



House Bill 205

Unemployment Insurance Modernization Act of 2024

February 14, 2024

POSITION: Oppose

Mr. Chairman and Members of the Economic Matters Committee:

The *Restaurant Association of Maryland* opposes House Bill 205, which would make significant unemployment insurance policy changes.

Among other things in this comprehensive bill, our members are concerned that the proposed changes to determine the weekly and maximum benefits will increase unemployment insurance payouts overall, which would result in higher unemployment insurance taxes for employers to replenish the trust fund. We are also concerned that the proposed changes to the taxable wage base will increase unemployment insurance taxes for employers.

The restaurant industry continues to struggle with operating challenges due to higher food and labor costs, and inflation in general. Most of our businesses have not yet returned to pre-pandemic profitability. Our members strongly object to legislative proposals that would increase taxes or fees on businesses, especially on the heels of the labor cost increases associated with accelerating Maryland's \$15 minimum wage.

For these reasons, we oppose this legislation and request an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Melvin R. Thompson". The signature is written in a cursive style and is followed by a long horizontal line.

Melvin R. Thompson
Senior Vice President