



Senate Bill 886

Committee: Finance

Bill: Senate Bill 886 - Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

Date: March 11, 2026

Position: Unfavorable

This testimony is offered on behalf of the members of the Maryland Multi-Housing Association (MMHA) and the Apartment and Office Building Association of Metropolitan Washington (AOBA). The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996, whose members consist of owners and managers of more than 214,000 rental housing homes in over 1015 apartment communities. Our members house over 571,000 residents of the State of Maryland. MMHA also represents over 270 associate member companies who supply goods and services to the multi-housing industry. AOBA is a non-profit trade association representing more than 167,000 apartment units in Montgomery and Prince George’s Counties along with 23 million square feet in commercial office space.

Senate Bill 886 (“SB 886”) establishes that every person, as a central component of an individual's right to liberty and equality, has the fundamental right while engaged in employment in the State to be paid at a wage rate that is at least equal to the State minimum wage rate set by law without regard to tips that the individual receives. Relevant for MMHA, SB 886 establishes a rolling scale and timeline for raising the minimum wage, setting to \$25.00 per hour beginning January 1, 2032, and switching to an automatic inflation-based model with wage increases beginning in 2033.

MMHA and AOBA requests for an unfavorable report to SB 886 for the following reasons:

I. SB 886 will result in rent increases in the State of Maryland.

As housing providers, we employ many entry level positions to provide quality service to our residents. Our entry-level maintenance technicians and leasing professionals are vital to the operations at our apartment communities and complexes. For many of these entry-level professionals, they join our teams in search of a job that requires little experience prior to working for the housing provider. Our dedicated property management teams train these individuals up to their potential; allowing them to grow into their roles and create a career path for themselves should they choose to stay in the industry.

These entry-level professionals are key to a functioning apartment community. If SB 886 were to be enacted, housing providers would have to choose between downsizing their entry level staff or passing the costs back on the residents. In order to maintain services, MMHA and AOBA believes that the majority of our members will be forced **to pass these costs back to the residents in the form of rent increases**. In a time where housing affordability has been a stated priority for State and local officials

alike, the passage of **SB 886 will result in higher rents and lead to continued disinvestment¹ from multi-family housing providers in the Maryland market.**

II. The consumer price index, as defined, ignores economic conditions outside of the suburban Washington counties.

While representative of the entire State minus Prince George's and Montgomery Counties, the Maryland Multi-Housing Association is generally concentrated in the greater Baltimore Metropolitan Region. Moreover, AOBA represents Montgomery County and Prince George's County, which has a minimum wage rate higher than the state.

That is why it stands out to MMHA and AOBA that, beginning in January 1st, 2033 under SB 886, the State minimum wage rate shall be increased by the amount that equals the product of "THE AVERAGE PERCENTAGE GROWTH IN THE CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD" under the consumer price index for the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Area. Essentially, the rate of increase for the State minimum wage will be based on the CPI in the greater Washington region. **In effect, SB 886 will compel Baltimore area businesses to be impacted by the CPI for the Greater Washington area, ignoring our own local Baltimore-Columbia-Towson, MD CPI.** With all due respect to the Washington suburban counties, D.C., and Northern Virginia, their economic conditions should not have such an inequitable and outsized impact that determines policy for the rest of the State of Maryland.

For these reasons, MMHA and AOBA would request an unfavorable report on SB 886.

Please contact Matthew Pipkin, Jr. at (443) 995-4342 or mpipkin@mmhaonline.org with any questions.
Please contact Brian Anleu at banleu@aoba-metro.org with any questions or concerns.

¹Picciotto, R. (2024, December 23). *Wall Street landlords loved these D.C. suburbs. Rent control ended that. The Wall Street Journal*. Retrieved from <https://www.wsj.com/real-estate/wall-street-landlords-loved-these-d-c-suburbs-rent-control-ended-that-a8f166cb>