

**MHLA**  
Maryland Hotel  
Lodging Association

**Testimony on behalf of the Maryland Hotel Lodging Association**

In Opposition to  
SB 160 – Labor and Employment - Payment of Minimum Wage - Tipped Employees  
February 1, 2024  
Senate Finance Committee

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland’s 750+ hotels. Altogether our industry provides the state with \$1 billion in state and local taxes, \$5 billion in total wages and salaries, and \$9 billion in total gross domestic product.

Senate Bill 160 would incrementally reduce the tip credit for tipped employees beginning January 1, 2025, before prohibiting the tip credit entirely beginning July 1, 2027, and instead require an employer to directly pay an employee at least the State minimum wage.

Certain hotel employees, such as banquet servers, waitstaff, bartenders, doormen and bellman, may benefit from the existing tip credit. While they are guaranteed to make at least minimum wage, most employees in a tipped position typically bring home significantly more. If this legislation passes, by July 1, 2027, all tipped employees will have to be paid minimum wage, and we believe the era of tips will disappear—making it more difficult to find adequate staff and much more difficult to make a career out of a tipped position, which many individuals do today.

The existing tip credit is of benefit both to employees and employers, as well as the guests who benefit from excellent customer service provided by tipped employees, because the better the service, the larger potential tip.

For these reasons, the Maryland Hotel Lodging Association respectfully requests an Unfavorable Report on SB 160.