



DORCHESTER CHAMBER OF COMMERCE, INC.

306 High Street, Cambridge, MD 21613

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Re: Opposition to SB886/HB1229 Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

To the Members of the Senate Finance Committee:

This testimony is being submitted on behalf of the 480+ businesses that are members of the Dorchester Chamber of Commerce to oppose SB886/HB1229.

While we understand the intent of the bill is to raise workers earnings, the negative economic impact on many Maryland businesses will be significant and will well outweigh any benefits the bill may introduce.

Raising the minimum wage to \$25 per hour by 2030 — a 67% increase — is not a small adjustment. It is another reason for existing businesses to choose to leave Maryland and for businesses looking for a place to open to skip over Maryland as an option. The problem is further exacerbated by setting up an increase every year in the future which provides no stability/predictability of staffing costs for businesses, especially our many small businesses.

This would not only affect entry-level positions. It would impact wages across the full spectrum of employees due to compression. Businesses would be forced to raise consumer pricing and make difficult decisions regarding staffing levels. This will have a negative impact on the residents of the state and will likely wipe out any gains that may be made by raising the minimum wage.

Eliminating the tip credit would fundamentally change how the hospitality industry functions. The last time this was proposed the very employees impacted by the change indicated they did not want it to pass as it would in most cases reduce their income in the long run.

What concerns us most is placing this policy in the Maryland Constitution. Embedding it there will effectively lock in sweeping economic mandates with little ability to correct course if the consequences prove damaging. That level of permanence is risky for employers, workers and communities alike.

“To advance Dorchester County through educating, promoting and growing a strong business community”

We are not opposed to fair wages, rather we are concerned about sustainability and making Maryland a place businesses want to call home.

We respectfully ask you to oppose SB 886.

Thank you for your time and consideration.

Sincerely

A handwritten signature in blue ink, appearing to read 'W.A. Christopher', with a long horizontal flourish extending to the right.

William A. Christopher
President/CEO
Dorchester Chamber of Commerce
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