

**MHLA**  
Maryland Hotel  
Lodging Association

**SB275 – Oppose**  
**Family and Medical Leave Insurance Program – Establishment**  
**Senate Finance Committee**  
**February 10, 2022**

Chair Kelley, Vice-Chair Feldman and Honorable Members of the Committee:

As the sole statewide trade association dedicated to advocacy for Maryland’s lodging industry, with more than 700 hotels totaling 75,000+ rooms, we urge an unfavorable report on Senate Bill 275.

SB 275 would seek to establish a Family & Medical Leave Insurance Program which would be funded by a payroll tax applied to both the employee and employer.

While the establishment of such a fund is well intended, we are concerned by the cost and administrative burden it would place on employers at a volatile time for hotels struggling to recover from COVID-19. While leisure travel will likely return fully in 2022, business travel is projected to remain significantly below pre-pandemic levels. The severity of the short-term effects of Omicron on the hotel industry are still unclear. Moreover, future variants will create volatility in both the return of leisure and business travel, and tens of billions of dollars connected to meetings and events spending.

Hotels will continue to struggle with staffing shortages, reducing their ability to maximize revenue from potential travelers. Inflationary pressure means that though a nominal recovery may occur earlier, true adjusted recovery for the industry will take until 2025, according to STR and Tourism Economics.

This legislation presents an additional layer of trepidation for hotels in recovery since it would create *additional* staffing shortages, where the only solution would be to overwork remaining employees at an exorbitant overtime expense. We fear the very real unintended consequences of negative/low employee morale and challenges with employee retention as our already “thin” staffs would be required to cover shifts for those on leave.

For the reasons expressed in this letter, we oppose SB 275 and request an unfavorable report.

Respectfully submitted,

Amy Rohrer, CAE  
President & CEO