



Senate Bill 486

Labor and Employment - Employment Standards During an Emergency (Maryland Essential Workers' Protection Act)

February 11, 2021

Position: Oppose

Madame Chair and Members of the Finance Committee:

The Restaurant Association of Maryland opposes Senate Bill 486 if it is intended to apply to restaurants and similar foodservice employers.

According to the bill language, this legislation applies only to the essential employers in the specified industries and sectors, and it appears to closely follow the critical infrastructure sectors of the federal Cybersecurity and Infrastructure Security Agency (CISA). Restaurants are included as part of the CISA Food and Agriculture sector, and this sector is included in the bill. However, restaurants are not mentioned in the list of specific industries in this bill.

If restaurants are intended to be included, we would oppose this legislation because of the additional burden it would place on the struggling restaurant industry as we try to recover from the catastrophic impact of the COVID pandemic.

Subjecting restaurant employers to the additional financial burdens proposed in this legislation could drive many out of business, or force them to close their businesses during declared emergencies.

The costs of hazard pay and other proposed benefits would be difficult for restaurant employers to absorb, given our industry's narrow profit margin and customer aversion to price increases. These additional burdens would be on top of higher labor costs associated with Maryland's sick/safe leave law and annual minimum wage increases phased in through 2026.

If this bill were to pass and apply to restaurants now, during the current COVID emergency, most restaurants would not be able to afford compliance because of the government-imposed operating restrictions that have significantly reduced revenue and have put many on the brink of permanent closure.

For these reasons, we oppose this legislation as currently drafted.

Sincerely,

A handwritten signature in black ink that reads "Melvin R. Thompson".

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy