February 19, 2019

The Honorable Delores G. Kelley
Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

RE: SB 0794 – Labor and Employment - Heightened Security Interest Locations (Secure Maryland Wage Act) – **Oppose**

Dear Senator Kelley:

This bill would create a separate minimum wage for non-exempt employees who are employed by BWI Airport, Penn Station, and the Port of Baltimore.

That wage will be not less than the combined amount of wage and fringe benefits rate in effect on 9/1 of the previous year for the Guard 1 classification for the applicable county established under the McNamara-O'Hara Service Contract Act of 1965. In Anne Arundel and Baltimore City, that rate is currently $12.97 (not including amount for benefits, which could add $4 or more to the hourly rate).

Aside from the issue of applying a union wage-rate to private sector non-unionized employers, a strong argument can be made that having multiple minimum wage rates across the state is bad for business. It can also be argued that artificial, mandated high minimum wage rates can result in several unintended consequences for low-wage workers. Employers expect more when paying more; as a result, less experienced workers will find it more difficult to find employment. In addition, current employees in these jobs/sectors may experience fewer hours, thereby negating at least some of the impact of the higher hourly rate. These effects were realized in Seattle, Washington after the city imposed a higher rate on employers at SeaTac Int'l airport.

The Carroll County Chamber of Commerce, a business advocacy organization of over 600 members, opposes this requirement. We therefore request that you give this bill an unfavorable report.

Sincerely,

Mike McMullin

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Senator Justin Ready
       Delegate Haven Shoemaker