



**MARYLAND STATE
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

Senate Finance Committee

March 11, 2026

Senate Bill 886 – *Consumer Protection and Labor and Employment –
Food Service Facilities and Minimum Wage*

POSITION: OPPOSE

The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 850 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns and package stores), **opposes** Senate Bill 886.

This legislation would amend the Maryland Declaration of Rights to state that every person is entitled to the minimum wage regardless of any tipped wages, requires disclosure of any service fee, increases the minimum wage up to \$25.00 between now and 2030, and then sets any further increases in line with the consumer price index, and eliminates the tip credit.

Regarding the service fee, the cost of goods, labor, electricity and other critical aspects of the food and beverage industry have increased significantly. Some businesses have chosen to impose service fees to help offset those costs, and these fees are disclosed on the check received by the customer. Requiring disclosure is one thing, but Senate Bill 886 exposes the business to heavy fines under the Consumer Protection Act for any violations.

The minimum wage increase imposed under Senate Bill 886 would place an even heavier financial burden upon the food and beverage industry than already exists. This industry is labor intensive and thus labor costs are greater than in other industries to raise the same amount of revenue. This will cause employers to not hire as many people and these higher labor costs will ultimately be passed on to the consumer, who in turn may dine out less and thus reduce the amount of taxes paid to the State.

Finally, eliminating the tip credit would only further increase labor costs for businesses. Taking away tipped income in favor of an hourly wage would lower the wages of many tipped employees and erode their incentive to provide the best possible service to each patron. This is why many of them oppose the bill.

For these reasons, MSLBA strongly opposes Senate Bill 886.

For more information call:

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