



## WMDA/CAR Service Station and Automotive Repair Association

Chair: Pamela Beidle and members of Senate Finance

RE: SB886 Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

Position: Unfavorable

My name is Kirk McCauley, my employer is WMDA/CAR, we represent service stations, convenience stores, and repair facilities across the state as a non-profit trade group established in 1937.

SB886 put on ballot as a Constitutional Amendment would mean this legislative body is not doing their sworn job. If someone asked you if you want to make more money and do nothing more than you are doing now, I do not think you would turn that offer down. This does not belong on the November Ballot as a Constitutional Amendment. This is the definition of an anti-small business bill, although it will affect all business as "Rising Tide Floats all Boats" or in formal terms "Wage Compression." A true business Killer.

Consumers, workers, small businesses, and the State of Maryland would be the ultimate losers.

- Some residents will become unemployable, those that do not speak English but learning on the job, entry level jobs that teach and prep for the next step up.
- These jobs would disappear because of businesses closing or changing over to A.I based businesses. A.I. has the ability now to do most jobs and consumers will choose to shop at these locations, seeking prices, without employees. We only must look at the big box discount retailer to see the model.
- Prices of consumer goods, fast food, sit-down dining costs would skyrocket for surviving business location. Maryland is not an island, and the roads to DE and VA will fill with shoppers looking for better prices or shopping for a better place to live. This is happening now and would only increase as all consumer goods increase in price.
- The state of Maryland would see tremendous cost increases, for instance, the University of Maryland College Park Campus alone estimates that wage payments increase by \$58.8 million once fully phased in. SB886 would bring increase in Unemployment Claims, as businesses fold move to business-friendly states, or lay off workers as they going to A.I.

- Small business has has seen major cost increase in recent years, Family and Sick Leave will begin collecting in 2027, Maryland Lottery revenue was reduced, Minimum wage was increased to \$15,00, payroll taxes, license fees, and electricity has become a major expense. State and Federal taxes payroll taxes would increase again, adding significantly to cost should this bill pass.

We only must look at California \$20-hour minimum wage law and the consequences, this article in National Law Review shows how it has affected consumers, businesses, and the loss of jobs. [https://californiaglobe.com/fr/californias-20-fast-food-minimum-wage-job-losses-higher-food-prices-increased-automation/?utm\\_campaign=Daily%20Headlines&utm\\_medium=email&hs](https://californiaglobe.com/fr/californias-20-fast-food-minimum-wage-job-losses-higher-food-prices-increased-automation/?utm_campaign=Daily%20Headlines&utm_medium=email&hs)

SB886 is what you call a dumpster fire and an anti-consumer and small business bill. SB886 at \$25 an hour would be the biggest A.I booster, the biggest job and business loss ever and a disaster for Maryland employment and State finances.

WMDA/CAR asks for an unfavorable report on SB886.

Kirk McCauley, 301-775-0221 or [kmccauley@wmdacar.com](mailto:kmccauley@wmdacar.com)