

# Montgomery County Council Votes for \$15 Minimum Wage

By Jessica Summers

**SUMMARY:** The Montgomery County Council has passed a bill that would increase the minimum wage in the County over the next few years and ultimately raise the minimum wage to \$15 per hour for all businesses by 2022. It remains unclear, however, whether the County Executive will sign the bill into law. At this time, there is nothing for Montgomery County employers to do but wait and see.

On January 17, 2017, the Montgomery County Council passed Bill 12-16 by a vote of 5 to 4. The exclusive purpose of the Bill is to phase-in an increase in the County minimum wage to ultimately bring it to \$15 per hour.

In its current form, the Bill creates the following two phase-in schedules – one for employers with more than 25 employees and one for employers with 25 or fewer employees:

	Min Wage For Employers with Over 25 Employees	Min Wage for Employers with 25 or Fewer Employees
July 1, 2018	\$12.50	\$12.00
July 1, 2019	\$13.75	\$12.75
July 1, 2020	\$15.00	\$13.50
July 1, 2021	\$15.00	\$14.25
July 1, 2022	\$15.00	\$15.00

The Bill also builds in a mechanism for automatically increasing the minimum wage thereafter by requiring the Chief Administrative Officer to adjust the minimum wage every July 1 by the annual average increase, if any, of the Consumer Price Index for Urban Wage Earners and Clerical Workers.

It is yet unclear whether the County Executive, Isiah Leggett, will sign the Bill into law. Before the Council amended the Bill by adding the separate phase-in schedule for small businesses, Mr. Leggett expressed concerns that such a significant increase would make it more difficult for the County to attract business. Thereafter a County spokesperson indicated that Mr. Leggett favored delaying the increase for all businesses until 2022.

If Mr. Leggett decides to veto the Bill, the County Council could override the veto with six votes. However, that will require the proponents of the Bill to convince one of the members who voted against the Bill on Tuesday to vote for it on an override vote.

At least one of the Council members who voted against the Bill has urged that the Council should wait to increase the minimum wage until Maryland has completed an economic impact study to consider the effect that such a change would have on the County. Other members of the Council have echoed Mr. Leggett's concerns noting that, while they might favor a minimum wage increase in theory, raising the minimum wage would be bad for the County, particularly in light of the fact that it would make the County's minimum wage notably higher than the minimum wages in other Maryland counties and in Northern

Virginia.

While employers should be aware of this new development, at this time, there is no need to take action until it is clear whether the Bill will become law.



Minimum wage increase supporters outside a Montgomery County office building.

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