

**Written Testimony of Sandip Patel**  
**Re: Opposition to Senate Bill 486**

Mr. Chairman and Members of the Finance Committee,

Thank you for giving me the opportunity to share my comments regarding Senate Bill 486. My name is Sandip Patel, and I own and operate *La Quinta Inn Waldorf, Maryland* and Holiday Inn Express in La Plata and support 45 employees in *Waldorf* for the past 27 Years.

I also serve as a Board Member for the Asian American Hotel Owners Association (AAHOA), the nation's largest hotel owners association. AAHOA has nearly 20,000 members nationwide, over 200 in Maryland and 60 represented by Members of this Committee.

My business is facing historic economic challenges due to the COVID-19 pandemic. So far, the impact of the pandemic on the travel industry has been nine times that of 9/11.<sup>1</sup> The latest report from the Maryland Lodging Monitor states that room revenue is down a troubling 60 percent in our great state.<sup>2</sup> *Me, my family, and my employees have personally felt the negative impacts of the pandemic. For example, hotel occupancy has declined to less than 35% compared to the last five years of 65%-70% and reduced hotel revenue in excess of \$450,000.00 each hotel.* With such a huge loss in demand, it is a daily struggle to keep my business's doors open and my employees on the payroll.

Senate Bill 486 has very troubling unintended economic consequences on small family-owned businesses and the hard-working employees they support. Hotels like mine already operate on extremely small margins. But we proudly pay their fair share in state and local taxes to support Maryland's economy. To be able to afford this proposed retroactive pay measure, I will likely have to delay hiring new employees, reduce the size of my workforce, or close even our doors permanently. *Furthermore, I estimate that Senate Bill 486 would cost my business \$66,300.00 in additional Payroll cost.*

I deeply value the extraordinary work that my employees do every day, and I am proud of their efforts throughout this pandemic. My family and I are doing everything we can to keep our hotels open so that we can continue to help our employees support their families. For these reasons, I oppose Senate Bill 486 because I am concerned about the unintended economic consequences on small business owners, their employees, and their families. I look forward to working with the Committee on solutions. Thank you very much for your time and consideration.

Regards;

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<sup>1</sup> "AHLA State of the Industry Report." American Hotel and Lodging Association. <https://www.ahla.com/sites/default/files/2021%20State%20of%20the%20Hotel%20Industry.pdf>

<sup>2</sup> "Maryland Lodging Monitor: STR data through June 2020." Maryland Office of Tourism Development. <http://industry.visitmaryland.org/wp-content/uploads/2020/07/MDLodging-O62020-Year-to-date-percent.pdf>