryland became one of the first states to move toward a minimum wage of \$15.00 per hour. While this was an important step toward improving the lives of Marylanders, this bill ensures our citizens are able to earn a fair wage sooner. Data has shown that increasing the minimum wage largely results in increased wages and without loss of employment for those employees.

Increasing Maryland’s minimum wage will support businesses in the State. Maryland is lagging behind the rest of the country in our economic recovery, and a large reason for that is a decrease in workforce participation rates. Providing fair wages will make businesses more competitive in their ability to attract and retain talented employees. Indexing the State’s minimum wage to inflation will assist in keeping Marylanders in the workforce when faced with increasing costs of workforce participation such as childcare and transportation expenses. Additionally, when employees are earning fair wages that meet their financial needs they are happier, more engaged, and more willing to contribute to the success of their employer. Senate Bill 555 will help businesses remain competitive, not just within Maryland but within our region and the nation.

Commerce respectfully requests a favorable report on Senate Bill 555.