

Maryland Democrat vetoes \$15 county-wide minimum wage bill

Nick Barrickman
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On Monday, Montgomery County Executive Isiah “Ike” Leggett announced his plans to veto legislation recently passed by the county’s legislative chamber, which would raise the minimum wage to \$15 by 2020. Bill 12-16 passed the Legislative Council of the county located in the Maryland suburbs of Washington, DC in a 5-4 vote last week, despite opposition from local businesses.

If enacted, 12-16 would have required businesses employing more than 26 workers to gradually raise the county’s current minimum wage of \$10.75 to \$15 by 2020, with businesses employing less than 25 people having an additional two years to raise the hourly pay.

Leggett, a Democrat, cited fears that the bill would place Montgomery County at a “competitive disadvantage ... compared to our neighboring jurisdictions” while calling for further study on the impact that raising the minimum wage would have on “private employers’ bottom line as well as the impact on county government.” In addition, Leggett demanded that the minimum wage bill should contain complete exemptions for minors and small businesses, while allowing larger companies until 2022 to implement the changes.

Marc Elrich (D-At Large), who sponsored the bill, defended the legislation by noting that previous studies into the expected impact that a wage raise would have in the county had been inconclusive. “You can’t do an examination of what’s going to happen in the private sector. ... You can study what has happened, but you can’t tell what will happen going forward,” he stated. The bill was also supported by the MD/DC Fight for \$15 Coalition, which included the Service Employees International Union and the Metro Washington Central Labor Council.

Council members who had opposed the bill based

their “no” votes on claims that the legislation would drive away business. “The last time we took this up, we at least had Prince George’s County with us,” stated Nancy Floreen (also a Democrat), adding that enacting such legislation at the state level would be preferable.

Of cities within the region, currently only the District of Columbia has passed a \$15 minimum wage bill. It provides for a rise from the present hourly rate of \$10.50 to \$15 by 2020. In Maryland, the statewide minimum wage is currently \$8.75 an hour while in Virginia it is still \$7.25, the federal minimum.

Montgomery County is the most populous jurisdiction in the state of Maryland, with a population of over 1,030,000 people. In 2011, *Forbes* rated the county as the tenth wealthiest county in the United States, while US Census data has recorded the county’s yearly median household income at over \$97,000. Among the major firms based in the county are military contractor Lockheed Martin, Marriott International and Ritz-Carlton. The county is also home to the National Institute of Health (NIH) and the Walter Reed Army Institute of Research.

The \$15 minimum wage campaign that is being driven by the trade unions and so called progressive Democrats throughout the US is a sham. Democrats are seeking to don a veneer of concern for the plight of working people who are increasingly being driven into destitution with the spread of jobs paying poverty wages. The small proposed rise in the minimum wage, filled with exemptions and loopholes, will offer little improvement in the lives of workers given the high cost of living in heavily-populated metropolitan regions. As a statement released by the MD/DC Fight for \$15 Coalition in response to the veto declared, “businesses will almost assuredly continue to thrive” in Montgomery County had the law passed.

The bill itself would not have brought working families' household income anywhere near the estimated \$79,000 yearly household requirement to maintain "modest" living standards in the county. According to the county's Department of Health and Human Services, 7 percent of the population lives below the federal poverty line, with another 18.3 percent living within 200 percent of the poverty line.

Of households living in poverty, 57 percent are headed by a single mother. According to the Brookings Institution, between 2007 and 2010 the number of county residents living below the federal poverty line grew by two-thirds. Before the year 2000, no neighborhoods in Montgomery County contained poverty rates higher than 18 percent. As of 2014, 12 neighborhoods had such poverty rates, according to US Census data.



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