

Press Release - Office of the Governor

Governor O'Malley and Secretary Perez Announce Plans for Living Wage Implementation

Maryland's living wage law, the first of its kind nationwide, takes effect October 1st

ANNAPOLIS, MD (August 31, 2007) – Governor Martin O'Malley, Lt. Governor Anthony Brown and Department of Labor, Licensing and Regulation Secretary Thomas E. Perez today joined labor leaders and workers in Annapolis to announce, in honor of Labor Day, the implementation plan for the statewide living wage law, which takes effect October 1.

"The American dream promises that if you work hard and play by the rules, you will have the means to take care of your family," said Governor O'Malley. "The living wage is not about making people rich. It's about doing what's fair and what's right on behalf of all Marylanders."

Maryland's statewide living wage law is the first of its kind in the nation. With the support of Governor O'Malley, the General Assembly passed the law in April. Beginning on October 1, 2007, companies that are awarded contracts to perform services on behalf of the state will be required to pay employees a living wage, or a wage that is considered sufficient to cover life's basic expenses.

"As we prepare to celebrate Labor Day, we can once again celebrate a government that is eschewing the politics of division to stand up and unite as One Maryland for our working men and women," said Lt. Governor Brown. "The philosophy that an honest day's work deserves an honest day's pay is now the reality in our state."

Nearly 100,000 Marylanders worked but lived below the poverty line in 2006, according to U.S. Census figures. The living wage aims to eliminate the unjust concept of "working poor."

Companies that have service contracts with the state valued at more than \$100,000 will be required to pay workers the living wage, which is set at \$11.30 in Baltimore City and Montgomery, Prince George's, Anne Arundel, Howard and Baltimore Counties, and \$8.50 in the remaining jurisdictions.

"Maryland is a wealthy state, with the highest median income in the nation, and it is our duty to make sure that those who do work on behalf of Marylanders are treated fairly," said Secretary Perez. "The Department of Labor, Licensing and Regulation is committed to ensuring that companies abide by this law. Our initial goal will be to ensure compliance through education."

The law's regulations are complete and will be published in the next edition of the Maryland Register. There will be a concerted effort by the department to educate other agencies and vendors about the new law and its enforcement.

The Department of Labor, Licensing and Regulation will collect payroll records from contractors and subcontractors that are subject to the living wage law. The records will be audited to ensure compliance. Covered employers will be required to post information regarding the living wage, and enforcement will also be complaint driven.

If there is a violation of the living wage law, the Commissioner of Labor and Industry can order restitution to each affected worker and damages. Employees also have the right to sue to recover wages.

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