

Insights, News & Events

TO \$20 AND BEYOND: PORTLAND MAINE'S MINIMUM WAGE COULD SEE MAJOR INCREASES THIS ELECTION DAY

Insights
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The Portland, Maine, City Council voted on Monday to send a citizen initiative seeking increases in the city's minimum wage to voters for a decision in the upcoming November election. This now marks the third time since the pandemic that voters have been asked to weigh in on the city's minimum wage policies. In 2021, Portland voters passed a resolution increasing the minimum wage to \$15 per hour, with all subsequent increases after 2024 tied to the Consumer Price Index. A subsequent citizen initiative to further raise the minimum wage failed in 2022. The current resolution facing voters calls for gradually raising the city's minimum wage from the current \$15.50 an hour to \$20 an hour by the year 2029, with specific, phased yearly increases.

Key Details of the Minimum Wage Resolution

- **Initial Increase and Timeline:** If passed by voters, the minimum wage would, on its earliest effective date, rise to \$16.50 per hour. The minimum would then rise to \$17 an hour on January 1, 2026, then to \$18 in 2027, \$19 in 2028, and finally reach \$20 in 2029.
- **Future Increases:** The proposal intends to keep increasing the minimum wage annually following 2029 by the percent change in the Consumer Price Index.
- **Tipped Workers:** The proposal does not include an additional increase for tipped workers, who are currently guaranteed a direct wage of \$7.75 per hour (as of January 1, 2025), with employers required to make up the

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difference if total compensation with tips does not meet the city minimum.

The 5-4 split vote by the council to advance the citizen initiative reflects strong divisions within the community on this and similar proposals.

- Supporters argue that the increase is necessary to keep up with the cost of living in Portland.
- Business owners, meanwhile, have expressed concerns about potential layoffs, higher costs, and the risk of businesses relocating outside city limits (since Maine's minimum current minimum wage outside Portland stands at \$14.65 per hour). Many also raise concerns about the property tax implications of the increase, as it would stand to significantly increase the city's own payroll expenditures.

In allowing the initiative to proceed, the Council rejected a proposed amendment that would exempt employers with 50 or fewer employees from the initiative's requirements.

What This Means for Employers

Portland employers should be watching this initiative closely. If approved, it would push wages in the city well beyond the statewide floor and add significant labor costs in a short timeframe. Businesses operating in Portland should begin modeling potential impacts now, including payroll adjustments, pricing strategies, and workforce planning.

Conclusion

We will continue to monitor the status of this measure and share updates as developments unfold. Make sure you are subscribed to [Fisher Phillips' Insights](#) to gather the most up-to-date information. If you have questions, please contact your Fisher Phillips attorney, the author of this Insight, or any attorney in [our Portland, Maine, office](#).