



House Bill 148

Consumer Protection and Labor and Employment – Surveillance-Based Price and Wage Setting – Prohibition

February 10, 2026

POSITION: Oppose

Madame Chair and Members of the Economic Matters Committee:

The Restaurant Association of Maryland opposes House Bill 148.

We are concerned that the scope and broad language of this legislation could impact longstanding, consumer-friendly restaurant practices, such as rewards programs and apps, resulting in fewer savings for customers.

Restaurants that have rewards programs or use apps commonly rely on consumer data to provide discounts and incentives, not to charge individual customers higher prices. For example, a restaurant may use automated decision systems to offer a free drink or item to re-engage a customer who has not patronized the restaurant for some time. These types of data-driven marketing practices benefit both businesses and consumers.

The wage-setting section raises additional concerns regarding clarity and scope. While the bill includes exceptions, the definition of “surveillance-based wage setting” in conjunction with “automated decision system” could create uncertainty around permissible uses of tools employers rely on to determine raises and salaries.

For example, some employers use automated decision systems that analyze prospective employees’ relevant experience and compare it to market wages for comparable positions in the same region to recommend a salary offer for a specific candidate. However, the employer ultimately makes the final determination on the offer, with the system’s analysis serving as one factor in the decision-making process. It is not clear where the line is drawn between allowable hiring practices and the individualized wage-setting conduct the bill seeks to prohibit, creating uncertainty for employers.

As drafted, HB 148 would likely force many restaurants to abandon or significantly modify their rewards programs, particularly given the significant penalties under the Maryland Consumer Protection Act. Businesses may be unwilling to risk even inadvertent noncompliance with a law that is so broad and unclear in scope.

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Ultimately, the bill attempts to address a problem that does not meaningfully exist in the restaurant industry, while creating unintended consequences that would reduce consumer savings and limit the use of tools some restaurants rely on to market their business and attract and fairly compensate qualified employees.

For these reasons, we respectfully request an unfavorable report.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin R. Thompson", followed by a long, sweeping horizontal line that extends to the right.

Melvin R. Thompson
Senior Vice President