

Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

Dear Senate President Ferguson and Maryland State Senators,

While I support the intent of the above bill to increase worker earnings, SB886 would create prohibitive economic consequences for many businesses. Especially for small family-owned companies, economic effects within the next few years are not sustainable. Hourly wages would increase by 67% by 2030; and by 2033, automatic inflation-based wage increases would take effect.

Many businesses would be closed as payroll costs, including benefits, increase beyond what they are able to pay. Maryland is already known as a state unfriendly to business because of high taxes, regulations, fees, etc. This bill would likely drive more Maryland companies to close or to move to nearby surrounding states such as West Virginia, where they would have a better chance of being financially viable.

For the general public, prices would increase and jobs would be threatened as businesses would need to pass on their increased costs, hire fewer workers, and even decrease their current workforce. Even though future workers would be earning higher wages, many jobs would be lost in the long run. Maryland would lose population, in addition to businesses, as citizens would continue move to a state with a more stable affordable economy.

It would be concerning enough if this bill were to pass into law, but to place this policy into the Maryland State Constitution is particularly dangerous. Once the Constitution is changed, it is nearly impossible to eliminate mandates that prove, over time, to be very detrimental to businesses, and by extension, the general public. Financially, this is a shortsighted policy that will prove to have unintended harmful consequences for our state.

Please examine the possible economic effects on businesses and citizens, and the domino effect on Maryland as we struggle to survive the current budget crisis. Please consult actuaries and economists, etc. who could possibly predict the long-term effects of passing SB886 into the Constitution. Please **OPPOSE SB886**.

Respectfully,

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