



The Honorable Pam Beidle, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis MD 21041

Dear Chairwoman Beidle & Finance Committee Members,

While improving economic opportunity for workers is an important goal, SB 886 represents an extreme and economically risky policy shift that would significantly harm Maryland's small businesses, reduce job opportunities and place Maryland at a severe competitive disadvantage relative to neighboring states.

Maryland has already enacted substantial wage increases in recent years, including the phased implementation of a \$15 minimum wage statewide. SB 886 would go dramatically further by mandating a **67 percent increase to \$25 per hour**, eliminating the tip credit and embedding wage policy in the Maryland Constitution. These changes would fundamentally reshape Maryland's labor market with far-reaching consequences.

This policy would place Maryland businesses at a severe competitive disadvantage and create strong incentives for businesses to relocate, expand elsewhere or shift hiring across state lines. SB 886 would also eliminate Maryland's tip credit, requiring employers to pay the full minimum wage to tipped employees regardless of gratuities received.

Maryland's current system allows tipped workers to earn a base wage plus tips, provided their total earnings equal at least the state minimum wage. Many tipped employees in busy restaurants earn far more than the minimum wage under this system. Eliminating the tip credit would significantly increase labor costs for restaurants and hospitality businesses while also introducing uncertainty for employees who currently benefit from the tipping model. Other jurisdictions that have attempted similar policies have experienced restaurant closures, reduced hours and significant operational challenges.

Maryland's hospitality industry remains a vital economic driver and major employer across the state. Policies that destabilize this sector should be approached with extreme caution.

By mandating a rapid increase to \$25 per hour, eliminating the tip credit, removing youth wage provisions and embedding wage policy in the state constitution, this bill introduces significant economic risks that could undermine job growth, small business stability and Maryland's long-term economic competitiveness.

For these reasons, I respectfully urge the committee to issue an **unfavorable report on Senate Bill 886**.

Respectfully,  
A handwritten signature in blue ink, appearing to read 'Richard B. Weldon, Jr.', is written over the word 'Respectfully,'.

Richard B. Weldon, Jr  
President/CEO, Frederick County Chamber of Commerce