

March 1, 2023

The Honorable Melony Griffith
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Re: SB555 – Fair Wage Act of 2023

Dear Chairwoman Griffith and Chairman Guzzone:

The Allegany County Chamber of Commerce respectfully requests the Economic Matters Committee give an **Unfavorable Report** to **SB555 – Fair Wage Act of 2023**.

In 2019, Western Maryland fought against the increase in minimum wage based on our tremendous variations in cost of living as compared to the I-95 corridor. While we continued to push back against increases beyond the federal minimum wage, our businesses have planned and strategized to make the \$15 per hour threshold work in the timeframe that was agreed upon – 2025. We could not have imagined that following the passing of this bill our country would be crippled by the crisis of 2020 and that going into 2023, our employers would continue struggling to find a workforce. Many of our members have indicated that in an effort to find reliable and suitable workers, they have increased their wages over the last year or more, already putting into effect an accelerated wage. Sadly, this has not worked to create a strong workforce and challenges continue.

Our Chamber of Commerce represents over 200 small businesses (categorized as such with 10 or fewer employees) in Allegany County. Our area has been pushed to the limit already by an economy that continues to squeeze our cost of living – increased food costs, utilities, and childcare – this increase, put into effect in October 2023 will no doubt push our small businesses to again increase prices for goods and services, not only in response to the increases from their own suppliers, but simply to meet the state minimum wage and pay the few employees they can keep employed.

The Allegany County Chamber of Commerce supports workforce development and education, giving our citizens the skills they need to be successful. Increased skills improve self-esteem, productivity and value. A skilled workforce improves business retention and attraction resulting in increased demand, growth and a rise in wages. The Allegany Chamber does **not** support an artificial inflation of wages through government mandates.

An additional area of concern in passing this legislation is tying future increases to the CPI for the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan area. This is setting a perilous guide for Western Maryland and other rural areas in the state. We ask that some consideration be given to how different our regional CPI is in comparison to that outlined in the bill. At least in this area, there is a serious danger in losing businesses to West Virginia and Pennsylvania, which are just minutes away.

In a time when we have seen major entrepreneurial investments in Western Maryland, now is not the time to change the business climate and create such an adverse environment. This bill would have that effect. Therefore, the Allegany County Chamber of Commerce **opposes** Senate Bill 555.

Thank you for your consideration.

Sincerely,



Jeremy G. Irons
Legislative Committee Chair



Juli R. McCoy
Executive Director

cc: Honorable Katherine Klausmeier, Vice Chair, Finance Committee
Honorable Jim Rosapepe, Vice Chair, Budget and Taxation
Senate Finance Committee Members
Senate Budget and Taxation Committee Members
Allegany County Delegation