



## WMDA/CAR Service Station and Automotive Repair Association

February 28, 2023

Chairperson: Melony Griffith  
Members of Senate Finance Committee

RE:SB 555 Fair Wage Act of 2023  
Position: Unfavorable

This bill will hurt small businesses and especially our 24/7 convenience stores. It is not just \$15.00, as they say, "a rising tide floats all boats". This bill will raise payroll across the board to all workers.

CPI adds another layer of uncertainty to businesses, can go up but never come down under dropping cost. Should this bill pass, CPI should be amended out or at the very least a lower percentage.

As labor costs go up, the price at retail goes up, adding to inflation.

We see more self-check out at stores now, trend started with major grocery and box stores and has filtered down to major convenience stores. A.I is becoming cheaper and run away labor costs make it look cheaper yet.

A small business with seven full time and seven part time workers that is open 24/7 would see an increase in payroll of \$10,344 in the last 3 months of 2023. In 2024 they would see an increased payroll of \$32,614.40. Add 20% for taxes, workman comp and unemployment.

A medium size convenience store open 24/7 running 3 shifts at a modest 4 employees on 2 shifts and 2 employees on late shift would cost owner \$560 a week at a \$1.00 increase in wages or \$29,120 in 2024 if this bill were to pass as is. \$11,760 in the last 3 months of 2023 at a \$1.75 increase for 3 months. Add 20% to the total.

Should this bill pass, CPI should be adjusted or eliminated, and the bill should not take effect until January 1, 2024. The cumulative effect of labor bills is smothering small business and this bill decides small business is the same as big business, and that is wrong.

Please give SB555 an unfavorable Report

WMDA/CAR is a trade association that has represented service stations, convenience stores and repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or [kmccauley@wmda.net](mailto:kmccauley@wmda.net)