



House Bill 1416

Labor and Employment – Payment of Minimum Wage Required (Fight for Fifteen)

MACo Position: **OPPOSE**

To: Economic Matters Committee

Date: March 7, 2017

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 1416. This bill phases in a state minimum wage of \$11.00 per hour by 2020 and \$15.00 per hour by 2023. Counties are concerned this legislation will have significant fiscal and operational impacts on local governments.

Counties employ thousands of Maryland residents, including full-time, part-time, seasonal, and grant-funded employees. Full-time and grant-funded employees are generally paid on a salary basis. However, part-time and seasonal employees may be paid on an hourly basis. According to the bill's fiscal note, raising the minimum wage in such a drastic fashion will cost local governments millions of dollars per year.

As a rule, MACo resists state policies that result in costly or burdensome local implementation. HB 1416 would place a significant fiscal burden on county governments. Under state law, counties have no choice but to fund these costs – competing for limited local funds against education, public safety, roadway maintenance, and other essential public services.

Many part-time and seasonal employees work in community services, such as after-school activities, summer camps, and community services for vulnerable populations.

Accommodating this legislation could result in significant cuts to those programs.

This bill would place a costly mandate on local governments to carry out a new state policy. Additionally, implementing this legislation could reduce services provided to residents in need. For these reasons, MACo **OPPOSES** HB 1416 and recommends the Committee issue an **UNFAVORABLE** report.