



HOTEL • MOTEL • RESTAURANT • ASSOCIATION • INC.

TESTIMONY OFFERED ON BEHALF OF THE OCEAN CITY HOTEL-MOTEL-RESTAURANT ASSOCIATION

**IN OPPOSITION OF HB581 - LABOR AND EMPLOYMENT - EMPLOYMENT STANDARDS DURING AN EMERGENCY (MARYLAND ESSENTIAL WORKERS' PROTECTION ACT)**

Before the Economic Matters Committee February 5, 2021

Dear Chairman & Committee Members,

On behalf of the Ocean City hospitality industry and our 400+ members, I urge you to oppose House Bill 581. Now is not the time to implement new, costly, and complex employer mandates. If passed, this bill would create several damaging and onerous requirements for Maryland job creators. This act includes a \$3 per hour increase for hourly employees deemed “essential,” is retroactive to March 2020 and applies until the pandemic is no longer a state of emergency. To put that in perspective, for a small hospitality business of 10 hourly employees, the back pay can amount in up to \$100,000 *just in the back pay alone*. Additionally, while many businesses received the PPP loans to keep employees on payroll, this was limited to 2.5 months of payroll and at existing levels, not payroll plus a proposed \$3/per hour hazard pay. The financial devastation of this act would shutter many businesses, cause them to furlough employees or delay opening until the state of emergency is lifted. These are the same small businesses who pay state and local taxes and are the backbone of many communities.

As written, this act includes definitions of emergency, essential employer and essential employee that are extremely broad and overly ambiguous. The definitions go well beyond the scope of the public health emergency we are currently navigating. Nearly every type of employer in Maryland is included in the scope of the language, regardless of risk-profile; included in the language are *76 categories* of essential employers.

Hospitality provides entry level jobs for those with little skill. We are struggling with a global pandemic and compounding financial implications of other state mandates such as the recently increased minimum wage and paid sick and safe leave. The hospitality industry has been one of the hardest hit industries and the ramifications of this bill would be financially devastating to many Ocean City businesses.

This bill affects more than Ocean City hospitality; tourism is vital to Maryland’s economy! In a typical year, tourism supports 226,000 direct and indirect jobs, making it the 11<sup>th</sup> largest industry in the state. Visitors to MD spend nearly \$18.6 billion in MD each year and those same visitors generate close to \$2.6 billion in state and local taxes. Without tourism in the state of MD, each household would pay \$1,175 more in local taxes.

We respectfully request you oppose this dangerous legislation.

Sincerely,

Susan L. Jones, Executive Director