



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE ECONOMIC MATTERS COMMITTEE

HOUSE BILL 4— MARYLAND WAGE AND HOUR LAW – STATE MINIMUM WAGE RATE - INCREASE

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

POSITION: Oppose

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 60-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability. It is an organization that prides itself on advocating for changes in public policies that strengthen the business climate while improving the quality of life.

The Greater Baltimore Committee opposes House Bill 4 – Maryland Wage and Hour Law – State Minimum Wage Rate – Increase.

During the 2014 legislative session, the Maryland General Assembly passed House Bill 295, legislation that increased the state's minimum wage from the existing rate of \$7.25 an hour to \$10.10 an hour over a number of years.

The Greater Baltimore Committee favored a nationwide approach to increasing the minimum wage so as to eliminate the possibility that a Maryland business might relocate to a neighboring state if Maryland raised the minimum wage and neighboring states did not. Understanding that there was little hope of Congress acting on such a proposal, the GBC believed that if the minimum wage were to be increased, the most responsible way to do it was gradually, over the course of a number of years, as was written and eventually enacted through House Bill 295.

There are many reasons for supporting a gradual approach, chief among them providing the opportunity for businesses to plan for the increase, budget appropriately and take necessary actions to ensure they were able to grow and succeed in the future. Additionally, a gradual approach takes away some uncertainty – if a business already knows that the minimum wage is going to increase over a number of years, they can generally rest assured that further major changes are not forthcoming.

Originally, last year's legislation increased the minimum wage to \$10.10 an hour by 2016 and was subsequently amended by the legislature to push full implementation out to 2018. House Bill 4 seeks to increase the minimum wage to \$10.10 per hour immediately. As currently proposed, this increase would affect the state as a whole, but it has recently come to our attention that there is some ongoing discussion about the possibility of having this provision pertain only to Baltimore City. The Greater Baltimore Committee opposes the legislation and specifically any effort to limit the legislation to Baltimore City only.

House Bill 4, if applied strictly to Baltimore City, would put the city at a competitive disadvantage. A business may overlook Baltimore City should neighboring jurisdictions boast a lower cost of doing business. In the GBC's report, "Gaining a Competitive Edge," having competitive costs of doing business was identified by business leaders as one of the eight core pillars for economic growth and job creation. This legislation, if revised to only apply to Baltimore City, would damage Baltimore's ability to compete for business with its neighboring counties.

The importance of Baltimore City as an economic engine for the state has been widely discussed and agreed upon over the past several months. But in order for the city to be the economic engine everyone wants and hopes it to be, it would be ill-advised to enact legislation that damages Baltimore's ability to compete.

For the reasons stated above, the Greater Baltimore Committee urges an unfavorable report of House Bill 4.

GREATER BALTIMORE COMMITTEE

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