



# IFA<sup>®</sup>

INTERNATIONAL FRANCHISE ASSOCIATION

March 6, 2024

Maryland House Economic Matters Committee

RE: Oppose HB 1226

Dear Chairman Wilson, Vice Chair Crosby & Members of the Committee:

On behalf of the International Franchise Association (IFA), representing thousands of franchise establishments and hundreds of thousands of jobs in Maryland, **I write to express our strong opposition to HB 1226, a proposed predictive scheduling law. The proposal unfairly and baselessly targets franchise business owners as compared to similarly situated non-franchised businesses. Moreover, why burden franchise business owners, especially small franchise owners, with more government mandates as they continue to deal with the same challenges as non-franchised and larger businesses related to high inflation and interest rates, supply chain struggles, and labor shortages?**

The IFA respectfully requests all businesses, whether large or small, be treated equally. Unfortunately, as currently written, HB 1226 treats franchise businesses differently by limiting its application to only those businesses in a specific sector of the franchise industry, while not applying to similarly situated non-franchised businesses. Why does HB 1226 require a locally owned franchise to schedule its employees differently than the non-franchised business next door? Both businesses are competing for the same workers and same consumers and may in fact be providing similar products. However, one is burdened with an inflexible government mandate, while the other is not.

Franchises are in fact locally owned and operated small businesses allowing hundreds of thousands of Americans to participate in the American dream. **Under the franchise model, it is the local franchisees who own the stores, not the corporate entities. These franchisees make the same day-to-day business decisions as their non-franchised neighbors, including employee scheduling. HB 1226 offers no premise to require locally owned franchise businesses to schedule their employees under a government mandate, while other similarly situated businesses do not. In Maryland, there are nearly 15,260 franchise establishments, providing over 162,000 jobs, and the franchise sector is projected to generate over \$17 billion in economic activity in 2024. In fact, a recent economic study conducted by IFA lists Maryland as a top ten state for franchising growth this year. HB 1226 would only hinder this growth.**

The IFA respectfully requests you not pick winners and losers among Maryland businesses, especially as we see the promise of economic growth on the horizon. One of the goals of any new policy should be to ensure a level playing field for all local business owners and not put some at an advantage at the expense of others.

On behalf of the franchising industry in the state of Maryland, IFA requests you oppose HB 1226.

Respectfully,

A handwritten signature in black ink, appearing to read 'Matthew W. Kagel', with a long horizontal line extending to the right.

Matthew W. Kagel  
Director, State & Local Government Relations  
International Franchise Association