

**SB886 FAV Testimony 1199SEIU.pdf**

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Position: FAV



SB886

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

**Position:** Favorable

Madame Chair and Members of the Committee,

My name is Ricarra Jones, and I am the Political Director with 1199SEIU United Healthcare Workers East. We are the largest healthcare workers union in the nation, with 10,000 members in Maryland and Washington, DC across the care continuum – nursing homes, hospitals, and federally qualified health centers. We support SB886 because a living wage will support our state’s care infrastructure and the care workforce.

Maryland’s minimum wage of \$15 an hour is far below the cost of living in the state. According to the Economic Policy Institute, over 900,000 Maryland workers, or 33% of the workforce, make less than \$25 per hour. Maryland’s lowest-wage workers need tax relief and wage increases to meet the cost of living. Our healthcare workers are overworked, short staffed, and underpaid all while working multiple jobs to make ends meet.

As Maryland’s aging population grows, the demand for the services of home health aides and personal care aides will continue to increase. The demand is demonstrated by Maryland’s Medicaid Waiver waitlist for home and community-based services which is the third longest in the country with over 26,000 residents waiting for home care services. Despite the increasing demand and essential nature of home care, the caregiving work of personal care aides is still not valued- workers receive extremely low pay, few benefits and enjoy limited protections. Home care workers are still earning as low as \$15 per hour with very little job security. In Maryland, there are approximately 51,200 direct care workers, the majority of whom are Black and women of color. This legislation will have a transformative impact on home care workers’ ability to stay in the field and in turn improve the state’s ability to deliver high quality care to our state’s most vulnerable.

We know that our nursing homes and hospitals would not function without the environmental service workers, dietary aides, support staff, technician, and certified nursing assistants who struggle to make ends meet without a living wage. For 1199 SEIU, SB886 is about ensuring we take care of our healthcare workers and create healthier communities.

For those reasons we urge a favorable report on SB886.

Sincerely,

Ricarra Jones

Political Director | 1199 SEIU United Healthcare Workers Union

**SB 886 Written Testimony.pdf**

Uploaded by: C. Anthony Muse

Position: FAV



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

Written Testimony

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

Good afternoon, Chair Beidle, Vice Chair Hayes, and members of the Committee.

For the record, I am Senator C. Anthony Muse, representing the 26th Legislative District in Prince George's County. I respectfully present this testimony in support of **Senate Bill 886**.

At its core, Senate Bill 886 recognizes a simple but powerful principle: **every worker deserves to earn at least the minimum wage for their labor, regardless of whether they receive tips**. The bill establishes that, as a fundamental component of liberty and equality, individuals working in the State of Maryland have the right to be paid a wage that is at least equal to the State's minimum wage rate without regard to tips received.

Currently, many tipped workers rely on a wage structure that allows employers to count tips toward meeting the minimum wage requirement. While tips are an important source of income, they are not guaranteed and can vary widely from shift to shift. Workers should not have their economic security dependent on uncertainty.

Senate Bill 886 phases out the tip credit over time and ensures that all employees receive the full minimum wage directly from their employer, while still allowing workers to keep the tips they earn. This approach recognizes the dignity of work and promotes greater wage stability for thousands of service industry workers across Maryland.

The bill also strengthens **consumer protections** by addressing the growing use of service fees in restaurants and other food service establishments. Customers deserve transparency when they are charged additional fees, and employees deserve to know that those fees are being distributed fairly. Under this legislation, service fees must be clearly disclosed and distributed directly to the employees who performed the service, ensuring fairness for both workers and consumers.

Additionally, the legislation establishes a gradual schedule for future increases in the State minimum wage and provides a mechanism to adjust wages based on inflation beginning in

2033. This approach ensures that wages keep pace with the rising cost of living while providing predictability for employers and workers alike.

Importantly, Senate Bill 886 also proposes a constitutional amendment affirming that workers in Maryland have a fundamental right to earn at least the minimum wage established by law. This question will ultimately be placed before the voters of Maryland, allowing the people of our state to decide whether this principle should be permanently enshrined in our Constitution.

This legislation reflects Maryland's ongoing commitment to fairness in the workplace, transparency for consumers, and economic stability for working families.

When workers are paid fairly, families are stronger, communities are stronger, and our economy is stronger.

For these reasons, I respectfully urge the Committee to give **Senate Bill 886** a favorable report.

Thank you for your time and consideration.

# **SEIU Local 500 Testimony in Support of SB 886 2026**

Uploaded by: Christopher Cano

Position: FAV



Testimony - SB 886, Consumer Protection and Labor and Employment - Food Service  
Facilities and Minimum Wage  
Favorable  
Senate Finance Committee  
March 11, 2026  
Christopher C. Cano, MPA  
Director of Political & Legislative Affairs on Behalf of SEIU Local 500

Honorable Chairwoman Beidle & Members of the Senate Finance Committee:

SEIU Local 500 represents over 23,000 public service workers across Maryland. These workers often work multiple jobs to make ends meet for their families, many in the hospitality and service sectors which pay sub-minimum wages.

SB 886 takes a bold and necessary step toward ending sub-minimum wages in Maryland and affirming a simple principle: if you work full time in this state, you should be able to earn a living wage — without relying on tips, loopholes, or unstable compensation systems.

For too long, Maryland — like much of the country — has allowed certain workers, particularly tipped workers, to be paid less than the minimum wage. The tip credit system effectively shifts the responsibility for paying wages from employers to customers. It creates instability, income volatility, and vulnerability to discrimination and wage theft. That is not how we build a stable working class.

Senate Bill 886 recognizes that every person has a fundamental right to be paid at least the state minimum wage without regard to tips. By gradually phasing out the tip credit and ultimately requiring employers to pay the full minimum wage directly, this bill ensures that wages are predictable, fair, and guaranteed.

Ending sub-minimum wages is essential if Maryland is serious about creating economic stability for working families. Workers cannot budget, qualify for housing, support children, or plan for their futures on fluctuating tip income alone. A stable working class requires stable wages.

The bill also strengthens consumer protections around service fees and ensures that service charges are transparently disclosed and fairly distributed to the workers who earned them. This prevents hidden fees and ensures that customers are not misled while workers receive what they are promised.

Importantly, SB 886 phases in wage increases over time and indexes future increases to inflation, creating both predictability and long-term stability. It recognizes that wages must keep pace with the cost of living if working people are to maintain economic security.

Maryland cannot build strong schools, safe communities, or a thriving economy on the backs of workers paid sub-minimum wages. If we want a stable middle and working class, we must ensure that every worker receives at least the full minimum wage from their employer — no exceptions.

SEIU Local 500 strongly supports Senate Bill 886 and urges a favorable report.

Thank you for your time and consideration.

**SB886\_MDCEP\_FAV**

Uploaded by: Christopher Meyer

Position: FAV

# All Maryland Workers Deserve a Real Living Wage

## Position Statement in Support of Senate Bill 886

*Given before the Senate Finance Committee*

Most Marylanders would agree that a healthy economy should be among our elected leaders' top priorities – but what does a healthy economy mean? The goal is not simply to maximize the number of dollars changing hands or the number of people who go to work each day. A healthy economy is one that raises all families' standard of living – where we all have access to a good job that pays enough to support a family – regardless of our race, ethnicity, gender, or any other aspect of our identity. While Gov. Moore and the Maryland General Assembly have taken important steps to make this vision a reality, the fact is that today's minimum wage falls far short of a true living wage and leaves far too many behind. Senate Bill 886 would ask Maryland voters to decide whether to enshrine in Maryland's Constitution the right to a living wage, with no exceptions. Contingent on passage of this ballot measure, the bill would raise the full minimum wage to \$25 by 2030 and guarantee all workers a \$25 minimum wage by 2031. **For these reasons, the Maryland Center on Economic Policy supports Senate Bill 886.**

The bill that ultimately put Maryland on the path to a \$15 minimum wage was introduced in January 2019. Since then, prices throughout the economy have increased by 29%.<sup>i</sup> Today, a single adult in Maryland working full time and not caring for children would need to take home \$25.94 per hour to afford a basic living standard, according to the MIT Living Wage Calculator.<sup>ii</sup>

Guaranteeing a living wage for all would make Maryland's economy more equitable. The following Maryland workers are expected to have hourly wages less than \$25 per hour in 2030, according to analysis by the Economic Policy Institute:

- 902,000 workers altogether (32% of all Maryland workers)
- 35% of working women
- 36% of Black workers
- 48% of Latinx workers

This includes 260,000 workers with an associate's or bachelor's degree. Two-thirds of those taking home less than \$25 per hour are expected to be full-time workers.

Eliminating arbitrary carve-outs and asterisks is crucial for a minimum wage that leaves no one behind. Among the most egregious of these is the \$3.63 subminimum wage for tipped workers. Contingent on passage of the constitutional amendment, Senate Bill 886 would gradually phase out the subminimum wage, ultimately guaranteeing tipped workers their full \$25 per hour, with tips on top.

Despite efforts to muddy the waters by industry lobbyists, tipped jobs are typically not lucrative. In Maryland,

restaurant servers and bartenders typically took home less than \$36,000 per year in 2024, according to the Bureau of Labor Statistics.<sup>iii</sup>

To be clear, Senate Bill 886 would neither prohibit nor in any way discourage tipping. Customers in states that guarantee tipped workers the full minimum wage – from Montana to California – still tip their servers.

### **The Truth about Minimum Wages and Jobs: History**

Corporate lobbyists perennially threaten that minimum wage increases and other pro-worker policies will cause economic calamity, but Maryland’s experience does not bear that out:<sup>iv</sup>

- Between 2015 and 2019, Maryland’s unemployment rate averaged 0.3 percentage points below the national rate.
- In 2020, the year lawmakers overrode then-Gov. Hogan’s veto of the \$15 minimum wage law, Maryland’s peak unemployment rate was 5.8 percentage points below the national rate, and average unemployment was 1.6 percentage points below the national rate.
- Between 2021 and 2025 – while the state’s \$15 minimum wage was phasing in – Maryland’s unemployment rate averaged 0.8 percentage points below the national rate. Maryland’s overperformance grew while our minimum wage was increasing.
- In fact, Maryland had the fourth-lowest unemployment rate of any state in 2023 and the seventh-lowest rate in 2024, following Gov. Moore’s acceleration of our minimum wage phase-in under the Fair Wage Act.
- There is no question that recent years have been unusual times economically. However, if opponents’ arguments were sound, one might expect the supposed negative impacts of raising the minimum wage to be *higher* during a deadly pandemic, spiking global unemployment, and rapid inflation. Instead, Maryland businesses have struggled to recruit workers quickly enough.

Opponents’ dire portrayal of the District of Columbia’s restaurant industry also does not withstand scrutiny:<sup>v</sup>

- Restaurant and bar employment fell sharply nationwide at the height of the COVID-19 pandemic in 2020. The District saw an especially sharp drop and especially robust growth in 2021 and 2022. By 2024, the District’s restaurant and bar employment was less than 100 short of the 2019 average (–0.2%). Nationwide, restaurant and bar employment fell by 116,000 jobs (–2.0%) during the same period. The District’s restaurant and bar industries are no more in crisis today than they were pre-pandemic.
- The District’s restaurant industry has also recovered more fully from pandemic-era job losses than Fairfax County, Va., or Montgomery County, Md., neither of which increased their tipped minimum wages during this period (\$2.13 and \$4.00 per hour, respectively). Bar employment data are not consistently available for nearby jurisdictions.
- Data about the number of establishments also do not back up opponents’ worrisome anecdotes. The District has added restaurants and bars in the majority of quarters since tipped wage increases began (through 2025 Q2), gaining 73 establishments cumulatively since 2023 Q1 (+5.8%).
- In terms of the number of restaurants and bars, the District has also recovered more fully from the pandemic than the surrounding area. Establishments were 14% higher in the district in 2025 Q2 than the 2019 average, compared to an 11% gain for the remainder of the metro area. Establishment counts are not consistently available for specific nearby jurisdictions.
- See Appendix 2 for detailed discussion of minimum wage opponents’ District of Columbia narrative.

### **The Truth about Minimum Wages and Jobs: Evidence**

The minimum wage is perhaps the single most studied policy in economics. Not only has the quantity of high-

quality research grown in recent years, its scope has broadened thanks to bold wage standards enacted by leading policymakers across the country.<sup>vi</sup>

Today, there is strong evidence that minimum wages as high as two-thirds of a jurisdiction's median wage do not meaningfully affect the number of jobs available.<sup>vii</sup>

Above this level, historical experience is more limited – and therefore so is the body of evidence. Eventually this evidence base will be more robust – once more trailblazer jurisdictions take the next step.

There is not high-quality empirical evidence supporting the dire predictions corporate lobbyists make about Senate Bill 886 or any other minimum wage measure.

Meanwhile, the most prominent question in minimum wage research may not be the most important one. The low-wage labor market is characterized by high turnover and variable hours. This means that even if the employment effects of a vanguard-level minimum wage are not precisely zero, the most likely outcome is workers taking home higher net income from fewer hours of paid work.

The takeaway is clear: Senate Bill 886 is an ambitious measure that would put Maryland on the forefront of pro-worker policy and deliver a higher standard of living for low-wage workers across our state.

**For these reasons, the Maryland Center on Economic Policy respectfully requests that the Senate Finance Committee make a favorable report on Senate Bill 886.**

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## Appendix 1: Characteristics of Maryland Workers Expected to Earn Less than \$25 Per Hour in 2030

Source: Economic Policy Institute

<b>Group</b>	<b>Number of workers earning less than \$25 an hour</b>	<b>% of group earning &lt; \$25 per hour</b>	<b>Group as % of all workers earning &lt; \$25 per hour</b>
<b>Total</b>	902,200	32%	100%
<b>Gender</b>			
Male	409,800	29%	45%
Female	492,400	35%	55%
<b>Race/ ethnicity</b>			
White	362,000	26%	40%
Black	278,300	36%	31%
Hispanic	163,600	48%	18%
AAPI	53,800	26%	6%
Other	44,600	31%	5%
<b>Usual weekly work hours category</b>			
Part time (<20 hours per week)	94,400	55%	10%
Mid time (20-34 hours)	200,500	62%	22%
Full time (35+ hours)	607,300	26%	67%
<b>Educational attainment</b>			
Less than high school	124,400	64%	14%
High school	308,000	50%	34%
Some college, no degree	209,900	42%	23%
Associates degree	68,300	35%	8%
Bachelors degree or higher	191,700	14%	21%
<b>Family income-to-poverty status</b>			
In Poverty	97,200	87%	11%
100 - 199% poverty	167,100	77%	19%
200-399% poverty	319,200	49%	35%
400%+ poverty	318,700	17%	35%

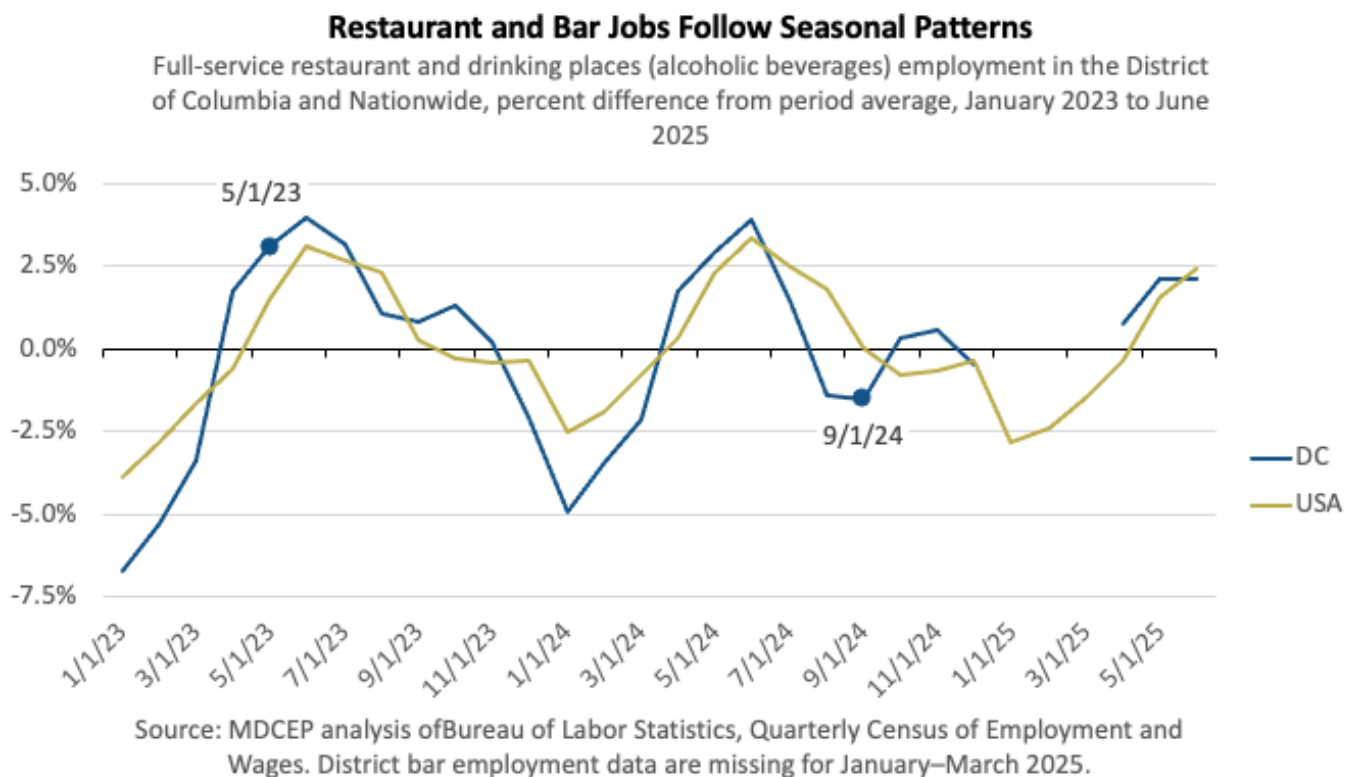
## Appendix 2: Examining the Restaurant Lobby’s District of Columbia Narrative

The restaurant lobby and other minimum wage opponents frequently cite the District of Columbia’s experience raising its tipped subminimum wage as a cautionary tale. District residents have twice voted to guarantee tipped workers full minimum wage protection, only to see their democratic will curtailed by elected policymakers. Minimum wage opponents’ arguments concern 2023 and 2024 tipped wage increases under Initiative 82, a ballot initiative approved by votes in 2022.

Opponents’ narrative of a collapsing restaurant industry in the District of Columbia relies on misinterpreting selective data without proper context.

Opponents make much of the change in the District’s combined full-service restaurant and bar employment from May 2023 (the month of the first minimum wage increase under Initiative 82) to September 2024, <sup>viii</sup> a superficially worrying decline of about 1,500 jobs (–4.5%).<sup>ix</sup>

While there are several problems with this analysis, the most egregious is its **failure to account for seasonal trends** – a phenomenon restaurant industry lobbyists are surely aware of.<sup>x</sup> The chart below shows the trend in full-service restaurant employment in the District of Columbia and the United States from January 2023 to June 2025 (most recent available full-universe data), with May 2023 and September 2024 marked.



Three facts should be readily apparent:

- The District and nationwide trends are qualitatively quite similar, with warm-weather highs and cool-weather lows. The similarity between the two trends suggests that **normal seasonal variation is the simplest explanation** for most month-to-month employment variation.
- Seasonal variation is sizable. The United States “lost” more than 300,000 restaurant and bar jobs from June 2024 to January 2025 (–5.9%). **Ups and downs of this size may seem jarring without the proper context**, but that does not make them meaningful for policy.

- The “before” comparison point is one month before peak employment in June. The “after” comparison point is near the middle of a gradual decline in the second half of the year. **Even with no policy change, a decline in employment is entirely expected.**

A different comparison would have yielded a different story:

- A straightforward 12-month comparison – arguably a more appropriate choice – would have shown a negligible –0.2% change.
- Proponents, if so inclined, could point out that the District gained restaurant and bar jobs during the second month of implementation.
- Regardless of whether opponents intentionally cherry-picked the September data – more likely this was the most recent month available when the analysis was performed – this kind of month-to-month comparison, presented without context on seasonal variation, is meaningless. **Moreover, the choice to present standard seasonal variation as a policy impact should inspire doubt about the source’s credibility.**

In addition to seasonal variation, opponents’ choice of May 2023 as the “before” comparison is concerning. The first subminimum wage increase under Initiative 82, from \$5.35 to \$8.00 per hour, took effect May 1. This makes May the first “after” month. A more appropriate comparison would be April 2023, with about 400 fewer restaurant and bar jobs than May. **Beginning the comparison in May inflates the supposed job loss by 41%.**

A more honest comparison (with the benefit of newer data): from April 2023 to April 2025, the District’s restaurant and bar employment declined by about 300 jobs (–1.0%). Notably, the end of this period coincides with the Trump administration’s first rounds of drastic federal layoffs.

There are other ways to assess the District’s restaurant and bar industry, as well:

- Restaurant and bar employment fell sharply nationwide at the height of the COVID-19 pandemic in 2020. The District saw an especially sharp drop and especially robust growth in 2021 and 2022. By 2024, the District’s restaurant and bar employment was less than 100 short of the 2019 average (–0.2%). Nationwide, restaurant and bar employment fell by 116,000 jobs (–2.0%) during the same period. The District’s restaurant and bar industries are no more in crisis today than they were pre-pandemic.
- The District’s restaurant industry has also recovered more fully from pandemic-era job losses than Fairfax County, VA, or Montgomery County, MD, neither of which increased their tipped minimum wages during this period (\$2.13 and \$4.00 per hour, respectively). Bar employment data are not consistently available for nearby jurisdictions.
- Data about the number of establishments also do not back up opponents’ worrisome anecdotes. The District has added restaurants and bars in the majority of quarters since tipped wage increases began (through 2025 Q2), gaining 73 establishments cumulatively since 2023 Q1 (+5.8%).
- In terms of the number of restaurants and bars, the District has also recovered more fully from the pandemic than the surrounding area. Establishments were 14% higher in the district in 2025 Q2 than the 2019 average, compared to an 11% gain for the remainder of the metro area. Establishment counts are not consistently available for specific nearby jurisdictions.

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<sup>i</sup> Consumer Price Index for all urban consumers

<sup>ii</sup> MIT Living Wage Calculator, <https://livingwage.mit.edu/states/24>

While this estimate includes necessities that for some families are met through non-wage income such as employer benefits, low-wage workers are among those least likely to receive such benefits.

<sup>iii</sup> Occupational Employment and Wage Statistics, Bureau of Labor Statistics, <https://data.bls.gov/oes/#/area/2400000>

<sup>iv</sup> MDCEP analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and Current Population Survey statistics.

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<https://www.bls.gov/lau/>  
<https://www.bls.gov/cps/>

<sup>v</sup> MDCEP analysis of Bureau of Labor Statistics, Quarterly Census of Employment and Wages full-universe jobs data. Includes full-service restaurants (NAICS 722511) and drinking places (alcoholic beverages) (NAICS 722410).

<sup>vi</sup> See for example:

Analysis of 138 state minimum wage increases since 1979:

Cengiz, Dube, Lindner, and Zipperer, 2019, "The Effect of Minimum Wages on Low-Wage Jobs: Evidence from the United States Using a Bunching Estimator," NBER Working Paper 25434, <https://www.nber.org/papers/w25434.pdf>

Comprehensive review of minimum wage research since 2000:

Wolfson and Belman, 2016, "15 Years of Research on U.S. Employment and the Minimum Wage," Tuck School of Business Working Paper No. 2705499, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2705499](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2705499)

Analysis of minimum wage evidence based on credible research designs:

Allegretto, Dube, Reich, and Zipperer, 2017, "Credible Research Designs for Minimum Wage Studies: A Response to Neumark, Salas, and Wascher," ILR Review, <https://doi.org/10.1177/0019793917692788>

<sup>vii</sup> Two-thirds threshold based on forthcoming work by Ben Zipperer for the Economic Policy Institute.

<sup>viii</sup> See "D.C.'s Initiative 82 Is a Horror Story – Not a 'Success'," Employment Policies Institute, 2025,

<https://minimumwage.com/2025/04/initiative-82-is-a-horror-story-not-a-success/>

Note that the Employment Policies Institute is not the same as the Economic Policy Institute.

<sup>ix</sup> Unless noted otherwise, all employment and establishment data in this appendix are based on MDCEP analysis of the Bureau of Labor Statistics Quarterly Census of Employment and Wages. The Employment Policy Institute refers to a larger decline of 1,762 jobs (-5.2%), likely due to preliminary data for September 2024 that were later revised upward. This number increased to an unsourced supposed 2,000 job loss (-6%) in unfavorable testimony on a related 2025 bill.

<sup>x</sup> The word "seasonal" does not appear once in the Employment Policies Institute piece.

**SB886-AFSCME-FAV.pdf**

Uploaded by: Cindy Smalls

Position: FAV



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Patrick Moran – President

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**SB 886 – Consumer Protection and Labor and Employment –  
Food Service Facilities and Minimum Wage  
Finance Committee  
March 11th, 2026**

**FAVORABLE**

Good afternoon, Chair, Vice Chair, and Members of the Committee:

AFSCME Maryland Council 3, representing approximately 55,000 public service workers across varying levels of government, including city, county, state, and higher education, respectfully submits testimony in support of SB 886.

The cost of living continues to rise in nearly every corner of our state. Housing costs have increased significantly, and in many communities, rent consumes an unsustainable share of a worker's income. Utility bills remain high. Grocery prices have increased. Childcare costs strain family budgets. Healthcare premiums and prescription costs continue to climb. For too many workers, wages simply have not kept pace with these realities.

Families are living paycheck to paycheck. Many have little to no savings to absorb unexpected expenses. A car repair, medical emergency, or sudden rent increase can push a household into financial distress. Parents are working overtime, taking second jobs, or delaying retirement just to meet basic needs. Some rely on credit cards or loans to cover necessities, not luxuries, but food, rent, and utilities.

That is not economic security. That is economic instability.

SB 886 addresses a fundamental principle: one job should be enough.

No Marylander who works full-time should live in poverty. No worker, including tipped workers, should depend on unpredictable wages or public assistance to survive while large corporations report strong profits. Hard work should lead to stability, not a cycle of constant financial stress.

When wages are too low, the consequences extend beyond individual families. Local economies feel the impact. Workers with limited disposable income spend less in their communities, affecting small businesses and slowing economic growth. Employers face higher turnover and increased recruitment and training costs as workers leave in search of better pay. Public assistance programs are strained when working families must turn to them for support.

Conversely, when workers earn fair wages, the benefits ripple outward. Families are better able to save, invest in their children's education, and contribute to their local economies.

Consumer spending increases. Workforce stability improves. Communities become stronger and more resilient.

Fair wages are not simply a worker issue; they are an economic development strategy.

Maryland can be a leader in advancing worker protections and promoting fairness in the workplace. Passing SB 886 would affirm our state's commitment to dignity, equity, and opportunity for all workers.

At its core, this legislation is about ensuring that working families can build stable lives, participate fully in our economy, and look toward the future with confidence rather than uncertainty.

For these reasons, AFSCME Maryland Council 3 respectfully urges the Committee to issue a favorable report on SB 886.



**PMD. SB886. FAV.pdf**

Uploaded by: Erica Puentes

Position: FAV



**Bill Title:** SB886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

**Position:** Favorable (FAV)

**To:** Senate Finance Committee

**From:** Erica Puentes

**Date:** March 9, 2026

Dear Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee,

My name is Erica Puentes, I am the Legislative Coordinator for Progressive Maryland. I am writing this testimony on behalf of Progressive Maryland. **Progressive Maryland is in strong support of SB886- Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage.**

We are experiencing a worsening cost of living crisis. Our members feel it when they do their groceries, seek medical care, choose between paying rent and paying for life saving medication. Meanwhile corporate executives continue to line their pockets with the people's labor. The gap between CEO compensation and worker compensation has never been wider. Marylanders are battling a worsening cost of living crisis and we are calling on state legislators to recognize the plight of the average working Marylander and raise the minimum wage. Raising the minimum wage is about economic justice, racial justice, and gender equity.

When individuals are unable to make ends meet with a single job and are forced to take on two or even three jobs, it means they are working constantly like on Election Day, during legislative sessions, and at nearly every critical moment of civic life. This reality has profound implications for democratic participation: who is able to engage, who is able to be heard, and whose needs

and dignity are ultimately placed at risk. In a healthy democracy, no one should be required to sacrifice their voice in order to survive. Our communities deserve the opportunity to rely on one job that pays a living wage.

This issue is especially urgent for women of color. Across the United States, Black women and Latina women continue to earn significantly less than white men; even when they possess the same experience, qualifications, and job titles. In industries such as hospitality, Black and Latina women are disproportionately concentrated in low-wage positions, while white men are more frequently placed in higher-paying roles. This occupational segregation directly affects pay, advancement opportunities, and long-term economic security. All of this occurs against the backdrop of a persistent racial wealth gap in the United States. This gap is not incidental, but the result of longstanding structural inequities.

Establishing a true living wage would help level the playing field. It is about compensating workers fairly for their labor. It would reduce inequality across lines of class, race, and gender, while affirming the fundamental dignity of all work. Anyone employed full time should be able to afford a stable and secure life. For these reasons Progressive Maryland urges a favorable report on **SB886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage.**

# **UFCW 400 Favorable on SB0886 - One Fair Wage.pdf**

Uploaded by: Kayla Mock

Position: FAV



**Testimony for SB0886**

**Favorable**

**Consumer Protection and Labor and Employment – Food Service Facilities and**

**Minimum Wage**

**March 9, 2026**

**To:** Honorable Chair Beidle, Vice Chair Hayes, and the members of the

Senate Finance Committee

**From:** Kayla Mock, Political & Legislative Director

United Food and Commercial Workers Union Local 400

Chair Beidle, Vice Chair Hayes, members of the Senate Finance Committee

I appreciate the opportunity to share my testimony on behalf of our over 10,000 members in Maryland, who work in grocery, retail, food distribution, cannabis, and health care. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers. Union members are critical to addressing inequality and uplifting the middle class.

Many of our members are the hardworking men and women who keep Maryland's grocery stores running, ensuring families have access to fresh food and essential goods.

**We strongly support SB0886, a voter referendum to raise the Maryland minimum wage to a living wage.**

Affordability was the top issue in every 2024 poll. Costs are rising, and wages are not keeping up. SB0886, if passed by Maryland voters, would amend the state constitution to create equity in the minimum wage by requiring all employers to pay all employees the full minimum wage, with tips on top, with no exceptions. The subminimum wage for tipped workers is a direct legacy of slavery and is both a racial and gender justice issue in Maryland.

It would also enact companion legislation establishing a minimum wage closer to the cost of living, as measured by the MIT Living Wage Calculator, which estimates the total cost of housing, food, transportation, and other necessities in counties and states relative to family size.

Maryland's minimum wage of \$15 an hour is far below the state's cost of living. The MIT Living Wage Calculator shows that a single person without children needs at least \$26.17 per hour to cover the basic cost of living in Maryland. This number increases to \$31.15 for a dual-income household with two children. According to the Economic Policy Institute, over 900,000 Maryland workers, or 33% of the workforce, make less than \$25 per hour.

**We support SB0886 because we believe that if a job is worth doing, it should also yield a reasonable living.**

**For all these reasons and more, we urge a favorable report.**

# **SB886 Consumer Labor and Employment Minimum Wage E**

Uploaded by: Marceline White

Position: FAV



**SB886-Consumer Protection and Labor and Employment - Food Service Facilities and  
Minimum Wage  
Position: FAV**

March 11, 2026

The Honorable Pam Beidle, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund writes in strong support of SB886 and we thank Sen. Muse for sponsoring this important legislation.

In December 2025 Economic Action surveyed more than 500 Marylanders, including a subset of our clients, on affordability issues. The findings, while startling, are not surprising and reinforce the financial stress identified in several other polls and surveys. Nearly 80% surveyed have said the cost of living crisis has had an impact on their households, with 52% having to cut back on their spending, and another 27% having trouble affording basic necessities.

Households are having trouble meeting current expenses and nearly 18% could not pay an unexpected \$500 emergency –they do not have the savings or available credit to do so. Households are experiencing a loss of income, a loss of employment, reduction in hours, and decrease in pay. At the same time, costs for basic goods are soaring. There has been a [25%](#) increase in the cost of basic goods since 2020—in other words, people need to be earning 25% more to afford the same expenses they had five years ago. Groceries, utilities, and rents are rising while wages have remained stagnant.

Nationally, [32%](#) of individuals have maxed out their credit cards as a way to meet rising prices. Individuals can't budget their way out of their financial struggles and no financial literacy course can assist when costs outpace their wages.

SB886 addresses Maryland's affordability crisis by increasing Maryland's minimum wage to \$25 an hour by 2030 as well as tying future increases to the Consumer Price Index (CPI). MIT's Living Wage calculator found that [\\$25](#) an hour is the minimum that a single person without children would need to support themselves and meet their basic needs. This increase would benefit [306,000](#) hard-working Marylanders, about 10% of the state's population. This would increase earnings and income for many workers and lift some families out of poverty.

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*



Raising wages is good for the overall economy as well with the [Federal Reserve of Chicago](#) finding that low-wage households spend an additional \$2800 the year after a \$1 increase in the minimum wage which means increased local spending and more money circulating in the economy.

Minimum wage increases also reduce government assistance. Many minimum wage workers are employed full-time but must still rely on government food and health assistance. As minimum wages rise, utilization of government assistance falls, which saves the state money. It also means that the government is no longer subsidizing the poverty wages previously paid to minimum wage workers.

Contrary to the opposition's arguments, a wealth of [research](#) has found that after the minimum wage was increased, the number of low-wage jobs remained relatively unchanged over a five year period. In other words, the sky will not fall and unemployment will not soar if workers are paid a living wage.

At a time when the General Assembly is focused on affordability issues, one of the best things the body can do to address affordability is to raise the minimum wage.

For all these reasons, we support SB886 and urge a favorable report.

Best,

Marceline White  
Executive Director

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*

2209 Maryland Ave · Baltimore, MD 21218 | [www.econaction.org](http://www.econaction.org)  
Marceline White · [Marceline@EconAction.org](mailto:Marceline@EconAction.org) | Jennifer Bevan-Dangel · [Jennifer@EconAction.org](mailto:Jennifer@EconAction.org)

## **2\_26 OFW Living Wage For All Testimony.pdf**

Uploaded by: Michelle Jeon

Position: FAV

Good afternoon; my name is Michelle Jeon and I'm a server and barista who has worked in multiple cities and states, most recently in Baltimore, Maryland. I have been in this line of work since 2018.

Under Maryland law, one of my employers is allowed to pay their servers as little as \$3.63 an hour because of our classification as tipped workers. How much I'm paid per day highly depends on how many customers were willing to tip us, and how generously. This is the case for my other work as barista and server as well, in which I'm paid a minimum wage of \$15 an hour with tips on top. I hold both of these jobs simultaneously, because in their slow season, they cut our hours, on top of already reduced tips. Some days as a server, I only took home \$70 for all my effort, and only because the few customers we did have felt bad for me enough to leave a bigger tip. Due to the unpredictable nature of tipped wages, for years I lived in constant anxiety about my finances and what I would do if an unexpected expense came up. *Even when I worked a managerial role*, my wages still needed to be supplemented for me to afford just the basics by donating blood plasma—until a doctor informed me I had developed intravascular scarring that could close up my veins if I continued donating on a regular basis.

There are arguments against raising the minimum wage, but I know from the proper research that's out there by organizations without a conflict of interest that doing this will *not* reduce jobs *nor* strain the economy. It's not the million- or billionaires that power small businesses; it's the regular everyday people like me who can and do go support local businesses when we aren't already forced to choose between food, insurance, or rent. I can also say from personal experience that the most I ever contributed to my local economy was when my employer recognized my value and paid me accordingly so that I could afford to go do anything *beyond simply paying bills*. And when I worked in Washington and California, states *without* a separate tipped minimum wage, people still tipped about the same percentage, between 15 to 18 percent on average.

Tip income is not a stable nor livable wage, and it shouldn't be legal to call it one. I'm asking this committee to pass HB1229—to end the subminimum wage; to pay tipped workers a full, fair living wage, with tips on top. Our work has dignity, and our wage should too. Thank you for your time.

# **UNITE HERE iGaming Testimony 2026.pdf**

Uploaded by: Nancy Stack

Position: FAV

## Opposition Testimony

### HB1255 Expansion of Commercial Gaming – Internet Gaming Referendum

Before the Ways and Means Committee of the Maryland House of Delegates

March 5, 2026

Presented by

Tracy Lingo, President, UNITE HERE Local 7

Thank you, Chairwoman Wilkins for the opportunity to speak today.

My name is Tracy Lingo, and I am the president of UNITE HERE Local 7, the casino, hotel, food service, and hospitality workers union in Maryland. UNITE HERE is the largest union of casino workers in the US, representing over 100,000 members who work in casinos in Las Vegas, Atlantic City, and throughout the country. Local 7 proudly represents workers at the Horseshoe Casino in Baltimore and the Ocean Downs Casino in Worcester County. Our sister local, UNITE HERE Local 25, represents workers at the MGM National Harbor in Prince George's County.

I am here today to strongly oppose the legalization of iGaming and to share our union's direct experience with job loss in iGaming states.

Over the past six years in New Jersey, internet gaming revenue skyrocketed from under \$500 million to over \$2.9 billion annually – a 503% increase. Over the same period, **the number of jobs in Atlantic City casinos fell by 20%**, according to reports from the New Jersey Division of Gaming Enforcement.

In Michigan, our union has seen an even more dramatic loss in casino jobs. In 2019, our union had 2,796 members working in hotel and food and beverage jobs at all three downtown Detroit casinos. In 2021, Michigan launched iGaming. By late 2025, we had 1,767 members at the same casinos, **a loss of 1,029 casino jobs represented by UNITE HERE in Detroit, a 37% decline**. Less than five years after implementation of iGaming, Detroit casinos now make more revenue from casino games online than in-person – a rapid and radical change in the industry.

Our members work in hotel and food and beverage jobs in casinos. They are housekeepers, servers, bartenders, cooks, and dishwashers. These positions make up most of the union jobs in the industry and are completely dependent on in-person customers. When Maryland voters approved casino legalization in a statewide referendum, we voted in favor based on the promise that the industry would create good jobs. Legalizing internet gaming will put these jobs at risk. Our members could face lost hours, lost tips, and layoffs.

Our union is fighting to create good jobs in the hospitality industry. The reality in non-union hospitality sector jobs throughout Maryland is that workers face poverty wages and struggle to get by. According to the US Bureau of Labor Statistics, in the Accommodation

and Food Services sector, only 38% of workers have access to employer-sponsored health care benefits, only 1% of workers have a defined-benefit pension plan, and only 3% of workers have a union. Good, union jobs with high wages, affordable health insurance, and retirement benefits are not easily replaced. Our members have organized, marched, and bargained for years in the gaming industry to improve their jobs and to uplift their families and their communities. Just this year, many of you have heard testimony from our members at Ocean Downs who are currently calling on Churchill Downs to keep its promise of family supporting jobs to the Maryland public. We cannot put their progress at risk.

To be clear, we oppose both the referendum bills, HB 1255 and SB 0761, as well as the authorization and implementation bills, HB 1343 and SB 0885.

Please stand with casino workers and their families. Thank you.

**Senate Bill 0886\_MLA Testimony\_Favorable 3.9.26.pd**

Uploaded by: Nelda Davis

Position: FAV



**Senate Bill 0886**

**Consumer Protection and Labor and Employment-Food Services Facilities and  
Minimum Wage  
In the Finance Committee  
Hearing on March 11, 2026  
Position: FAVORABLE**

Maryland Legal Aid respectfully submits this testimony in support of Senate Bill (SB0886) at the request of Senator Muse.

Maryland Legal Aid respectfully submits this testimony in support of SB0886. This legislation phases out Maryland’s tipped subminimum wage and strengthens the State’s minimum wage structure. For the low-income Marylanders we serve, wage stability is directly tied to housing security, public benefits access, and overall civil justice outcomes.

Maryland Legal Aid is the State’s largest provider of free civil legal services to low-income individuals and families, serving clients in every county and Baltimore City. We represent Marylanders in eviction defense, consumer protection, public benefits, family law, elder law, and workers’ rights matters. Many of our clients are working families who are employed but earn wages that are insufficient or unstable. When income is unpredictable or too low to meet basic needs, legal crises follow; rent payments are missed, utilities are shut off, and debt collection actions commence. SB0886 is important because strengthening wage stability reduces preventable civil legal emergencies and promotes long-term economic security.

**Maryland’s Tipped Wage System Leaves Workers Vulnerable**

Maryland law currently permits employers to pay tipped employees a base wage of \$3.63 per hour, with tips credited toward the State minimum wage.<sup>1</sup> This rate has remained frozen for more than a decade. Food preparation and serving occupations remain among the lowest-paid occupations nationally.<sup>2</sup> Research demonstrates that tipped workers experience higher poverty rates than non-tipped workers and that poverty rates are

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<sup>1</sup> Md. Code Ann., Lab. & Empl. § 3-429 (c) (West 2026)

<sup>2</sup> Occupational Emp. & Wage Statistics, U. S. Bureau of Lab. Stats, U.S. Dep’t of Lab., Food Preparation & Serving Related Occupations (May 2023), <https://www.bls.gov/oes>

significantly lower in states requiring employers to pay the full minimum wage before tips.<sup>3</sup> Tipped workers are disproportionately women and workers of color.<sup>4</sup> Nationally approximately two-thirds of tipped workers are women therefore, maintaining a two-tiered wage system reinforces existing gender and racial inequities.<sup>5</sup>

### **Fair Wages are Foundational to Preventing Civil Legal Crises**

Maryland Legal Aid regularly represents clients facing eviction, utility termination, and consumer debt collection precipitated by unstable or insufficient income. A Maryland worker must earn more than \$30 per hour to afford a modest two-bedroom apartment at fair market rent.<sup>6</sup> When workers rely on a base wage of \$3.63 per hour and unpredictable tips, income instability increases the risk of housing insecurity. Stable wages reduce eviction filings, reliance on emergency public benefits, and consumer debt litigation. Economic security strengthens families and reduces strain on Maryland's civil justice system.

SB0886 addresses structural wage inequities and promotes dignity, fairness, and economic stability. By phasing out the tipped subminimum wage and strengthening the wage floor, this legislation serves as an upstream intervention that reduces the poverty driven legal crises.

For the clients we serve and the communities in which we live, Maryland Legal Aid respectfully urges a **FAVORABLE** report on SB0886.

If you would like additional information on this bill or the underlying issues it addresses, please contact Meaghan McDermott, Advocacy Director for Community Lawyering and Development at [mmcdermott@mdlab.org](mailto:mmcdermott@mdlab.org) or N. Renae Davis, Chief Attorney for Workers' Rights at [ndavis@mdlab.org](mailto:ndavis@mdlab.org).

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<sup>3</sup> David Cooper, Econ. Pol'y Inst., *The Tipped Minimum Wage Has Not Kept Up with Inflation and Harms Workers* (2021); Elise Gould & David Cooper, Ctr. For Am. Progress, *Ending the Tipped Minimum Wage Will Reduce Poverty and Inequality* (2021).

<sup>4</sup> Nat'l Women's Law Ctr., *Women in the Restaurant Industry* (2022), <https://nwlc.org>

<sup>5</sup> *Id.*

<sup>6</sup> Nat'l Low Income Hous. Coal., *Out of Reach 2024: Maryland* (2024), <https://nlihc.org/oor/state/md>

**SB886 - PJC FAV - Living Wage Bill FINAL.pdf**

Uploaded by: Nicole Tortoriello

Position: FAV



Nicole Tortoriello, Managing Attorney  
Workplace Justice Project  
Public Justice Center  
201 North Charles Street, Suite 1200  
Baltimore, Maryland 21201  
410-625-9409, ext. 279  
tortoriellon@publicjustice.org

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## SB886 – Consumer Protection and Employment – Food Service Facilities and Minimum Wage

Hearing before the Senate Finance Committee, March 11, 2026

### Position: FAVORABLE

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization that seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project promotes justice and equity in the workplace. We work to expand and enforce the rights of low-wage workers to receive an honest day's pay for an honest day's work in a safe, equitable workplace. **The PJC supports SB886, which would enshrine the right to a living wage for all workers in Maryland's constitution.**

**SB886 would tie Maryland's minimum wage to the cost of living, ensuring workers in minimum wage jobs would make enough to support themselves. Every month during our Know Your Rights trainings, the PJC hears that the current minimum wage of \$15/hour is not enough to live on.** A single person with no children needs to earn at least \$24.65/hour to survive, and a dual-income household with two children needs a minimum wage of at least \$30.63/hour.<sup>1</sup> Workers in Maryland just aren't earning enough to meet their basic needs.

Marylanders working minimum wage jobs already live paycheck to paycheck. While inflation has significantly increased prices from the gas pump to the grocery store, these workers continue to bring home the same pay. SB886 would allow minimum wage workers' earnings to automatically keep pace with the cost of living by indexing the minimum wage to the MIT Living Wage Calculator. SB886 will help maintain the purchasing power of Maryland's low wage workers, allowing their earnings to cover the same necessities from year to year—regardless of inflation.

**SB886 would benefit Maryland's economy and decrease reliance on public benefits.** Because low-income workers buy household necessities from local retailers, increasing the minimum wage will inject revenue into local economies. Additionally, state programs and service providers subsidize near-poverty wages by helping Maryland families cover basic necessities that their low wages make them unable to afford. For example, a full-time minimum wage worker and their child qualify for food stamps, Medicaid, and subsidized child care and housing. Increasing actual wages would allow for

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<sup>1</sup> MIT Living Wage Calculator, *Living Wage Calculation for Baltimore-Columbia-Towson, MD*, <https://livingwage.mit.edu/metros/12580> (Feb. 15, 2026).

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

greater financial independence and lessen the burden on public programs, while helping local economies.

**SB886 would eliminate the subclass of workers earning the subminimum wage of \$3.63/hour.** While employers are supposed to ensure workers' wages reach the minimum wage of \$15/hour after tips, we see that this frequently does not happen. Tipped workers are left with unpredictable, precarious wage rates. This uncertainty leads them to struggle with twice the poverty rate of other workers and the highest rates of sexual harassment of any industry so that they do not jeopardize their tips by speaking up about mistreatment.<sup>2</sup>

**Tipped workers should be receiving a full minimum wage as a way of protecting them from wage and hour violations.** The Public Justice Center's Workplace Justice Project represents low-wage workers who are the victims of wage theft. Through our litigation and outreach, we know that wage laws are regularly violated. In fact, the restaurant industry is the largest employer of workers who earn less than minimum wage and almost 84 percent of restaurants partake in a wage and hour violation.<sup>3</sup> Even if the law that employers must ensure tips are supplementing their employees' subminimum wage is being enforced, tipping is still a precarious and unreliable form of income that also subjecting workers to harassment of many forms.

Enshrining the right to a living wage for all workers in Maryland's constitution ensures that all workers will enjoy the same minimum wage rate that supports their basic needs. For the reasons discussed above, the Public Justice Center **SUPPORTS SB886** and requests a **FAVORABLE** report.

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<sup>2</sup> One Fair Wage, *Maryland Workers Demand One Fair Wage*, [https://02b81db4-71ed-49ed-b3fd-f3096ed3539b.usrfiles.com/ugd/02b81d\\_b84313b7956f423c8fe704b549bedd68.pdf](https://02b81db4-71ed-49ed-b3fd-f3096ed3539b.usrfiles.com/ugd/02b81d_b84313b7956f423c8fe704b549bedd68.pdf) (Feb. 1, 2024)

<sup>3</sup> One Fair Wage, *One Fair Wage Myths & Facts*, [https://02b81db4-71ed-49ed-b3fd-f3096ed3539b.usrfiles.com/ugd/02b81d\\_8f4bf22256994afbb60754acdfd7f613.pdf](https://02b81db4-71ed-49ed-b3fd-f3096ed3539b.usrfiles.com/ugd/02b81d_8f4bf22256994afbb60754acdfd7f613.pdf) (last accessed Feb. 23, 2026)

*The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

**SB886\_MSEA\_Lemle\_FAV.pdf**

Uploaded by: Paul Lemle

Position: FAV

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

**Finance Committee  
March 11, 2026**

**Paul Lemle  
MSEA President**

The Maryland State Education Association supports Senate Bill 886. This legislation would constitutionally guarantee every Maryland worker a base wage at least equal to the state minimum wage, regardless of tips. This legislation establishes the right to a minimum wage as a fundamental human right.

MSEA represents 76,000 educators and school employees who work in Maryland's public schools and community colleges, teaching and supporting our almost 900,000 K-12 students so they can pursue their dreams. MSEA represents more than 44 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

This bill advances basic civil rights. A living wage should be earned in a standard working week, without the requirement of exploitative working hours. If we believe that "liberty and equality" apply to everyone, then no worker should have to work more than one job to afford the basics of housing, food, clothing, transportation, healthcare, and much more.

Maryland has already committed to a \$15 minimum wage now it must commit to a living wage for all. This constitutional amendment is setting a new standard, giving the power to the voters to leave no one behind.

**We urge the committee to issue a Favorable Report on Senate Bill 886.**

# **Testimony in support of SB0886 - Food Service Faci**

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0886 RichardKaplowitz\_FAV

03/11/2026

Richard Keith Kaplowitz

Frederick, MD 21703-7134

## TESTIMONY ON SB#0886 - POSITION: FAVORABLE

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

**TO:** Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

**FROM:** Richard Keith Kaplowitz

My name is Richard Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#0886, **Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage**

I approach the aims of this bill from my Jewish religious belief's framework. Malachi 3:5 – "*I will come near to you to judgement, and I will be a swift witness against ...those who oppress the hireling in his wages*". This view of how the Lord views the payment of fair wages should be the principle for a favorable report on this bill.

It is common sense that the lifting of our fellows through increased wages creates an economic boost as more disposable income means more purchasing power for essentials like food and gas and housing. The business paying more in wages finds new customers spending their new income in their establishments. Indexing the increases adds predictability to the equation for the wage payer and wage earner in retaining purchasing power despite increased costs due to inflation. This bill addresses a commonsense approach to removing families from economic distress and provides increased equity and justice to those struggling in poverty. Stronger families mean a stronger economy and a stronger Maryland. This bill has a gradual increase in the minimum wage to tipped workers at scales for both small and large businesses.

The Economic Policy Institute assessment of this issue has found that tip income is far more volatile than getting a regular paycheck. If a customer fails to tip or bad weather reduces customer traffic or some other factor outside of a worker's control leads to low tip income, there's no real recourse for those workers. Tipped workers accept this arrangement under the shaky assumption that the generous tips and well-paying shifts will offset the low-paying ones. Tipped minimum wage laws are supposed to ensure that tipped workers receive at least the minimum wage, but this is highly problematic because tipped workers [must effectively police their own employers](#). Not surprisingly, tipped workers experience [high rates of wage theft](#). [Customer tipping practices are often discriminatory](#), and tip amounts have been shown to be only "[weakly related to service quality](#)." When tips are a significant source of workers' earnings, [they may feel forced to tolerate greater mistreatment by customers and employers out of fear of losing a tip](#).<sup>1</sup>

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<sup>11</sup> <https://www.epi.org/blog/no-tax-on-tips-will-harm-more-workers-than-it-helps-proposals-in-congress-and-now-20-states-could-encourage-harmful-employer-practices-and-lead-to-tip-requests-in-virtually-every-co/#:~:text=Absent%20much%20larger%20labor%20law,fear%20of%20losing%20a%20tip.>

**SB0886\_RichardKaplowitz\_FAV**

This bill meets those worthy goals by establishing that every person, as a central component of an individual's right to liberty and equality, has the fundamental right while engaged in employment in the State to be paid at a wage rate that is at least equal to the State minimum wage rate set by law without regard to tips that the individual receives; repealing exemptions from Maryland Wage and Hour Law; specifying the State minimum wage rate and tip credit amount that is in effect for certain time periods; etc.

**I respectfully urge this committee to return a favorable report on SB0886.**

**Tamara Zuniga\_SB0886\_Testimony.pdf.pdf**

Uploaded by: Tamara Zuniga

Position: FAV

Good afternoon!

My name is Tamara Zuniga. I was born and raised in District 20, a proud resident of east Silver Spring and Montgomery County. I am a Progressive Maryland member and I am speaking on behalf of the organization in support of SB886 and raising Maryland's minimum wage to a true living wage. Progressive Maryland is a grassroots power-building member-led organization that centers working-class voices in our work to build a more just and equitable Maryland.

I recently graduated from the University of Maryland, College Park, and just like many other college students, I worked multiple jobs through school in order to alleviate some of the financial burden on my parents.

I have the incredible privilege to live at home post graduation. However, like other young graduates, I want to move out of my childhood home, attend graduate school, and start building a life where I can contribute to the community around me. I can't afford to move out of my parent's home and unfortunately, this is a sentiment many of my peers relate to.

I am currently making 17 dollars an hour. That comes to \$2,981.33 a month before taxes. The average rent in Montgomery County is over \$1,500, even just for a studio. This is JUST rent too. How can I afford to start my life in the county I grew up in? I want to stay here because Montgomery County is my home but I don't make enough.

I'm not alone. The people who take care of your elderly parents, who stock shelves in your grocery stores, who pick up your takeout order or who drive your kids' school bus everyday—many of us are earning wages that don't cover the basics in this state. We are not low-skill workers. We are essential workers who have been underpaid for too long

I'm asking this committee to support SB886 and raise Maryland's minimum wage to a true living wage — a wage that reflects what it actually costs to live here. Maryland can afford to do this. Maryland workers cannot afford to wait. Thank you.

# **SB 886 Testimony.pdf**

Uploaded by: Timothy Linaberry

Position: FAV

## SB886 Testimony

Good afternoon. My name is Timothy Linaberry. I am a Maryland resident, and a tipped employee. I am here speaking on behalf of those who cannot be here themselves. Those of us who are unable to request off a day for fear of not being able to pay their rent. Those of us who intended to be here, but are exhausted and in desperate need of a day off. Those of us who are literally afraid to be out in public with a gestapo police force roaming free and largely unabated. I am here on behalf of Maryland's workers to say - Maryland can do better.

We can do better than \$15 an hour. We can do better than the \$3.63 an hour tipped employees receive. No one can live comfortably on \$15 an hour in 2026. No one deserves to live in a world with subminimum wages. We the workers of Maryland deserve better.

We can deliberate till we debilitate, while the people, Marylanders not fortunate to be able to attend this hearing, struggle to keep their head above the ever rising tide. We can sit around and wait for states like California and New York to raise their minimum wages, and they will.

Maryland can follow, or Maryland can lead.

There are those of us here that have and will speak against this bill, citing a concern for the economic impact, and the businesses it will affect. They will say it will be the end of tipping as we know it. And while on the surface this argument might seem to hold water, it misrepresents the reality. A reality where seven states - including the state where I was born, California - do not have a tipped wage and have a thriving restaurant industry.

They will say this will impact small businesses, and in truth, it will. But not in the disastrous way they claim. Because the truth is, when you raise the floor - when you pay the people who live paycheck to paycheck more - they spend more. And where do they spend it? Right here, in Maryland.

Ladies and gentlemen of the committee, I am proud to call Maryland my home. And I am here because I know that you, like me, are proud to represent such a great state. We are all Marylanders. And we can deserve a living wage. Pass SB886.

Thank you.

**SB886.pdf**

Uploaded by: Adam Streight

Position: UNF

Adam M. Streight  
County Executive

Dan Schneckenburger  
Director of Administration



Office: 410.996.8300  
Fax: 800.863.0947

County Information  
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410.996.5200

## CECIL COUNTY, MARYLAND

Office of the County Executive  
200 Chesapeake Boulevard, Suite 2100, Elkton, MD 21921

March 5, 2026

Senate Finance Committee  
Maryland General Assembly  
Annapolis, Maryland

**RE: Opposition to Senate Bill 886**

Dear Chair and Members of the Senate Finance Committee:

On behalf of Cecil County Government, I respectfully submit this letter in **opposition to Senate Bill 886**.

Cecil County is concerned about the significant financial impact this legislation may have on local governments, businesses, and residents. While we support fair wages and value our workforce, a mandated increase to \$25.00 per hour would create very serious budget challenges across county operations.

The impact on our Department of Parks and Recreation is especially concerning. Seasonal and part-time staff are essential to operating youth sports, summer camps, community events, and facility rentals. Program fees would need to increase by approximately sixty-seven percent to cover staffing costs, meaning a \$40 program could rise to \$67, an \$80 program to \$133, and a \$200 program to \$333. Such increases would place many programs out of reach for families, seniors, and youth who rely on affordable recreational services.

In addition, this legislation would create wage compression across county government, requiring further salary adjustments beyond entry-level positions and adding additional financial strain.

For these reasons, Cecil County respectfully **opposes Senate Bill 886** and urges the Committee to give careful consideration to the potential impacts of this legislation on Maryland's employers, workers, and local economies.

Respectfully,

A handwritten signature in blue ink, appearing to read "A. Streight", is written over a white background.

**Adam Streight**  
County Executive

**Opp Letter SB886.pdf**

Uploaded by: Amanda Brooks

Position: UNF



BOARD OF COUNTY COMMISSIONERS OF  
WASHINGTON COUNTY, MARYLAND

February 24, 2026

Senator Pamela Beidle, Chair  
Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

RE: Opposition to SB886

Dear Senator Beidle:

The Board of County Commissioners of Washington County (the “Board”) unanimously opposes SB886 and its intention to inshrine a state mandated minimum wage into the Maryland Constitution. For many businesses, restaurants, nonprofits and employers operating on narrow margins, SB886 represents a permanent structural shift in labor costs which will harm Maryland businesses and ultimately leave the State and its residents and workers worse-off financially.

A mandated increase in the State minimum wage to \$25 per hour by 2030 reduces Maryland’s competitiveness amongst its adjoining and regional state-competitors. The economic pain inflicted by SB886 will be acutely felt in Washington County. As a result of its unique geography, Washington County sits in close proximity to neighboring counties in both Pennsylvania and West Virginia, both of whom compete with Washington County to attract businesses and residents.

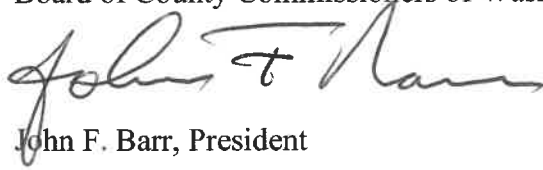
The Board is a strong advocate for the free market and a firm believer that those best positioned to establish the going rate for ones services are the businesses and workers, themselves. In a vibrant and robust economy dynamic businesses invest in themselves and their workers. While workers are able to market their skills and command wages that match their skills and abilities. Allowing a government commission to set the minimum wage based on indices distorts the market and will cause employers to look to establish their businesses elsewhere.

Increasing the minimum wage will further harm new entrants to the job market as employers will hire those with the skills and experience to justify the heightened minimum wage mandate. Instead the minimum wage should serve as a floor or entry point for new and low skill labor. With a lower barrier to entry, hiring and job development is to be encouraged. Instead the entry point for workers is now raised as the mandated minimum wage will serve as a barrier to new and young job seekers.

Finally, SB886’s codification of the right to a minimum wage set by a State agency reduces State economic competitiveness and responsiveness to changing market conditions, encourages costly litigation and will ultimately serve to drive away businesses, harming the State and its residents. For these reasons, the Board firmly opposes SB886 and respectfully encourages the committee to refrain from issuing a favorable report.

100 West Washington Street, Suite 1101 | Hagerstown, MD 21740 | P: 240.313.2200 | F: 240.313.2201 | TDD: 711

Sincerely,  
Board of County Commissioners of Washington County, Maryland

A handwritten signature in black ink, appearing to read "John F. Barr". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke extending to the right.

John F. Barr, President

# **Written Testimony in Opposition to Senate Bill 886**

Uploaded by: Amanda Haddaway

Position: UNF

## **Written Testimony in Opposition to Senate Bill 886**

### **Living Wage for All Act**

Senate Finance Committee

March 2026

#### **Position: Oppose**

Chair Beidle, Vice Chair Hayes, members of the Senate Finance Committee and members of the Frederick County delegation:

Thank you for the opportunity to submit written testimony in opposition to Senate Bill 886.

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.

#### **The proposed wage mandate is economically unsustainable**

SB 886 proposes the following schedule:

- \$17 per hour in 2027
- \$20 per hour in 2028
- \$22.50 per hour in 2029
- \$25 per hour in 2030
- \$25 per hour for small employers by 2032

This represents one of the most aggressive minimum wage increases proposed anywhere in the United States. While Maryland is known at being first in many categories, this is not one we can afford.

For many employers, particularly restaurants, childcare providers, retail businesses and small service companies operating on narrow margins, absorbing a labor cost increase of this magnitude in such a compressed timeframe is not feasible.

Labor costs do not increase in isolation. When entry-level wages increase dramatically, it creates **wage compression throughout the organization.**

For example:

- An entry-level worker currently earning \$15 per hour would rise to \$25.
- A shift supervisor earning \$22 per hour would suddenly be paid less than the employees they supervise.
- To maintain pay hierarchy, that supervisor may need to earn \$30 or more.

As a result, employers are not facing a 67 percent increase in payroll costs. The real increase often cascades throughout the entire pay structure.

### **Maryland would become an extreme outlier among neighboring states**

Maryland businesses do not operate in a vacuum. Employers located near state borders compete directly with businesses in neighboring jurisdictions.

Current minimum wages in nearby states include:

- **Pennsylvania: \$7.25 per hour**
- **West Virginia: \$8.75 per hour**
- **Virginia: \$12.00 per hour**

By comparison, SB 886 would require Maryland employers to pay **\$25 per hour**, more than double the minimum wage in several neighboring states.

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.

### **Significant job losses are a likely outcome**

Economic analysis suggests the impact of this proposal could be substantial.

The National Federation of Independent Business estimates that policies similar to those proposed in SB 886 could result in **up to 84,000 lost jobs in Maryland by 2035** and **approximately \$15 billion in lost economic output**, with small businesses bearing roughly half of the job losses.

Source: <https://www.nfib.com/news/news/maryland-could-lose-up-to-84k-jobs-due-to-minimum-wage-proposal/>

When labor costs rise dramatically, employers must make difficult decisions. These often include:

- Reducing hiring
- Cutting employee hours
- Delaying expansion plans
- Increasing automation
- Raising prices for consumers
- Relocating operations

None of these outcomes benefit Maryland workers or communities.

### **Eliminating the tip credit would destabilize Maryland's restaurant industry**

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.

### **SB 886 removes opportunities for young workers**

The bill also eliminates the current provision allowing employers to pay **85 percent of the minimum wage to employees under the age of 18.**

Youth wage provisions exist for a reason. They encourage employers to hire teenagers who may be entering the workforce for the first time and developing basic workplace skills.

Eliminating this option would increase the cost of hiring inexperienced workers and could reduce entry-level job opportunities for young Marylanders.

## **Embedding wage policy in the Maryland Constitution is unprecedented**

Perhaps the most troubling provision of SB 886 is the proposal to embed minimum wage policy in the **Maryland Declaration of Rights**, effectively establishing the minimum wage as a constitutional right.

If adopted, any future changes to wage policy would require a statewide referendum rather than legislative action.

Economic policy must remain flexible so lawmakers can respond to recessions, inflationary pressures and changing labor markets. Locking complex wage policy into the state constitution would remove that flexibility and prevent policymakers from making timely adjustments when economic conditions change.

## **State and local government costs would also increase**

SB 886 would also impose significant costs on state and local governments as public sector employers are required to raise wages and associated overtime costs.

These increased expenditures ultimately fall on taxpayers and could lead to reduced public services, higher taxes or budget reallocations at a time when many jurisdictions are already facing fiscal constraints.

## **Summary**

Maryland has already taken meaningful steps to increase wages for workers. SB 886 goes far beyond a reasonable policy adjustment.

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**.

Thank you for your consideration.

Respectfully submitted,

Amanda Haddaway  
Managing Director  
HR Answerbox  
Frederick County, Maryland

**SB886\_UNF\_MHLA\_Rohrer.pdf**

Uploaded by: Amy Rohrer

Position: UNF

**SB 886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage**  
Finance Committee  
March 11, 2026  
**Position: UNFAVORABLE**

*MHLA is the sole statewide organization dedicated to advocacy on behalf of Maryland's lodging industry. Our industry is a powerful economic engine - **765 hotels** support more than **115,000 jobs** statewide, generate **\$7.2 billion in wages and salaries**, contribute **\$2.4 billion in state and local tax revenue**, and drive **\$10.6 billion in guest spending** that strengthens communities across Maryland.*

The Maryland Hotel Lodging Association (MHLA) respectfully **opposes Senate Bill 886**.

We share the Committee's concern about affordability. Maryland families are facing rising housing, food, and transportation costs. However, the proposed increase to a \$25 minimum wage - combined with elimination of the tip credit and the youth wage - and automatic CPI indexing, would create significant unintended consequences for workers, small businesses, and state revenues.

Hospitality is a gateway industry. Many hotel employees are first-time workers, immigrants, or individuals without four-year degrees. **The industry provides rapid pathways for advancement:**

- More than 50 percent of hotel General Managers began in entry-level roles.
- On average, entry-level employees receive a raise within 9-12 months.
- Approximately 80 percent are eligible for promotion within their first year.

Compensation decisions are part of a broader business strategy. Pay varies based on role, experience, and market conditions. Hotels compete aggressively for talent, and strong-performing properties in high-demand markets can and do pay higher wages. However, **continually raising the statutory wage floor compresses pay scales, narrows differentiation between entry-level and supervisory roles, and risks reducing hiring opportunities for those seeking their first job.**

The elimination of the youth wage and the tip credit is particularly concerning. **Under current Maryland law, tipped workers are already guaranteed the full minimum wage since employers must make up any shortfall.** Many tipped employees in hospitality earn well above the standard minimum wage. Eliminating the tip credit would dramatically restructure compensation models for certain hotel positions without clear evidence that it would increase take-home pay.

The bill would also require automatic annual increases based solely on CPI beginning in 2033. Automatic indexing removes legislative oversight and limits the General Assembly's ability to respond to economic downturns or industry-specific challenges.

Maryland's lodging industry remains in recovery and continues to underperform relative to both national and regional benchmarks<sup>1</sup>. According to CoStar, in 2025 Maryland hotels posted average occupancy of **60.8%**,

<sup>1</sup> CoStar South Atlantic Region: Delaware, DC, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

compared to **63.8% regionally**, and Revenue per Available Room (RevPAR)<sup>2</sup> of **\$86.31**, significantly below the regional average of **\$102.52**. That performance gap represents lost revenue that Maryland hotels cannot easily recapture.

At the same time, inflation has continued to outpace revenue growth. Over the past five years, hotel operating costs have increased at **four times the rate of revenue growth**, placing intense pressure on already narrow profit margins. While top-line revenues have modestly improved, those gains have been largely offset — and in many cases erased — by escalating expenses. **Hotels have absorbed substantial increases** in labor and payroll costs, property and liability insurance premiums, energy expenses, professional services, and tariff-related price increases on goods and supplies. In addition, compliance with Maryland’s Building Energy Performance Standards (BEPS) requires significant capital investments and ongoing operational costs unique to this state.

Taken together, these **mounting financial pressures leave Maryland hotels with little capacity to absorb further dramatic increases in mandated labor costs.**

**More than 60% of hotels in the US are owned by small business owners.** Labor already represents more than 50% of the expenses within hotel departments and more than 30% of total revenue. More than 60% of MHLA members fall into the select service category with an average of 110 rooms. A conservative estimate is that raising the minimum wage to \$25 would **increase their payroll costs by at least \$150,000 annually**, before accounting for payroll taxes and wage compression adjustments. When supervisory wage adjustments and related payroll taxes are included, **total labor cost increases could increase more than 20% per property per year.**

When operating costs rise faster than revenue, businesses face difficult decisions: raise room rates, reduce staffing hours, delay renovations, automate services, or eliminate entry-level positions.

Maryland’s hotel industry supports approximately **115,000 jobs statewide** and generates over **\$2.4 billion in state and local tax revenue annually**, including occupancy taxes that fund local priorities such as education, public safety, and infrastructure. Even a modest contraction of hotel employment or visitor spending could result in a loss of tax revenue at a time when it is critically needed by state and local government.

We believe there is a balanced path forward - one that promotes wage growth alongside job growth and maintains Maryland’s competitiveness within the region. Policies that significantly outpace neighboring states risk shifting tourism, conventions, and business travel elsewhere.

For these reasons, the Maryland Hotel Lodging Association respectfully requests an **Unfavorable Report** on **SB 886**.

**For more information, please contact:**

Amy Rohrer, President & CEO  
Maryland Hotel Lodging Association  
amy@MDLodging.org

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<sup>2</sup> RevPAR is a metric that combines pricing power (average daily rate) and demand (occupancy)

# **Syntes Inc Opposition to SB 886.pdf**

Uploaded by: Andrei Lavrov

Position: UNF



*Master Data Management and Direct-to-Customer Solutions for Brands and Manufacturers*

www.syntes.io  
7272 Wisconsin Ave, Suite 900  
Bethesda, MD 20814, USA  
Phone +1 (202) 221-9119  
Fax +1 (202) 980-1592  
Email: info@syntes.io

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March 8, 2026

Subject: Opposition to SB 886 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

To the Members of the Maryland Senate Finance Committee,

My name is Andrei Lavrov, and I serve as Co-CEO and CFO of Syntes, Inc., located at 7272 Wisconsin Ave., Suite 900, Bethesda, Maryland. Our company has operated in Maryland for more than five years and currently employs five people. I am writing to express my opposition to SB 886.

I understand and respect the goal of improving earnings for workers. As an employer, I care deeply about the financial well-being of my employees. However, the scale and structure of this proposal would create significant economic challenges for small businesses like ours.

Raising the minimum wage to \$25 per hour by 2030 represents approximately a 67% increase from current levels. For a small startup company, such a change would have several serious consequences:

- A substantial increase in payroll costs—potentially 50% or more by 2030
- Reduced ability to hire and train young or entry-level workers with limited experience
- Pressure to raise prices for our business customers
- Difficult decisions regarding staffing levels, work hours, and business expansion

Importantly, increases at the minimum wage level also create wage compression across the organization. To maintain fair internal pay structures, businesses must often raise wages for many positions—not just entry-level roles—multiplying the overall financial impact.

I am also concerned about the proposal to embed this policy in the Maryland Constitution. Constitutionalizing wage policy would significantly limit the ability of future legislatures to respond to economic changes or unintended consequences. Labor markets and economic conditions evolve, and policy should retain the flexibility to adapt accordingly.

Maryland already faces increasing competition from neighboring states (such as Virginia) for businesses and talent. Policies that significantly raise operating costs could unintentionally make it more difficult for small businesses to grow and remain in the state.

I support fair wages and policies that help workers succeed. At the same time, it is essential that wage policies remain economically sustainable for the small businesses.

For these reasons, I respectfully ask the Committee to oppose SB 886.

Thank you for your time and consideration.

Sincerely,

Andrei Lavrov  
Co-CEO and CFO  
Syntes, Inc.  
Bethesda, Maryland

**SB 886.UNFAVORABLE.pdf**

Uploaded by: Angela Rose

Position: UNF



March 9, 2026

**UNFAVORABLE: SB 886-Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage**

Dear Chair Beidle and Members of the Senate Finance Committee:

On behalf of the **Harford County Chamber of Commerce**, which represents over 700 hundred employers (private and non-profit) across the region, I respectfully submit this letter in **opposition to Senate Bill 886**. While well-intentioned, this legislation would further strain an already challenged Maryland business climate — particularly at a time when employers are operating on historically thin profit margins and nonprofit organizations are at risk of diminished capacity.

The implementation of SB886/HB1229 means that a small employer (14 employees) would be required to absorb the following additional payroll costs beginning January 1, 2027:

14 employees \* \$1.50 (wage increase) \* 8 (hours per day) \* 40 (hours per week) \* 52 (weeks per year) = **\$349,440.00**. This does not account for the employees already making more than the \$16.50 who will also expect a wage increase.

**Maryland’s Business Climate Challenges (Data):**

- Maryland currently ranks **32nd in the CNBC 2025 Top States for Business overall**, reflecting persistent challenges in competitiveness relative to peer states such as Virginia (#4), Pennsylvania (#17), and Delaware (#29).
- In key business environment sub-rankings, Maryland is **37th in Business Friendliness** and **46th in Cost of Doing Business**, significantly behind regional competitors that offer lower regulatory costs and greater operational predictability.
- The state’s **corporate tax rate of 8.25 percent** is among the highest in the nation, further increasing costs on employers compared with neighboring states like Virginia (6 percent) and Pennsylvania (7.99 percent).

**Small Business Formation & Survival:**

- In 2024, Maryland saw a **6 percent decline in new business applications** (152,999 vs. 163,516 in 2023) and only **+2,281 net new businesses** — a **43 percent drop** from the prior year.
- Small business **survival rates dropped from 19 percent to 12 percent** and jobs per new business fell sharply, with Maryland ranking **35th nationally** in job creation per new business.
- Only **14 percent of new business applications** were employer-intent businesses — meaning fewer firms are planning to hire workers compared to neighboring states.

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- Andy Guckert  
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- Mary Hastler  
*Harford County Public Library*
- Sarah Karantonis  
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- Claudia Nachtigal  
*The Highlands School*
- Chanel Brooks  
*Baltimore Gas & Electric*
- Ron Fisher  
*Harford County Caucus of African America Leaders*
- Robert Wehland  
*Fisher Financial*
- Freedom Federal Credit Union

**President/CEO**

Angela Rose

These metrics signal serious structural concerns. Maryland's ability to attract, retain, and grow businesses — particularly those that create stable employment — is losing ground to surrounding states that feature lower costs and more predictable regulatory frameworks.

**Tight Profit Margins & Economic Pressures:**

Many Harford County Chamber members operate with single-digit profit margins and face rising costs for labor, insurance, energy, real estate, and compliance. Additional mandates imposed by SB886 — even with good intentions — will add expenses that cannot easily be passed on to consumers, risking layoffs, price increases, reduced investment, or business closures.

**Impact on Nonprofits:**

Nonprofits in our region already operate with constrained budgets, limited reserves, and heavy demand for services. Additional regulatory or cost requirements under SB886 could divert scarce resources away from mission-critical work such as workforce development, human services, education, and community support.

**Talent & Population Dynamics:**


Maryland's economic challenges are influencing demographic trends as well — the state lost **18,509 residents to other states in one year**, ranking **45th in domestic migration**, weakening talent pipelines that employers rely on.

Taken together, these data points paint a clear picture: Maryland's economic environment is already strained, and employers are struggling to grow and survive. Rather than layering additional burdens through SB886, policymakers should prioritize strengthening Maryland's competitiveness by stabilizing costs, reducing unnecessary regulatory burdens, and creating a more inviting environment for business investment and nonprofit sustainability.

For these reasons, the **Harford County Chamber of Commerce respectfully requests an unfavorable report on SB886.**

Thank you for your thoughtful consideration.

Sincerely,



Angela Rose  
President & CEO  
Harford County Chamber of Commerce

# **SB886LivingWageTestimonial.pdf**

Uploaded by: Antonio Ferrer

Position: UNF

March 9, 2026

**Opposition to SB 886– Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

To the Members of the Senate Finance Committee:

My name is Antonio Ferrer, and I am the Owner of Warriors of Grace Karate in Severn, Maryland. We have operated here for 19 years and currently employ 7 people. I am writing in opposition to SB 886.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But this proposal would create economic consequences many businesses like mine simply cannot absorb - threatening jobs, increasing costs, and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 – a 67% increase – is not a small adjustment. For our business, that would mean:

- An estimated annual payroll increase of approximately \$64,000. Currently our payroll is \$96,000. The increase would put us at \$160,000 a year which would make us have to close our doors.
- We would not be able to raise our prices to our customers enough to pay our employees.
- Difficult decisions about staffing levels, hours, or closing our doors.

This would not only affect entry-level positions. It would impact wages across our entire team due to compression.

What concerns me most is placing this policy into the Maryland Constitution. Embedding it there would 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.

I am not opposed to fair wages. I am concerned about sustainability – and whether businesses like mine will be able to continue operating and employing Marylanders under this structure.

I respectfully ask you to oppose SB 886

Thank you for your time and consideration.

Sincerely,

Antonio Ferrer

# Testimony Letter for SB886-HB1229.pdf

Uploaded by: Bill Christopher

Position: UNF



## **DORCHESTER CHAMBER OF COMMERCE, INC.**

306 High Street, Cambridge, MD 21613

410-228-3575

[info@dorchesterchamber.org](mailto:info@dorchesterchamber.org)

[www.dorchesterchamber.org](http://www.dorchesterchamber.org)

### **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  
306 High St  
Cambridge, MD 21613  
443-280-0185

# **Oppose SB 886.pdf**

Uploaded by: Bob Hauck

Position: UNF

*Robert D. Hauck, LLC*  
*Certified Public Accountant*

February 24, 2026

Opposition to House Bill SB 886- Consumer Protection and Labor Employment- Food Service Facilities and Minimum Wage.

To the Members of the House Government, Labor and Elections Committee:

My name is Robert Hauck I own two restaurants The Severn Inn in Annapolis, Maryland and Libations Bistro in Millersville Maryland. We have been in business for over 20 years and between the two locations employ 80 people. I'm writing to oppose SB 886.

It is obvious that you haven't learned anything from the last time you raised the minimum wage. Before that increase in minimum wage, we sold a hamburger for twelve (\$12) dollars today same burger is sixteen (\$16). Do you know why? Because not only did the minimum wage in the restaurant increase for the starting positions, but that also caused an increase in all the wages in the restaurant. Why because the people making \$20 an hour see others getting a \$5 dollar raise, they need a \$5 raise. So do the folks working in the supply houses, they need an additional \$5 an hour and the delivery driver the same thing.

This thinking only causes inflation and serves no purpose. When someone comes to work every day and shows they can do the work we give them a raise above the minimum wage because they have proven they are worth it.

Your legislation has no carve outs for students who work jobs like hostess, food runners they don't need a living wage they are living at home. They add to the price increase for a hamburger.

In our restaurants after the last increase, we only open Wednesday through Sunday and close two hours earlier every day. We had to do that to eliminate one entire shift to keep our costs down.

The tip credit is essential for our business. Our average server, bartender, makes 18 per hour now and the tips are spread proportionately between the entire front of the house, therefore they all benefit from tips.

I don't oppose fair wages. I am concerned about sustainability, and whether businesses like mine will be able to continue operating and employing Marylanders under this proposed structure.

I respectfully ask you to oppose SB 886.

Sincerely

Robert D. Hauck

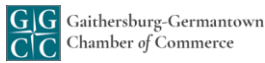
617 Ridgely Avenue | Annapolis, Maryland | 21401 | 410.224.3257 | (F) 410.224.6185 | HauckCPA.com

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Maryland Association of Certified Public Accountants*

# **SB0886 -- Consumer Protection and Labor and Employ**

Uploaded by: Brian Levine

Position: UNF



**Senate Bill 886 -- *Consumer Protection and Labor and Employment -  
Food Service Facilities and Minimum Wage***  
**Senate Finance Committee**  
**March 11, 2026**  
**Oppose**

As a united coalition of business organizations, the Gaithersburg-Germantown Chamber of Commerce, Greater Bethesda Chamber of Commerce, Greater Rockville Chamber of Commerce, Greater Silver Spring Chamber of Commerce, Hispanic Chamber of Commerce Montgomery County, and Montgomery County Chamber of Commerce are firmly opposed to Senate Bill 886 -- *Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage*.

Senate Bill 886 increases the statewide minimum wage to \$25 per hour by January 1, 2032, and beginning January 1, 2033, provides that the minimum wage will be indexed to the Consumer Price Index (CPI). The bill also phases out the tip credit by January 1, 2031, and raises the minimum wage for tipped workers to \$16.50 by January 1, 2030.

The business community strongly opposes a dramatic increase in the state minimum wage because it would significantly raise labor costs, particularly for small businesses with limited margins. Higher mandated wages could force employers to reduce hiring, cut employee hours, or delay expansion, while also driving up prices and reducing competitiveness. These added financial pressures jeopardize business stability and long-term growth, especially at a time when Maryland's minimum wage has already increased sharply in recent years and is currently indexed to the CPI. In this difficult economic climate, businesses need stability, and another substantial wage increase would undermine that stability.

Regarding elimination of the tip credit, this legislation would have a profoundly negative impact on both full-service restaurant operators and servers. Many operators are still struggling to adapt to post-pandemic economic challenges and eliminating the tipped wage would upend the long-standing business model they relied on, often when entering long-term leases based on the existing tip credit structure. To absorb significantly higher labor costs, restaurants would be forced to raise menu prices, further straining customers. For most restaurant servers, eliminating the tipped wage would reduce their overall earnings and discourage workers from remaining in an already fragile industry, as customers are unlikely to tip at previous levels once higher menu prices take effect. Importantly, tipped employees are already guaranteed to receive at least the full applicable minimum wage through a combination of base wages and tips, with employers required to make up any difference under current law.

**For these reasons, the Gaithersburg-Germantown Chamber of Commerce, Greater Bethesda Chamber of Commerce, Greater Rockville Chamber of Commerce, Greater Silver Spring Chamber of Commerce, Hispanic Chamber of Commerce Montgomery County, and Montgomery County Chamber of Commerce oppose Senate Bill 886 and respectfully request an unfavorable report.**

# **SB 0886 – Consumer Protection and Labor and Employ**

Uploaded by: Danna Blum

Position: UNF



February 16, 2026

Finance Committee  
Senator Pamela Beidle  
3 East  
Miller Senate Office Building  
Annapolis, Maryland 21401

**Re: SB 0886** – Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage-  
**Oppose**

Dear Senator Beidle:

SB0886 seeks to increase the state minimum wage via state constitution. Maryland has ranked low on economic competitiveness for many years. A new study by WalletHub ranks Maryland as the second worst state in the nation to start a business. Actions like SB0886 will continue that path.

- **Job Loss and Reduced Hours:** Businesses, particularly in high-labor sectors like restaurants and retail, may cut jobs, reduce staff hours, or stop hiring to manage increased labor costs.
- **Inflation and Higher Costs:** Companies often pass the increased labor expenses on to consumers by raising prices on goods and services, which can negate the increased purchasing power of workers, and discourage business in an already poor economy.
- **Reduced Opportunities for Low-Skilled Workers:** High minimum wages can lead to companies replacing entry-level positions with automation or preferring more experienced workers, making it harder for teenagers and inexperienced workers to find employment.
- **Small Business Strain:** Small, local businesses with tighter profit margins may struggle to compete with larger corporations, potentially leading to closures or market consolidation.
- **Economic Disparities:** A one-size-fits-all high wage may not reflect regional cost-of-living differences, placing an unsustainable burden on businesses in rural areas.



Thomas Sowell has said “Making it illegal to pay less than a given amount does not make a worker’s productivity worth that amount—and, if it is not, that worker is unlikely to be employed.” Instead of raising the minimum wage, state and local governments should focus on job training and educational opportunities to improve individuals’ skills and help them leverage those skills for higher pay.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill. We therefore request that you give this bill an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin".

Mike McMullin  
President  
Carroll County Chamber of Commerce

CC: Delegate Chris Tomlinson  
Senator Justin Ready

**sb 886 UNF testimony.pdf**

Uploaded by: David Shuster

Position: UNF

David Shuster, Ed.D.  
12309 Itnyre Rd.  
Smithsburg, MD 21783

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, Maryland 21401

March 9, 2026

Thank you for the opportunity to submit written testimony in **opposition to Senate Bill 886**, which would mandate a statewide minimum wage of **\$25 per hour**, eliminate subminimum wages, and embed this framework into the Maryland Constitution. My perspective on this issue is informed from two perspectives: as a Maryland resident and as the President and CEO of a Maryland workforce development non-profit providing services within Washington, Allegany, and Garrett counties.

Leading this organization, I share the goal of economic dignity and opportunity for all Marylanders. However, based on decades of workforce development experience and a substantial body of economic evidence, I believe these bills would **harm the very people they intend to help**, while jeopardizing the financial sustainability of nonprofits that provide job training, transitional employment, and pathways to long-term self-sufficiency.

## **Raising the Minimum Wage Does Not Fix Affordability—and Will Make It Worse**

Currently, high living costs in Maryland are driven by a multitude of factors including **housing shortages, energy prices, healthcare costs, childcare expenses, and inflation**, not by wage floors alone. Large, mandated wage increases do not address these structural cost drivers.

The **Congressional Budget Office (CBO)** consistently finds that while higher minimum wages increase earnings for some workers, they also **reduce employment for others**, raise consumer prices, and reduce overall economic output. In CBO analyses of significant wage increases, job losses are a predictable tradeoff, with displaced workers experiencing a complete loss of income rather than higher pay [12](#).

Additionally, research summarized by the **U.S. Bureau of Labor Statistics** shows that employers respond to higher mandated wages not only through reduced hiring, but also through **higher prices, reduced hours, reduced benefits, and increased automation**—all of which worsen affordability for low-income households who spend a higher share of their income on basic services [3](#).

In short, a \$25 minimum wage risks **fueling inflationary pressure**, reducing service availability, and increasing the cost of goods and services without addressing the root causes of Maryland's affordability crisis.

## Turning the Minimum Wage into a “Living Wage” Excludes People from the Workforce

Minimum wage jobs are often **entry points** into the labor market—not final destinations. They are especially critical for:

- Teenagers and young adults entering the workforce
- Older adults and retirees seeking part-time or supplemental income
- Individuals with limited work history or barriers to employment
- First-time workers gaining soft skills and job experience

A substantial body of economic research shows that **large minimum wage increases reduce employment opportunities for young and inexperienced workers**. A comprehensive review by **IZA World of Labor** finds that higher minimum wages reduce youth employment, delay workforce entry, reduce on-the-job training, and lower lifetime earnings for those who are priced out of the labor market [4](#).

Studies focused specifically on teenagers consistently show that higher wage floors increase unemployment among young workers by increasing the number of job seekers while reducing the number of entry-level jobs available [5](#).

For nonprofit social enterprises, which intentionally create **transitional and supported employment opportunities**, a \$25 wage floor would force organizations to **serve fewer people**, not more - excluding those who most need a first chance to build work history and skills.

### A \$25 Minimum Wage Would Be Uniquely Damaging to Nonprofits

Currently in Maryland, nonprofits employ **280,000 workers full-time—nearly 13% of all non-governmental workers** in Maryland—and more than every other major private industry in the state. Increasing the minimum wage to \$25 puts this entire critical ecosystem at risk as nonprofits operate under fundamentally different economic constraints than for-profit businesses. Unlike private firms, nonprofits:

- Cannot raise prices/fees freely
- Do not generate substantial profits to buffer higher costs
- Depend on donations, grants, and fixed public contracts
- Operate in highly labor-intensive human-service sectors

Peer-reviewed research from the **National Bureau of Economic Research (NBER)** finds that **large minimum wage increases lead to significant employment reductions in the nonprofit sector**, as well as declines in the number of nonprofit organizations themselves [6](#).

Further analysis summarized by the **Cato Institute**, drawing on IRS and BLS data, shows that legislative minimum wage increases of \$2 or more result in:

- Employment declines of **2.7% to 9.1%** in nonprofits
- Reductions in the number of nonprofit establishments

- Decreased fundraising capacity and charitable contributions with effects that worsen over time and disproportionately harm smaller nonprofits [7](#).

More specifically this will disproportionately affect non-profit organizations that rely on **labor-intensive operations**—such as donation processing, retail, logistics, custodial services, job coaching, and supported employment - paying fair wages paired with **training, accommodations, and career advancement pathways**. Mandating a \$25 wage would potentially result in:

- Reduction in the number of individuals served
- Elimination training and support services
- Increased automation at the expense of jobs
- Closure of stores and programs that currently help people move from unemployment to independence

This would directly undermine the ability to achieve our core mission: **using work as a tool to build skills, confidence, and long-term employability**.

### **Conclusion**

HB 1229 and SB 886 represent a well-intentioned but deeply flawed approach to economic hardship. A \$25 minimum wage would:

- Fail to address the true drivers of affordability
- Exclude both valuable *and* vulnerable populations from the workforce
- Disproportionately harm nonprofits and workforce-development organizations
- Reduce services and opportunity for those who need it most

I urge you to **reject these bills** and instead pursue policies that expand housing supply, reduce cost-of-living pressures, support workforce development and job training, and preserve pathways into employment for all Marylanders. Strategies that create incentives for employers to **voluntarily** support their employees through contributions to support childcare, transportation, and other barriers to employment would be a better starting place. These could have the same net effect of putting additional dollars back into employees' pockets while also encouraging employers to help remove barriers to employment.

Thank you for your consideration and for your commitment to thoughtful, evidence-based policymaking.

**Respectfully submitted,**



Dr. David Shuster

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<https://www.bls.gov/opub/mlr/2021/beyond-bls/a-15-minimum-wage-changes-more-than-just-take-home-pay.htm>
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5. **The Effect of the Minimum Wage on Teenage Employment and Unemployment: A Meta-Analysis.**  
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**SB0886\_OCChamber\_Thompson\_UNF.pdf**

Uploaded by: DENNIS RASMUSSEN

Position: UNF

3/9/2026

SB0886



## Ocean City, Maryland Chamber of Commerce

410-213-0144 info@oceancity.org  
oceancity.org 12320 Ocean Gateway, Ocean City, MD 21842

### TESTIMONY OFFERED ON BEHALF OF THE GREATER OCEAN CITY MARYLAND CHAMBER OF COMMERCE

#### IN OPPOSITION TO:

#### **SB0886 – Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

#### **Before:**

**Senate Finance Committee**

**Hearing: 3/11/2026 at 1:00 PM**

The Greater Ocean City Chamber of Commerce, representing more than 700 regional businesses and job creators, is **STRONGLY OPPOSED to Senate Bill SB0886 – Protection and Labor and Employment – Food Service Facilities and Minimum Wage**. This bill, a Constitutional amendment, would amend the State’s Wage and Hour Law to require a \$25 per-hour minimum wage by 2030, eliminate the tip credit, automatically increase wages with inflation, and embed this entire framework into the Maryland Constitution. Maryland’s current minimum wage is \$15 per hour. Under this bill, minimum wages would rise to:

- ***\$17 – January 1, 2027***
- ***\$20 – January 1, 2028***
- ***\$22.50 – January 1, 2029***
- ***\$25 – January 1, 2030***

The OC Chamber, given its seasonal status, is **STAUNCHLY OPPOSED** to this legislation because it will severely impact our local industries and employers, e.g., restaurants, hotels, hospitality, retail, childcare, transportation, agricultural, and other small businesses.

For Ocean City employers and employers around the State, implementations of this legislation may cause some businesses to reduce staff or hours to manage the higher labor costs, potentially leading to job losses. They may resort to the

**3/9/2026**

**SB0886**

use of increased automation to compensate for the expanded wages and therefore reduce staffing.

Small businesses may struggle more than larger corporations to absorb the wage increase, potentially leading to business closures and bankruptcies.

Eliminating the tip credit in 2031 would cause restaurants and food service employers to pay the full minimum wage regardless of tips earned. This significantly alters the standard compensation structures in the hospitality industry — even where tipped employees already earn well above minimum wage — shifting the full wage burden to employers and compressing pay differentials across wages earners.

Wage compression (pay scales) may be adversely affected when the pay gap between low and mid-level jobs narrows, negatively impacting overall wage structures.

Higher wages may contribute to inflation as businesses raise prices to cover the increased labor costs and pass these costs along to their customers.

The Chamber is opposed to the Constitutional mandate of future automatic inflation indexing of minimum wages beginning in 2033 without consideration of economic conditions and legislative review.

For the above reasons, including the economic and operational impact **SB0886** would have on our small business community, the Greater Ocean City Chamber respectfully requests an **UNFAVORABLE REPORT on SB0886**. Please feel free to contact the Chamber directly on 410-213-0144 should you have any questions.

Respectfully submitted,

*Amy Thompson*

Amy Thompson  
Executive Director  
[amy@oceancity.org](mailto:amy@oceancity.org)

*Bob Thompson*

Bob Thompson  
Legislative Committee Chair  
[bob@t1built.com](mailto:bob@t1built.com)

**Senate Bill 886- .pdf**

Uploaded by: Diane Mellott

Position: UNF



March 9, 2026

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

To the Members of the Senate Finance Committee:

My name is Diana E. Mellott, and I am the CEO/COO of Play Centers, Inc. / Play and Learn, a small not-for-profit corporation that operates in Maryland, with 16 School Age and 3 Preschool locations in Baltimore County, and 1 Preschool location in Anne Arundel County, a stone’s throw from the State House. We have operated since September 1982 – fully not for profit, with the majority of the income through parent paid tuition, and also with critical support for families from the Maryland State Child Care Scholarship (which supports current families but which is frozen for the majority of incoming families. We currently employ 177 people. I am writing in opposition to SB 886.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But this proposal would create economic consequences many businesses like mine simply cannot absorb - threatening jobs, increasing costs, and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 – a 67% increase – is not a small adjustment. For our business, that would mean:

An estimated annual payroll increase of approximately \$2,208,960 in year 1.

Pressure to raise prices for our customers. In fact, the families we serve would NOT have funds sufficient to pay the required increases.

While some Maryland companies would be faced with difficult decisions about staffing levels, hours, or expansion, we would nearly immediately have to close all of our child care centers, that currently serve nearly 1,000 of Maryland’s infants through school-aged children, destroying a critical component of the work force behind the work force.

This would not only affect entry-level positions. It would impact wages across our entire team due to compression.

What concerns me most is placing this policy into the Maryland Constitution. Embedding it there would 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.

I am not opposed to fair wages. I am legitimately concerned that our private, not-for-profit company - which has provided affordable child care to thousands and thousands of families since 1982, will have no other choice but to cease operations in all locations.

There has to be a solution that facilitates fair wages, which not putting Maryland small businesses OUT of business and adding to the burden on the State. I respectfully ask you to *oppose* SB 886.

Thank you for your time and consideration.

Sincerely,

Diana E. Mellott  
CEO/COO  
Play Centers, Inc.  
Parkville, Towson, Hunt Valley, Dundalk, Annapolis, Essex, Phoenix, Timonium, Cockeysville, Baldwin,

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2414 East Joppa Road  
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Website  
[www.playcenters.org](http://www.playcenters.org)

E-mail  
[playcenters@playcenters.org](mailto:playcenters@playcenters.org)

Tax ID  
52-1259566

**MDCC\_SB 886\_Unfavorable.pdf**

Uploaded by: Grason Wiggins

Position: UNF



## Senate Bill 886

**Position: Unfavorable**

Committee: Senate Finance

Date: March 11, 2026

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Founded in 1968, the Maryland Chamber of Commerce (“Maryland Chamber”) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

Senate Bill (“SB 886”) would impose significant costs and risks on Maryland’s economy, workers, and consumers. The Maryland Chamber opposed SB 886 for the following reasons:

### **Elimination of the Tip Credit Will Substantially Increase Labor Costs**

Economic research indicates that reducing or eliminating the tip credit leads to reduced employment among tipped workers and higher labor costs for businesses without clear benefits to total earnings. A study from the National Bureau of Economic Research found that policies reducing tip credits tend to reduce jobs among tipped restaurant workers, and do not reliably increase earnings for remaining employees enough to offset labor cost increases.

### **Job Losses and Reduced Hours**

Industry-focused research has projected that eliminating or significantly raising tipped minimum wages can lead to notable job losses and earnings declines for workers in the restaurant sector. For example, one analysis estimated that national implementation of a \$15 tipped minimum wage could result in hundreds of thousands of job losses and billions in lost earnings for tipped employees—effects that could be mirrored at a state level if Maryland enacts SB 886.

### **Economic Strain on Small Businesses Operating on Thin Margins**

Full-service and independent establishments consistently operate on thin net profit margins. Eliminating the tip credit and increasing wage floors at the same time places extraordinary pressure on these businesses. Higher base wage requirements—and the resulting payroll cost increases—force employers either to raise prices, reduce hours, cut staff, or in some cases close operations entirely. When costs rise materially, restaurants and hospitality businesses frequently pass these costs on to consumers through higher prices, which will weaken Maryland’s economic growth.

### **Evidence From Other Jurisdictions Highlights Risk**

Recent reports from jurisdictions that moved toward eliminating tipped minimum wages illustrate the real challenges facing small businesses and their workers. In Washington, D.C., an initiative to equalize tipped and non-tipped wages led some restaurant owners to report higher payroll costs,

reductions in hours, service charges, and customer resistance to price increases, prompting the local council to delay further wage increases and reconsider the policy's impact.

Industry trade groups, such as the National Restaurant Association, also highlight that eliminating the tip credit can result in fewer restaurants opening and heavier cost burdens on owners and workers alike; they report that full-service restaurant workers often earn significantly above the minimum wage already—often between roughly \$19 and \$41.50 per hour when tips are included—suggesting that a one-size-fits-all wage mandate could disrupt successful existing compensation structures.

### **Worker Preferences and Market Flexibility**

Research and surveys have shown that many tipped employees prefer the existing system because it provides flexibility and the potential for earnings well above the base minimum wage. According to industry analysis, a strong majority of tipped workers express a preference for maintaining the tip credit system, which allows them to benefit directly from customer gratuities—often earning well above standard wage floors.

### **Conclusion**

Maryland's business community supports fair wages and economic participation for all workers. However, SB 886's elimination of the tip credit—combined with steep minimum wage increases—poses significant risk of job losses, reduced employment opportunities, higher consumer prices, and business closures, especially among small and independent employers. Current research does not conclusively demonstrate that these changes will deliver the intended benefits to low-wage workers; in many cases, the evidence suggests trade-offs that merit careful consideration. **For these reasons, the Maryland Chamber respectfully requests an unfavorable report on SB 886.**



# **Written Testimony in Opposition.pdf**

Uploaded by: Janelle Gardiner

Position: UNF

## **Written Testimony in Opposition**

### **House Bill 1229 / Senate Bill 886**

### **Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

Submitted to the Maryland General Assembly  
On behalf of St. Mary's Business Partners

#### **Position: OPPOSE**

Chair and Members of the Committee,

On behalf of the members of St. Mary's Business Partners, a networking organization comprised of 25 small business owners and professionals throughout Southern Maryland, we respectfully submit this testimony in opposition to House Bill 1229 / Senate Bill 886.

Our members represent a broad cross-section of Maryland's small business community including restaurants, retail establishments, service providers, and professional firms. While we fully support policies that improve economic opportunity for Maryland workers, we are deeply concerned that this legislation would have serious unintended consequences for small businesses, employees, and local economies.

#### **1. The Proposed Wage Increase Is Unsustainable for Small Businesses**

House Bill 1229 / Senate Bill 886 would increase Maryland's minimum wage to \$25 per hour by 2030, with the potential for this being worked into the state constitution as law.

For many small businesses—particularly restaurants and hospitality establishments operating on thin margins—this represents a dramatic and rapid escalation in labor costs. Unlike large corporations, small businesses often lack the financial flexibility to absorb such increases.

For many establishments in Southern Maryland, the likely outcomes would include:

- Reduced hiring
- Reduced employee hours
- Increased prices for customers
- Automation or operational restructuring
- Competitive disadvantage
- In some cases, business closures

Small businesses are already navigating rising costs related to insurance, utilities, supply chains, regulatory compliance, and new state programs. Adding another significant mandated increase could place many employers in an impossible financial position.

## **2. Eliminating the Tip Credit Disrupts a System That Works for Many Workers**

The bill would also eliminate the tip credit beginning in 2031, requiring employers to pay the full minimum wage regardless of tips received.

For many tipped employees—particularly experienced servers and bartenders—the current system allows them to earn significantly more than the minimum wage through gratuities.

Eliminating the tip credit risks:

- Lower overall earnings for some workers
- Increased menu prices
- Reduced staffing levels
- A shift away from the tipping model that many employees prefer

Many restaurant workers have expressed concern that changes like this could ultimately reduce income opportunities rather than increase them.

## **3. Automatic Inflation Adjustments Remove Legislative Oversight**

The bill also proposes automatic inflation-based increases beginning in 2033.

Embedding automatic wage increases removes the ability of future legislatures to carefully evaluate economic conditions, regional impacts, or industry-specific challenges before imposing additional increases.

Maryland's economy—especially in rural and suburban regions such as Southern Maryland—varies significantly from urban markets. Wage policy should maintain flexibility to account for these differences.

## **4. Regional Small Businesses Face Unique Challenges**

Southern Maryland businesses operate in a unique economic environment:

- Many are family-owned
- Many serve small local communities
- Many already struggle to compete with large regional chains and government contractors

A uniform statewide wage mandate at this level does not account for the economic realities facing smaller regional markets.

Policies that unintentionally drive up operating costs for local businesses ultimately harm the very communities they aim to support.

## **Conclusion**

St. Mary's Business Partners strongly believes Maryland can pursue policies that support workers while also protecting the viability of the small businesses that employ them.

House Bill 1229 / Senate Bill 886, as currently written, risks placing unsustainable financial pressure on small employers, disrupting the restaurant and hospitality industry, and reducing economic opportunity in communities across our state.

For these reasons, we respectfully urge the committee to issue an unfavorable report on this legislation.

Thank you for your time and consideration.

Respectfully submitted,

Janelle Gardiner

JAG Consulting LLC on behalf of St. Mary's Business Partners

**Bill:** SB886

**Title:** Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

**Committee:** Finance

**Date:** March 11, 2026

**Position:** **OPPOSE**

Chair Beidle, Vice Chair Hayes, and Members of the Committee:

My name is Janelle Gardiner, and I am submitting this testimony on behalf of St. Mary's Business Partners, a networking organization comprised of small business owners and professionals throughout Southern Maryland.

Our organization respectfully **opposes Senate Bill 886** due to the significant impact it would have on small businesses across Maryland.

St. Mary's Business Partners includes entrepreneurs, restaurant owners, contractors, and service providers who collectively employ hundreds of Maryland residents. Policies that significantly increase mandated labor costs directly affect our ability to maintain those jobs and continue serving our communities.

- **Business Closures:** Unsustainable wage mandates can ultimately force small businesses to close their doors altogether.
- **Reduced Hiring:** Higher mandated labor costs often force small businesses to slow or freeze hiring altogether
- **Local Economic Impacts:** Small business instability can create broader economic challenges for local communities.

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

Respectfully submitted,

Janelle Gardiner

Owner JAG Consulting LLC on behalf of St. Mary's Business Partners

[janellegardiner@consultjag.com](mailto:janellegardiner@consultjag.com)

**Letter of Opposition SB0886\_DCM Bio-Jeff Griffin.p**

Uploaded by: Jeffrey Griffin

Position: UNF



# DCM BioServices

43 East South Street, Unit 2A, Frederick, MD 21701

Dear Chair Beidle, Vice Chair Hayes and Members of the Senate Finance Committee:

I am writing to express my strong **opposition to SB0886**.

I am the Managing Director of DCM BioServices, a Frederick-based life sciences automation services company that works with laboratories nationwide. I also serve on the board of the Maryland Tech Council, techfrederick, and the Executive Committee of the Frederick County Chamber of Commerce. In all of these roles, I see firsthand how state wage policy directly affects hiring decisions, business sustainability and economic growth.

SB0886 would raise the minimum wage to \$25 per hour by 2030 and then ties increases to inflation, with no mechanism to pause increases during economic downturns. This bill also phases on the tip credit and repeals a number of exemptions.

**This creates a permanent cost escalation that employers cannot predict or control.**

Maryland has already increased its minimum wage from \$10.10 in 2018 to \$15.00 in 2024, representing nearly a 50 percent increase in just six years. Employers across the state have worked hard to absorb these increases while continuing to provide jobs and growth opportunities. However, continued mandated increases, particularly those tied automatically to inflation regardless of economic conditions, are not sustainable.

**The reality is that minimum wage and living wage are distinct and separate economic concepts.** Attempting to address broader affordability challenges solely through minimum wage mandates can create undesired wage compression and places disproportionate burden on employers without addressing underlying cost drivers such as housing, energy, and overall taxation.

Small businesses, nonprofits and community-based organizations are particularly vulnerable. Unlike large corporations, they do not have the financial reserves or pricing power (ie. increased prices to consumers) to absorb repeated, mandated cost increases. Many operate on narrow margins, and policies like SB0886 put their long-term viability at risk.

Maryland already faces significant economic competition from neighboring states with lower labor costs and fewer regulatory burdens. Policies that increase structural costs without flexibility will discourage business investment, slow job growth and ultimately weaken Maryland's economic competitiveness.

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# DCM BioServices

43 East South Street, Unit 2A, Frederick, MD 21701

**I support fair and competitive wages.** However, those increases must be sustainable, predictable and balanced with economic reality.

Proposed legislation like SB0866, and HB1229, do not exist in isolation. They affect hiring decisions, business survival and the economic stability of communities throughout Maryland. This legislation represents a permanent and unsustainable cost escalation that many small and mid-sized employers will not survive. **I ask you to oppose SB0886.**

Thank you for all you do as public servants and representatives of the hard-working people of our state.

Sincerely,

Jeffrey D. Griffin  
Managing Director

800-240-4593



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**SB0886.pdf**

Uploaded by: Jennifer Vorm

Position: UNF

March 9, 2026

**Opposition to SB 886 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

To the Members of the **Senate Finance Committee**:

My name is **Jennifer Vorm** and I am the **owner** of **Livre Financial Services in La Plata, Maryland**. We have operated here for **6 years**. I am writing in opposition to **SB 886**.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But this proposal would create economic consequences many businesses like mine simply cannot absorb — threatening jobs, increasing costs and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 — a 67% increase — is not a small adjustment. For my business, that would mean my business could no longer afford to hire help.

What concerns me most is placing this policy into the Maryland Constitution. Embedding it there would 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.

I am not opposed to fair wages. I am concerned about sustainability — and whether businesses like mine will be able to continue operating and employing Marylanders under this structure.

I respectfully ask you to oppose **SB 886**.

Thank you for your time and consideration.

Sincerely,

Jennifer Vorm, MBA, CFE

Owner

Livre Financial Services

La Plata, MD

# **Testimony GRC for SB886.pdf**

Uploaded by: Jessica Worley

Position: UNF



# CECIL COUNTY CHAMBER of COMMERCE

Jack Schammel, CEO

Vanessa Torres, Chair

March 9, 2026

Chair Pamela Beidle & Members of the Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

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

Chair Beidle & Members of the Senate Finance Committee,

The Cecil County Chamber of Commerce, representing over 426 businesses and organizations in Cecil County, is writing to express our opposition regarding the proposed legislation, SB886 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage. Our Government Relations Committee, comprised of Chamber members who monitor and provide testimony on pending legislation, has reviewed this bill. We request an UNFAVORABLE opinion.

While the proposal to raise hourly minimum wage rates is well intended, further increases will harm both businesses and employees. Our business representatives report that raising the minimum wage necessitates revising the entire wage/salary scale to maintain a high quality, stable and competent work force. The effect of these revisions to the bottom line then requires the business to either raise prices for services/goods or to reduce the workforce, as the cost of automation becomes less than the cost of labor, resulting in fewer available jobs. This defeats one of the purposes of this proposed legislation by reducing employment opportunities, particularly entry-level positions. In addition, in some circumstances businesses may find it makes economic sense to relocate operations to a state with lower minimum wage requirements to remain competitive, thus reducing overall Maryland state and local tax revenues. And it further confirms Maryland's reputation as a poor jurisdiction in which to locate a business, impacting economic development.

In regard to tipped employees, we have no opinion regarding the removal of tip earnings from tax calculations. However, the Chamber strongly disagrees with eliminating the ability of restaurant owners to apply tip earnings when calculating the required minimum wage. Doing so would result in the price of food/meals increasing significantly and/or the closing of those restaurants who lose the clientele needed to meet the bottom line.

This proposed legislation not only impacts the private sector but public organizations as well. The increase in cost to municipal and county governments will require a reduction in employee count or an increase in tax revenue, or some combination thereof. Any reduction in government services and increase in taxes will further heighten the negative impact on business and reinforce the poor business friendly opinion of Maryland.

We thank you for considering our position on this legislation. We request an UNFAVORABLE opinion on SB886. Please feel free to contact our Government Relations Committee through Jessica Worley at [jworley@cecilchamber.com](mailto:jworley@cecilchamber.com) (410-392-3833) for additional information regarding this recommendation.

Sincerely,

Cecil County Chamber of Commerce  
Government Relations Committee

# **Opposition to SB 886.pdf**

Uploaded by: JOSHUA HIGNUTT

Position: UNF

February 26, 2026

**Opposition to SB 886 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

To the Members of the Senate Finance Committee:

My name is Paul C. Bramble, and I am the President of David A. Bramble, Inc. in Chestertown, Maryland. We have operated here for 67 years and currently employ 250 people. I am writing in opposition to SB 886.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But this proposal would create economic consequences many businesses like mine simply cannot absorb - threatening jobs, increasing costs, and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 – a 67% increase – is not a small adjustment. For our business, that would mean:

- An estimated annual payroll increase of approximately \$675,000
- Pressure to raise prices for our customers
- Difficult decisions about staffing levels, hours, or expansion

This would not only affect entry-level positions. It would impact wages across our entire team due to compression.

What concerns me most is placing this policy into the Maryland Constitution. Embedding it there would 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.

I am not opposed to fair wages. I am concerned about sustainability – and whether businesses like mine will be able to continue operating and employing Marylanders under this structure.

I respectfully ask you to oppose SB 886.

Thank you for your time and consideration.

Sincerely,



Paul C. Bramble  
President of Operations  
David A. Bramble, Inc.  
Chestertown, MD 21620

# **AUI Letter.pdf**

Uploaded by: Joshua Huegel

Position: UNF



AUI, Inc.  
1600 W. Pulaski Hwy.  
Elkton, MD 21921  
Phone 443-715-0000  
Fax 410-398-5500

**Opposition to SB 668 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

To the Members of the Senate Finance Committee:

My name is Josh Huegel, and I am the CFO of AUI Power in Elkton and College Park, Maryland. We have operated here for 16 year and currently employ 250+ people. I am writing in opposition to SB 886.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But this proposal would create economic consequences many businesses like mine simply cannot absorb - threatening jobs, increasing costs, and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 – a 67% increase – is not a small adjustment. For our business, that would mean:

- An estimated annual payroll increase of approximately \$200,000
- Pressure to raise prices for our customers
- Difficult decisions about staffing levels, hours, or expansion

This would not only affect entry-level positions. It would impact wages across our entire team due to compression.

What concerns me most is placing this policy into the Maryland Constitution. Embedding it there would 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.

I am not opposed to fair wages. I am concerned about sustainability – and whether businesses like mine will be able to continue operating and employing Marylanders under this structure.

I respectfully ask you to oppose SB 886.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Josh Huegel', with a long horizontal line extending to the right.

Joshua Huegel  
CFO

**SB 886 HB 1229 letter.pdf**

Uploaded by: Joshua Huegel

Position: UNF



UTILITRAIN, LLC.  
1254 E Old Philadelphia Rd  
Elkton, MD 21921  
(410) 865-0168

March 2, 2026

**Subject: Opposition to SB 886 / HB 1229 – Impact on Maryland Small Businesses and Higher Education Providers**

Dear Honorable Members of the Maryland General Assembly,

I am writing to express my strong opposition to proposed legislation SB 886 / HB 1229, which would increase the minimum wage to \$25 per hour.

As a Maryland business owner operating in the higher education sector, I am deeply concerned about the unintended consequences this proposal would have on small businesses like mine and on the students we serve.

I currently employ 15 staff members, with an average monthly payroll of approximately \$100,000. If this legislation is enacted, my payroll expenses would increase dramatically — at a minimum, doubling due not only to mandated minimum wage increases but also the necessary wage adjustments required for supervisory and skilled staff to maintain equitable pay structures.

Unlike many industries, my business is regulated by the State of Maryland with strict instructor-to-student ratio requirements. If payroll costs increase to the level projected under this proposal, I may be forced to reduce staffing levels to remain financially viable. Because staffing levels directly determine the number of students we can serve, this would require reducing class sizes and enrollment capacity, ultimately decreasing annual revenue and limiting educational access for Maryland residents.

While I support fair wages and value the contributions of my employees, an increase of this magnitude creates an unsustainable financial burden for small



UTILITRAIN, LLC.  
1254 E Old Philadelphia Rd  
Elkton, MD 21921  
(410) 865-0168

businesses and educational providers operating under state regulatory constraints.

I respectfully urge you to consider the economic realities facing small businesses and the potential reduction in educational opportunities that could result from this legislation. I strongly oppose SB 886 / HB 1229 and ask that you reconsider the impact this proposal would have on employers, employees, and students across Maryland.

Thank you for your time and consideration.

Sincerely,

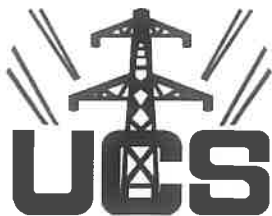
A handwritten signature in black ink, appearing to read "Luke Granger".

Luke Granger  
President/CEO  
Utilitrain, LLC  
410-865-0168

# **UCS Letter.pdf**

Uploaded by: Joshua Huegel

Position: UNF



UCS LLC  
377 Hutton Rd  
Elkton, MD 21921  
Phone: (410) 287-8800  
Fax: (443) 715-2148  
WBE Certification No: 16000936

Dear Maryland Elected Officials,

I am writing in opposition to the proposed increase of Maryland's minimum wage to \$25 per hour.

While I support fair wages, this proposal would impose severe and unsustainable costs on employers, particularly small and mid-sized businesses. For my company, **UCS, LLC**, this mandate would result in an additional **\$445,000 to more than \$563,000 annually in labor costs**. Absorbing an increase of this magnitude would require difficult decisions, including reducing hours, limiting hiring, increasing prices, or cutting investment and growth.

A statewide \$25 minimum wage does not reflect the economic realities faced by many employers or the significant differences in cost of living across Maryland. Rapid wage escalation at this level will accelerate automation, reduce entry-level opportunities, and ultimately lead to fewer jobs—not better outcomes for workers.

I urge you to reconsider this proposal and instead pursue balanced, data-driven approaches that support workers without jeopardizing jobs, small businesses, and economic stability.  
Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allen Blomquist', written in a cursive style.

Allen Blomquist  
President, UCS, LLC  
Cecil County, Maryland

**SB886\_MinWage\_Opposition\_3.9.26.pdf**

Uploaded by: Juli McCoy

Position: UNF

March 9, 2026

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
3 East Miller Office Building  
Annapolis, MD 21401

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

Dear Chairwoman Beidle and Members of the Committee:

On behalf of the Allegany County Chamber of Commerce, I am writing to request an unfavorable vote on Senate Bill 886 – Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage, now pending before the General Assembly.

While our employers share the desire to improve opportunities for Maryland workers, this proposal in its current form throws a one-size-fits-all wage mandate on businesses without regard to local economic conditions, narrow margins, or competitive realities.

For so many of our small businesses in Allegany County, these mandated increases present several real threats, including possible reduced hiring and hours, higher consumer prices, and competitive disadvantage. Our community relies on residents, teens, and part-time workers, especially those entering the workforce to keep our businesses open. Mandated wage spikes will no doubt be cause for cutting hours or positions. To absorb the mandated increases, we would once again see price increases. In a location like Allegany County, there is a significant risk of business impact when consumers can easily access lower prices in West Virginia and Pennsylvania, both just minutes from Maryland locations.

The Chamber of Commerce employs three staff who are educated, knowledgeable and dedicated to our work. Salaries are competitive for professionals in our community in-part due to affordable membership dues, successful events, and member advertising. An increase of this level would cause our organization to reassess all revenue sources. As dues increase, we would see a reduction in members, and as event sponsorships and ticket pricing go up to balance other losses, we would need to retool our staffing.

We urge the Legislature to consider alternatives that do not disproportionately disadvantage rural employers, such as targeted tax incentives for wage growth, sector-specific wage dialogs, or localized pilot programs that allow communities to tailor solutions.

Increasing worker opportunity is important, but it must be done in a way that preserves the ability of local employers to stay open, invest, and continue providing jobs and services in Allegany County. Thank you for considering an unfavorable vote on SB886.

Sincerely,



Juli McCoy  
President & CEO  
Allegany County Chamber of Commerce

**Opposition HB 1229 SB 886 Prescott HR 030926.pdf**

Uploaded by: Kimberly Prescott

Position: UNF



March 9, 2026

Written Testimony in Opposition to HB 1229 / SB 886  
Minimum Wage Increase to \$25 and Elimination of the Tip Credit

Chair Beidle, Vice Chair Hayes, and Members of the Committee,

Thank you for the opportunity to provide written testimony on HB 1229 / SB 886.

My name is Kimberly Prescott. I am the founder and president of Prescott HR, a Columbia, Maryland based human resources consulting firm. For more than 25 years I have worked at the intersection of employment law, HR strategy, workplace investigations, and compliance. My firm works primarily with small and mid-sized organizations across Maryland, many of which do not have in-house HR departments. We work with a wide range of employers, including many nonprofit organizations, helping them navigate employment laws and implement workplace policies in real operational environments.

I want to start by saying that everyone supports the idea that people should earn a fair and sustainable wage. That is not the debate. The concern here is the scale, the speed, and the permanence of what this legislation proposes.

A \$25 minimum wage does not only affect entry-level workers. It triggers pay compression across the entire workforce. When the bottom of the pay scale rises quickly, employers must also increase wages for supervisors, experienced staff, and specialized roles to maintain internal equity and morale. Otherwise, organizations find themselves in a position where someone newly hired is earning nearly the same as someone who has been with the organization for years or who carries supervisory responsibility.

As a result, the real financial impact is not limited to the minimum wage. It is the entire payroll structure shifting upward.

For many of the organizations we support, particularly small businesses and nonprofit organizations, payroll is already the single largest operating expense. Nonprofits in particular operate on fixed grant funding, government contracts, and donor-supported budgets that cannot simply be adjusted overnight. Moving from \$15 to \$25 per hour over a short period represents a 67 percent increase in base wages, and when compression adjustments are layered on top of that, the total payroll impact becomes even more significant.

Another unintended consequence that deserves attention is the loss of lower-level job opportunities. Entry-level positions are often the first step into the workforce. They are where young workers gain experience, where individuals reentering the workforce rebuild their skills, and where many people from marginalized communities begin building economic mobility.

When the cost of entry-level labor increases this rapidly, employers often respond by reducing those roles, limiting hiring, consolidating positions, or investing in automation. The very jobs that provide a pathway into the workforce become harder to find. That outcome runs counter to the goal of expanding economic opportunity and attracting business to Maryland.

This legislation must also be considered in the context of the cumulative impact of employment-related legislation enacted over the past decade. Maryland employers have implemented significant changes in recent years, including increases in the minimum wage, paid sick leave requirements, family and medical leave programs, pay transparency laws, expanded reporting obligations, and other regulatory changes. Each of these policies was adopted with important goals in mind, but together they represent a growing compliance and financial burden, particularly for small organizations without large administrative infrastructures.

Many employers are doing their best to keep pace with these changes while continuing to hire and invest in their workforce. The rapid escalation proposed in this legislation adds another major layer to an already complex regulatory environment.

The proposal to eliminate the tip credit beginning in 2031 further alters compensation structures in certain industries. In many cases, tipped employees already earn well above minimum wage due to tips. Removing the tip credit shifts the entire wage burden to employers and compresses wage differentials across roles.

For small businesses and nonprofits, these combined pressures may lead to difficult choices: raising prices, reducing services, cutting staff, reducing hours, delaying expansion, or closing programs entirely.

These outcomes also stand in tension with the economic development goals that Maryland's leadership has emphasized, including supporting small businesses, strengthening nonprofit service providers, and expanding employment opportunities across the state. Policies that dramatically increase labor costs within a compressed timeframe risk making Maryland less competitive for business growth and sustainability.



Another significant concern is the provision that would automatically increase wages based on inflation beginning in 2033, combined with the proposal to place these mandates in the Maryland Constitution. This structure would remove legislative flexibility and make future adjustments extremely difficult, even if economic conditions change. Embedding detailed wage policy into the constitution limits policymakers' ability to respond thoughtfully to future economic realities.

Public policy works best when it balances the goal of improving wages with the need to preserve employment opportunities, maintain business viability, and support the organizations that serve our communities.

For these reasons, I respectfully urge the committee to carefully consider the long-term impacts of HB 1229 / SB 886 on small businesses, nonprofit organizations, employment opportunities, and Maryland's economic competitiveness.

Thank you for your time and consideration.

Respectfully submitted,

Kimberly N. Prescott, SPHR, SHRM-SCP  
Founder and President  
Prescott HR, Inc.

# **SB886 testimony Min Wage.pdf**

Uploaded by: Kirk McCauley

Position: UNF



## 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)

**SB886\_MinimumWage.pdf**

Uploaded by: Kristi Minnigh

Position: UNF

March 3, 2026

The Honorable Pamela Beidle, Chair  
Senate Finance Committee  
3 East Miller Office Building  
Annapolis, MD 21401

Dear Chairwoman Beidle and Members of the Committee:

I write as the owner of Western Maryland Insurance, LLC in LaVale, MD regarding Senate Bill 886 – Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage, now pending before the General Assembly.

While I share the desire to improve opportunities for Maryland workers, I am opposed to this proposal in its current form because it throws a one-size-fits-all wage mandate on businesses without regard to local economic conditions, narrow margins, or competitive realities.

For a small business like mine, these mandated increases present several real threats, including possible reduced hiring and hours, higher consumer prices, and competitive disadvantage. We hire local residents, teens, and part-time workers, especially those entering the workforce. Mandated wage spikes risk cutting hours or positions we otherwise would have offered. To absorb the mandated increases, we would once again need to explore price increases. In a location like Allegany County, there is a significant risk of business impact when consumers can easily access lower prices in West Virginia and Pennsylvania, both just minutes from my location.

Rather than an abrupt CPI-linked mandate, I urge the Legislature to consider alternatives that do not disproportionately disadvantage rural employers, such as targeted tax incentives for wage growth, sector-specific wage dialogs, or localized pilot programs that allow communities to tailor solutions.

Increasing worker opportunity is important, but it must be done in a way that preserves the ability of local employers to stay open, invest, and continue providing jobs and services in LaVale.

Thank you for considering an unfavorable vote on SB886.

Sincerely,

*Kristi Minnigh*

Kristi Minnigh  
Western Maryland Insurance, LLC  
301-729-3111

**SB886 min wage incr TESTIMONY Mar 2026.pdf**

Uploaded by: Linda Bradley

Position: UNF

**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,

Linda R. Bradley, PO Box 972, McHenry, MD 21550, [linbrad10@gmail.com](mailto:linbrad10@gmail.com), 301 616 6604

# **Testimony Letter for SB 886 - Lisa Romano.pdf**

Uploaded by: Lisa Romano

Position: UNF

March 3, 2026

## **Opposition to SB 886 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage**

To the Members of the Senate Finance Committee:

My name is Lisa Romano, and I am an Owner of The Breadery in Catonsville, Maryland. We have owned the business for the last 3 years, however the business is celebrating its 30<sup>th</sup> year in business in 2027. We currently employ 30 amazing Marylanders. I am writing in opposition to SB 886.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But this proposal would create economic consequences many businesses like mine simply cannot absorb - threatening jobs, increasing costs, and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 – a 67% increase – is not a small adjustment. For our business, that would mean:

- An estimated annual payroll increase of approximately \$400,000
- Requirement to raise retail and wholesale prices for our customers, again
- Expansion plans would be put on hold until if/when we can stabilize

This would not only affect entry-level positions. It would impact wages across our entire team due to equity. We have employees that have been in roles for 10+ years. They would expect an equity adjustment.

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

I am not opposed to fair wages. All of our employees already make more than minimum wage. We offer 401K and health benefits too. We do this to take care of our employees. I am concerned about sustainability – and whether businesses like mine will be able to continue operating and employing Marylanders under this structure.

I respectfully ask you to oppose SB 886.

Thank you for your time and consideration.

Sincerely,

Lisa Romano

Owner, The Breadery

Catonsville, MD 21228

**MBIA Letter of Oppositon SB886.pdf**

Uploaded by: Lori Graf

Position: UNF

March 11, 2026

The Honorable Pam Biedle  
Chair, Senate Finance Committee  
145 Lowe House Office Building  
Annapolis, MD, 21401

**RE: MBIA Letter of Opposition SB 886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage**

Dear Chairwoman Biedle,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB886**. MBIA respectfully expresses opposition to the proposed minimum wage increase schedule outlined in this legislation.

While the goal of supporting workers is commendable, eliminating the tipped wage credit would significantly increase labor costs for restaurants, hospitality businesses, and other service-sector employers—many of which operate on thin margins.

While we recognize and support the goal of ensuring that Maryland workers earn a fair and livable wage, the accelerated and significant increases proposed—from \$15.00 per hour to \$25.00 per hour within a relatively short timeframe—raise serious concerns about economic sustainability, particularly for small and mid-sized employers.

For many businesses operating on thin margins, especially in construction, retail, hospitality, and service industries, wage costs represent one of the largest operating expenses. Mandating increases to \$17.00, \$20.00, \$22.50, and ultimately \$25.00 per hour over successive years will substantially increase payroll obligations, workers' compensation costs, payroll taxes, and related benefits expenses. These compounded increases may force employers to reduce hiring, scale back hours, delay expansion, automate positions, or pass costs on to consumers through higher prices.

Small employers will be especially impacted. Many locally owned businesses are still recovering from economic disruptions and inflationary pressures. A rapid escalation in wage requirements without corresponding productivity growth or tax relief will create financial strain that could lead to closures or reduced economic activity in our communities.

Additionally, indexing future increases to a rate determined by the Commissioner introduces uncertainty into long-term business planning. Employers need predictability to make responsible investment and staffing decisions.

For these reasons, I respectfully urge the Committee to give this proposal an unfavorable report or to substantially amend the legislation to mitigate its economic impact.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the Senate Finance Committee

# **SB886 - Oppose - Maryland Motor Truck Association.**

Uploaded by: Louis Campion

Position: UNF



**HEARING DATE:** March 11, 2026

**BILL NO/TITLE:** SB886: Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

**COMMITTEE:** Senate Finance

**POSITION:** **Oppose**

Maryland Motor Truck Association (MMTA) is a non-profit trade association with over 900 member companies who offer for-hire trucking services and who use private fleets to deliver their goods. Our members include owner operators, small to mid-size fleets, and national companies. About 90% of our members are small business owners with fewer than 10 trucks. Overwhelmingly, our members pay far greater salaries than the minimum wage. In fact, the trucking industry's average annual wage is approximately \$75,000. A recent survey of our members revealed that only about 10% of them had any employees being paid the minimum wage and, of those companies that did have minimum wage workers, they represented less than 10% of their employees.

Despite the overwhelming data showing that the trucking industry is not made up of minimum wage workers, MMTA is opposed to the minimum wage increase being proposed in this legislation for the following reasons:

- The legislation fails to consider how much an employee makes beyond the base wage. For example, one of our members uses the minimum wage as an hourly starter wage for new employees in one segment of its business. However, those employees are given substantial incentives on a daily and weekly basis. Bonuses are paid for attendance, timely arrival, and meeting production goals. A motivated employee can make nearly double the minimum wage, with regular hourly raises as his time in service with the company increases. If the minimum wage is substantially increased, this member will be forced to revise its entire bonus structure, potentially creating a less motivated and productive employee.
- The highly mobile nature of truck transportation means that we are subjected to significant regional competitiveness. Most adjacent states have not increased their minimum wages, and those that have done so within our region have implemented much more modest increases than the level being considered in Maryland.

Maryland's last phased-in minimum wage increases were completed only a few years ago. The impact of those increases are still being felt. For these reasons and the others noted above, Maryland's trucking industry cannot support a minimum wage increase. As such, MMTA requests that the Committee give this legislation an unfavorable report.

**About Maryland Motor Truck Association:** Maryland Motor Truck Association is a non-profit trade association that has represented the trucking industry since 1935. In service to its 900 members, MMTA is committed to support, advocate and educate for a safe, efficient and profitable trucking industry in Maryland.

**For further information, contact:** Louis Campion, (c) 443-623-5663

# **Lynne Zink Oppose SB 886.pdf**

Uploaded by: Lynne Zink

Position: UNF

## **Opposition to SB 886**

Dear Members of the Committee,

My name is Lynne Zink and I am President and Owner of Zink Auctions and Appraisals in Kingsville, Maryland, celebrating 25 years in the business this year. I am writing to respectfully oppose SB 886.

Many small business owners across Maryland are deeply concerned about the impact this bill would have on their ability to operate and employ people in their communities. Increasing the minimum wage to \$25 per hour by 2030 represents a dramatic jump that many businesses simply cannot absorb.

For restaurants, retailers, service businesses, and other small employers, costs of this magnitude will inevitably lead to higher prices, reduced hours, fewer positions, or delayed growth. It also creates wage compression that affects entire payroll structures, not just entry-level positions.

I am also concerned about placing a policy of this scale in the Maryland Constitution, which would make it extremely difficult to adjust if the economic consequences prove harmful.

Small businesses are the backbone of Maryland's local economies. I am not opposed to fair wages. I am concerned about sustainability, and whether businesses will be able to continue operating and employing Marylanders under this structure.

For these reasons, I respectfully ask you to oppose SB 886.

Thank you for your time and consideration.

Sincerely,  
Lynne Zink, President and Owner  
Zink Auctions and Appraisals  
Kingsville, MD

**SB886 3.8.26.pdf**

Uploaded by: Mansoor Anvari

Position: UNF

## **Chair: Pamela Beidle and members of the Senate Finance**

**SB886-** Consumer protection and labor employment-food service facilities and minimum wage

### **Position:Unfavorable**

My name is Mansoor Anvari, I own several small businesses, 15 gas stations and subways in Howard, Montgomery, Prince Georges and Frederick county. I started my small businesses back in the 90's with a dream in mind. My family wanted to grow and prosper in the state of Maryland where there were endless opportunities for us. We were looking for the American dream. Fast forward to 2026, I am fighting to keep each of my small businesses doors open. Not for lack of experience or knowledge but from the constant financial increase in our business through increased taxes on gasoline, tobacco, property taxes, minimum wages and reduced commissions on Lottery and the new 3% tech tax on company business technology, software, information systems and data processing. Every one of these bills that were approved has taken away from our bottom line. When will it be enough?

Small businesses are the heart of the state, of any state, the foundation of the American dream. Without small businesses, America would not be who we are. Marylanders used to be proud of our state and the government standing behind us.

I am opposed to SB886 not because I am against fair pay for my workers but small businesses cannot afford this. Consumers cannot afford this. We are struggling. We are not California and we see the effects on businesses and consumers in California, millions left the state and millions closed their businesses doors. We have been so beaten down over the last 3 and a half years and making the minimum wage \$25 an hour for workers by 2030 while we have one of the highest gasoline taxes in the country, our inside sales have been cut and the lottery has been cut is really damaging.

Increasing the minimum wage to \$25 per hour is an increase of 67% labor rate. Currently, our average payroll for each location is \$18,000 per month, \$216,000 per year. This increase will increase our payroll to \$30,000 per month and \$360,000 per year for each store. This will move the small businesses into the self-serve systems direction. Meaning that we will use the technology available to operate the stores and not hire as many employees to service our customers. Therefore, reducing the payroll cost of doing business and reduction in State's revenue. For our businesses to stay healthy and survive, that would be the most logical solution in Maryland.

We hear it everyday about how expensive items are. Raising the minimum wage is not going to fix the gap between the poor and wealthy. This only hurts your local mom and pop shops, consumers and will deter people from hiring to create more jobs. It just forces people to start using AI to fill the jobs that are needed.

**Maryland already has significant business costs including:**

- State and local taxes
- Insurance requirements
- Workers' compensation
- Paid leave mandates
- Local minimum wages above the state level in counties like Howard and Montgomery.

Adding a \$25 wage on top of these costs could overwhelm small employers.

**Take aways as to why I am unfavorable to SB886**

- \$25 minimum wage = 67% wage increase from current levels.
- Small businesses operate on thin margins and cannot absorb the increase.
- Payroll compression forces raises for supervisors and experienced staff.
- Higher wages = higher consumer prices for gas, food, and services.
- Job losses could reach tens of thousands statewide.
- Restaurants would lose the tip credit, dramatically raising costs.
- Large corporations benefit while local businesses close.
- Businesses may reduce hours, cut staff, or automate jobs.
- Rural and small-town businesses would be hit hardest.
- Ultimately consumers pay the cost through inflation and higher prices.

Consider the small businesses when trying to pass these bills. Right now it may seem beneficial but it will put the state under in the future.

Governor Moore has said many times

Maryland should be “pro-business” “unapologetically pro-business” -Governor Wesmore (National Press Club) Washington, D.C. 06/22/2023

- His administration says it wants to cut red tape and streamline state programs to help entrepreneurs and companies grow.

**I, Mansoor Anvari, am against this SB 886.**

# **SB886\_OlneyChamberofCommerce\_UNF**

Uploaded by: Marc Rosendorf

Position: UNF



March 11, 2026

*VIA E-mail: AA\_FIN@mga.maryland.gov*

Senator Pamela Beidle, Chair  
Senator Antonio Hayes, Vice Chair  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

**RE: Opposition to HB SB 886**

Dear Chair Beidle and Vice Chair Hayes,

On behalf of the Olney Chamber of Commerce and our member businesses, we respectfully express concerns regarding Senate Bill 886 and their potential impact on small and locally owned businesses. The bill's intention to eliminate the tipped wage system in place for many years combined with a significant minimum wage increase to \$25 per hour, with permanent automatic escalators tied to inflation, would directly affect many of our members.

The Olney Chamber represents a broad cross-section of local employers, including landscape companies, fitness and wellness providers, restaurants, cafés, retailers, and service providers deeply rooted in their communities. Many of these small businesses operate on narrow margins and already face significant cost pressures from rising supplies, insurance, rent, utilities, and other operating expenses. A substantial and accelerated increase in the statewide minimum wage would add additional financial strain that many local operators may struggle to absorb.

Unlike large national chains, small businesses often lack the scale and financial flexibility to offset rapid increases in labor costs. In addition, neighboring states such as Virginia and Pennsylvania have not escalated their minimum wages to similar levels. Pennsylvania remains tied to the federal minimum wage, and Virginia's wage remains below \$15 per hour. This creates a regional cost imbalance that places Maryland small businesses at a competitive disadvantage.

As a result, policies such as those proposed in SB 886 may lead to unintended consequences including reduced employee hours, slower hiring, higher prices for customers, delayed expansion plans, or in some cases the closure of long-standing neighborhood establishments.

Small businesses are a critical part of Maryland's economic fabric. They provide local jobs, support community organizations, and contribute to the vitality of neighborhood commercial districts throughout the state. Policies that significantly increase operating costs without sufficient flexibility can disproportionately impact these locally owned enterprises.

The Olney Chamber of Commerce strongly supports fair wages and economic opportunity for workers. At the same time, wage policy should balance those goals with the economic realities faced by small and locally owned businesses that form the backbone of Maryland's local economies.

For these reasons, we respectfully urge the Committee to carefully consider the potential unintended consequences of SB 886 and to oppose these bills in their current form.

Thank you for your time and your continued service to the State of Maryland.

Sincerely,

Olney Chamber of Commerce

A handwritten signature in black ink that reads "Marc Rosendorf". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Marc Rosendorf, Government Affairs Committee Chair

cc: Richard Melnick, Committee Vice-Chair  
Matt Hines, Committee Vice-Chair  
Matt Quinn, Olney Chamber President  
Terri Hogan, Olney Chamber Executive Director

# Senate Bill 886 Letter.pdf

Uploaded by: Matthew Bennett

Position: UNF



**Senate Bill 886 Letter**

**February 26, 2026**

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

To the Members of the Senate Finance Committee:

My name is Matthew Bennett, and I am the President of Unemployment Tax Service, Inc. (UTS), a Maryland-based company that has operated since 1985. I am writing in opposition to Senate Bill 886.

While I understand and respect the goal of improving worker earnings, this proposal would impose economic pressures that many Maryland small businesses cannot realistically sustain.

For my company, the proposed requirements would result in a **30%–60% increase in wages for my employees**, equating to approximately a **\$35,000 annual payroll increase**. At that level of cost increase, the long-term viability of our business could be at risk. Such a significant increase would force difficult decisions, including raising prices substantially for clients, reducing staffing levels, or both. Despite every effort to avoid it, layoffs could become unavoidable.

Small businesses like mine do not have the pricing power or financial reserves to absorb increases of this magnitude. Policies of this scale risk unintentionally reducing employment opportunities rather than expanding them.

I am particularly concerned about placing such sweeping economic mandates into the Constitution. Doing so removes the flexibility lawmakers need to adjust policy if unintended consequences arise, creating long-term risk for Maryland's small business community.

I support fair wages and responsible growth. I do not support policies that may unintentionally eliminate jobs or make it impossible for small employers to remain viable.

**I respectfully ask you to oppose Senate Bill 886.**

Thank you for your time and consideration.

Sincerely,  
Matthew Bennett  
President  
Unemployment Tax Service, Inc.  
Westminster, Maryland

**MMHA & AOBA - 2026 - SB886 - UNF.pdf**

Uploaded by: Matthew Pipkin

Position: UNF



## Senate Bill 886

**Committee: Finance**

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

**Date: March 11, 2026**

**Position: Unfavorable**

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This testimony is offered on behalf of the members of the Maryland Multi-Housing Association (MMHA) and the Apartment and Office Building Association of Metropolitan Washington (AOBA). The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996, whose members consist of owners and managers of more than 214,000 rental housing homes in over 1015 apartment communities. Our members house over 571,000 residents of the State of Maryland. MMHA also represents over 270 associate member companies who supply goods and services to the multi-housing industry. AOBA is a non-profit trade association representing more than 167,000 apartment units in Montgomery and Prince George’s Counties along with 23 million square feet in commercial office space.

Senate Bill 886 (“SB 886”) establishes that every person, as a central component of an individual's right to liberty and equality, has the fundamental right while engaged in employment in the State to be paid at a wage rate that is at least equal to the State minimum wage rate set by law without regard to tips that the individual receives. Relevant for MMHA, SB 886 establishes a rolling scale and timeline for raising the minimum wage, setting to \$25.00 per hour beginning January 1, 2032, and switching to an automatic inflation-based model with wage increases beginning in 2033.

MMHA and AOBA requests for an unfavorable report to SB 886 for the following reasons:

### **I. SB 886 will result in rent increases in the State of Maryland.**

As housing providers, we employ many entry level positions to provide quality service to our residents. Our entry-level maintenance technicians and leasing professionals are vital to the operations at our apartment communities and complexes. For many of these entry-level professionals, they join our teams in search of a job that requires little experience prior to working for the housing provider. Our dedicated property management teams train these individuals up to their potential; allowing them to grow into their roles and create a career path for themselves should they choose to stay in the industry.

These entry-level professionals are key to a functioning apartment community. If SB 886 were to be enacted, housing providers would have to choose between downsizing their entry level staff or passing the costs back on the residents. In order to maintain services, MMHA and AOBA believes that the majority of our members will be forced **to pass these costs back to the residents in the form of rent increases**. In a time where housing affordability has been a stated priority for State and local officials

alike, the passage of **SB 886 will result in higher rents and lead to continued disinvestment<sup>1</sup> from multi-family housing providers in the Maryland market.**

**II. The consumer price index, as defined, ignores economic conditions outside of the suburban Washington counties.**

While representative of the entire State minus Prince George's and Montgomery Counties, the Maryland Multi-Housing Association is generally concentrated in the greater Baltimore Metropolitan Region. Moreover, AOBA represents Montgomery County and Prince George's County, which has a minimum wage rate higher than the state.

That is why it stands out to MMHA and AOBA that, beginning in January 1<sup>st</sup>, 2033 under SB 886, the State minimum wage rate shall be increased by the amount that equals the product of "THE AVERAGE PERCENTAGE GROWTH IN THE CONSUMER PRICE INDEX FOR THE IMMEDIATELY PRECEDING 12-MONTH PERIOD" under the consumer price index for the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Area. Essentially, the rate of increase for the State minimum wage will be based on the CPI in the greater Washington region. **In effect, SB 886 will compel Baltimore area businesses to be impacted by the CPI for the Greater Washington area, ignoring our own local Baltimore-Columbia-Towson, MD CPI.** With all due respect to the Washington suburban counties, D.C., and Northern Virginia, their economic conditions should not have such an inequitable and outsized impact that determines policy for the rest of the State of Maryland.

For these reasons, MMHA and AOBA would request an unfavorable report on SB 886.

Please contact Matthew Pipkin, Jr. at (443) 995-4342 or [mpipkin@mmhaonline.org](mailto:mpipkin@mmhaonline.org) with any questions.  
Please contact Brian Anleu at [banleu@aoba-metro.org](mailto:banleu@aoba-metro.org) with any questions or concerns.

<sup>1</sup>Picciotto, R. (2024, December 23). *Wall Street landlords loved these D.C. suburbs. Rent control ended that. The Wall Street Journal*. Retrieved from <https://www.wsj.com/real-estate/wall-street-landlords-loved-these-d-c-suburbs-rent-control-ended-that-a8f166cb>

**SB886\_RestaurantAssoc\_Thompson\_UNF.pdf**

Uploaded by: Melvin Thompson

Position: UNF



## **Senate Bill 886**

March 11, 2026

Position: **OPPOSE**

Madame Chair and Members of the Finance Committee:

The Restaurant Association of Maryland strongly opposes Senate Bill 886.

This legislation would substantially increase labor costs for foodservice employers and reduce the overall earnings of tipped employees. And because the bill also restricts a foodservice employer's use of service fees, most foodservice employers would be forced to reduce work hours and eliminate jobs because customers would reject the enormous menu price increases that would be needed to offset the higher labor costs this bill would impose. This would negatively impact customer service, which is a core part of the hospitality business.

### **The Tip Credit**

Eliminating the tip credit, as proposed by this legislation, would increase labor costs for full-service restaurants by nearly 600 percent. And the proposed restrictions on service fees would make it more difficult for restaurant employers to offset the higher labor costs.

The tip credit was established under the federal Fair Labor Standards Act in 1966 and is also allowed under most state minimum wage laws (43 states allow it).

Maryland's minimum wage law allows employers to pay tipped employees a base wage of at least \$3.63 per hour (the base wage for tipped employees in Montgomery County is \$4.00 per hour). The tip credit is the difference between the minimum base wage and the full applicable minimum wage. Under state and local minimum wage law, employers are required to make up any deficiencies if a tipped employee does not earn enough in base wages plus tips to make at least the full minimum wage per hour for the workweek. Therefore, restaurant tipped employees are guaranteed by law to earn at least the minimum wage, and most earn substantially more with tips included.

In 2025, the District of Columbia (D.C.) City Council partially repealed a tip credit elimination law that had caused a record number of restaurant closures and thousands of lost jobs.

The tip credit is critical to the full-service restaurant business model and has helped to facilitate the growth of full-service restaurants in communities where they can be affordable to the customers they serve.

*-more-*

**Outcome of Previous State/Local Tip Credit Elimination Bills**

Previous Maryland proposals to eliminate the tip credit statewide and locally in Baltimore City, Prince George's and Montgomery Counties have failed to pass because of strong opposition from tipped employees and restaurant operators.

These proposals are being pushed by an out-of-state activist group as part of their nationwide agenda. Maryland elected officials should reject that group's efforts to pursue their agenda at the expense of local restaurants and tipped employees who support maintaining the tip credit.

**Proposed \$25 Minimum Wage**

The restaurant industry is very labor-intensive and operates on razor-thin profit margins (typically 3-5% pre-tax margin). Our industry requires significantly more labor per \$1 million in sales than most other industries. Mandates that increase the cost of labor affect the restaurant industry disproportionately.

Maryland's \$15 minimum wage took effect in January 2024, and many of our businesses are still struggling to absorb this increase, in addition to inflation and soaring food costs. The minimum wage hike proposed by this legislation would exacerbate the operational challenges for our industry and would force many restaurants to close.

For these reasons, we respectfully request an unfavorable report on Senate Bill 886.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin R. Thompson", with a long horizontal flourish extending to the right.

Melvin R. Thompson  
Senior Vice President  
Government Affairs and Public Policy

# **MD Minimum Wage BSIM 2026.pdf**

Uploaded by: Mike O'Halloran

Position: UNF



## **Economic Effects of the Maryland Minimum Wage Increase**

Swaroop Bhagavatula  
NFIB Research Center  
Washington, D.C.  
February 19, 2026

### **Executive Summary**

This report forecasts the economic impact of the Maryland Minimum Wage Increase (SB 886). The legislation would raise the state minimum wage from the current rate of \$15 per hour to \$25.00 per hour by 2032 for small businesses and by 2030 for all other businesses. In addition, the tipped minimum wage is eliminated by 2032 for all businesses. After 2030 and 2032 respectively, the minimum wage will increase annually, indexed to the rate of inflation.

The implementation of the minimum wage beginning in 2026 is estimated to cause Maryland to lose up to 84,000 jobs and lead to a loss of \$15 billion in economic output by 2035. Small businesses (<500 employees) would bear 50% of job losses. The proposed minimum wage increase disproportionately impacts two industries - retail/wholesale trade and construction. These industries were most impacted due to their large shares of employees in the state (over 600K jobs) and roughly 20% of these employees impacted by the proposed wage increase. About 21,000 jobs lost by 2035 are attributed to these two industries, 25% of the total job loss.

This economic impact analysis uses the Business Size Impact Model (BSIM), a variation of the PI+ model developed by Regional Economic Models, Inc. (REMI) that accounts for differences among U.S. businesses differentiated by employee-size-of-firm. BSIM is a dynamic, multi-region model of the U.S. economy consisting of an input-output framework that uses a general equilibrium methodology to forecast the estimated economic impact of proposed policy and legislative action. The model simulates the impact of the mandate over a 10-year period from 2026 to 2035.

### **Summary of Maryland Minimum Wage Increase**

The Maryland Minimum Wage Increase (SB 886) would raise the state minimum wage from the current rate of \$15 per hour to \$25.00 per hour by 2032 for small businesses and by 2030 for other businesses with fixed increments; after which it will be tied to the rate of inflation. Minimum wage increases in subsequent years would be calculated to the nearest cent by the Executive Office of Labor and Workforce Development based on national price inflation and

published on September 30 of the previous year. After 2030 and 2032, the tipped minimum wage will also be eliminated for all businesses.

**Table 1: Proposed Minimum Wage Schedules (Projected values highlighted red)**

Wage Category	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Small Business	\$15.00	\$16.50	\$18.00	\$19.50	\$22.00	\$23.50	\$25.00	\$25.51	\$26.01	\$26.52
Other Businesses	\$15.00	\$17.00	\$20.00	\$22.50	\$25.00	\$25.49	\$25.97	\$26.51	\$27.02	\$27.55
Tipped Wage	\$3.63	\$12.00	\$13.50	\$15.00	\$16.50	\$16.82	\$17.14	\$17.49	\$17.83	\$18.18

### Modeling an Maryland Minimum Wage Increase

We estimated several key factors for each business sector, including: hourly worker employment, wage distribution (including workers earning exactly at minimum wage or earning a cash wage), and average annual hours worked. Additionally, the analysis allowed for the presence of “emulation effects” for non-tipped workers, in which employees earning at or just above the new minimum wage also receive increases in their hourly pay so as to maintain the relative compensation structure within firms. In addition, we created two tiers of minimum wage increases, one for business sizes of 1-4, 5-9, and 10-19 (firm size segmentations available in REMI) and then the others. This is to account for firm size segmentation in the proposed bill. The bill sets two timelines in the implementation of the minimum wage increase - one for businesses with 15 employees or less that establishes a longer implementation timeframe and another that is shorter for all other businesses.

The number of workers assumed to be affected by this phenomenon was scaled conservatively by the size of the increase in the minimum wage. Finally, we added 7.65% to the estimated aggregate increase in wages in order to account for employers’ federal payroll tax obligation.

#### Key assumptions

1. Employee works 50 weeks in a given year. This is used to calculate median hourly wages from REMI income data and BLS data on hours worked.
2. Overtime hours are not factored in. Salary increases are calculated off the wage change, hours worked, and weeks worked.
3. State-level wage distribution data were used for all industries in Maryland and then adjusted based on industry-level employment data.

#### Data Sources used:

1. REMI baseline data for incomes by sector
2. REMI baseline data for employment by sector and further by business size

3. BLS Data on minimum wage employment and total employment
4. BLS wage and income distribution data based on states and sector

### Results of the Economic Impact of Maryland Minimum Wage Increase Mandate

According to the modeling framework described above, the BSIM model forecasts that increasing the minimum wage would have multiple countervailing effects on the Maryland economy. It would raise wages for many employed workers, increasing consumer spending, and thereby creating additional demand for many in-state businesses. However, it would also raise labor costs for many businesses, negatively impacting the state’s economic competitiveness and increasing consumer prices. Our analysis found that the latter effect would outweigh the former by a large margin, leading to lower levels of employment and economic output, as illustrated in Tables 1 and 2, respectively. Table 2 shows that Maryland will see a small job loss of 1,000 jobs in 2026, which only grows in size as the minimum wage increases over time, leading to an estimated 84,000 jobs lost by 2035. Furthermore, just over 42,000 jobs, or 50% of those jobs are in small businesses, which are considered to be firms with less than 500 employees. In terms of economic output, there is a negative impact of over \$15 billion, with 50% of the loss attributed to small businesses. Retail/wholesale trade and construction are disproportionately impacted because they account for a large share of total employees in the state (over 600K jobs), and 20% of these employees are affected by the higher minimum wage. Roughly 21K jobs were lost in retail/wholesale and construction industries by 2035, which account for 25% of the total job loss.

**Table 1 – Employment Impacts**

Firm Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Percent of Total (2035)
1-4 Employees	-45	-307	-748	-1,454	-2,155	-2,829	-3,283	-3,669	-4,009	-4,308	5.1%
5-9 Employees	-46	-331	-808	-1,571	-2,331	-3,054	-3,532	-3,935	-4,289	-4,597	5.5%
10-19 Employees	-56	-406	-1,015	-1,980	-2,970	-3,902	-4,521	-5,043	-5,502	-5,902	7.1%
20-99 Employees	-214	-1,467	-3,422	-5,970	-7,908	-9,774	-11,326	-12,636	-13,786	-14,792	17.7%
100-499 Employees	-161	-1,281	-2,945	-5,118	-6,764	-8,316	-9,606	-10,686	-11,632	-12,458	14.9%
500 + Employees	-575	-4,514	-10,271	-17,905	-23,466	-28,485	-32,631	-36,067	-39,053	-41,639	49.8%
< 20 Employees	-147	-1,044	-2,571	-5,005	-7,456	-9,785	-11,336	-12,647	-13,800	-14,807	17.7%

< 100 Employees	-361	-2,511	-5,993	-10,975	-15,364	-19,559	-22,662	-25,283	-27,586	-29,599	35.4%
< 500 Employees	-522	-3,792	-8,938	-16,093	-22,128	-27,875	-32,268	-35,969	-39,218	-42,057	50.2%
<b>All Firms</b>	-1,097	-8,306	-19,209	-33,998	-45,594	-56,360	-64,899	-72,036	-78,271	-83,696	100.0%
<i>*Units: Jobs. Impacts reported for private non-farm industries only. Totals and percentages may not correspond to impacts due to rounding.</i>											

**Table 2 – Economic Output Impacts**

Firm Size	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Percent of Total (2035)
1-4 Employees	-6.0	-53.0	-120.0	-231.0	-342.0	-455.0	-532.0	-599.0	-658.0	-710.0	4.8%
5-9 Employees	-6.0	-51.0	-120.0	-237.0	-357.0	-475.0	-557.0	-627.0	-688.0	-742.0	5.0%
10-19 Employees	-7.0	-63.0	-153.0	-305.0	-465.0	-623.0	-731.0	-824.0	-905.0	-977.0	6.6%
20-99 Employees	-35.0	-255.0	-570.0	-995.0	-1,343.0	-1,686.0	-1,974.0	-2,223.0	-2,439.0	-2,629.0	17.6%
100-499 Employees	-32.0	-250.0	-550.0	-958.0	-1,283.0	-1,595.0	-1,855.0	-2,077.0	-2,270.0	-2,439.0	16.4%
500 + Employees	-101.0	-779.0	-1,732.0	-3,041.0	-4,044.0	-4,964.0	-5,722.0	-6,364.0	-6,920.0	-7,407.0	49.7%
< 20 Employees	-19.0	-167.0	-393.0	-773.0	-1,164.0	-1,553.0	-1,820.0	-2,050.0	-2,251.0	-2,429.0	16.3%
< 100 Employees	-54.0	-422.0	-963.0	-1,768.0	-2,507.0	-3,239.0	-3,794.0	-4,273.0	-4,690.0	-5,058.0	33.9%
< 500 Employees	-86.0	-672.0	-1,513.0	-2,726.0	-3,790.0	-4,834.0	-5,649.0	-6,350.0	-6,960.0	-7,497.0	50.3%
<b>All Firms</b>	-187.0	-1,451.0	-3,245.0	-5,767.0	-7,834.0	-9,798.0	-11,371.0	-12,714.0	-13,880.0	-14,904.0	100.0%
<i>*Units: Millions of Fixed Local 2025 Dollars. Impacts reported for private non-farm industries only. Totals and percentages may not correspond to impacts due to rounding.</i>											

**SB886\_NFIB\_unfav (2026).pdf**

Uploaded by: Mike O'Halloran

Position: UNF



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NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – [www.NFIB.com/Maryland](http://www.NFIB.com/Maryland)

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: March 11, 2026

RE: **OPPOSE SENATE BILL 886** – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America’s small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland’s small businesses, NFIB opposes Senate Bill 886 – legislation that raises the state’s minimum wage to \$25 per hour and then attaches it to the Consumer Price Index for future increases. The bill also phases out the state’s tip credit used primarily in the food service industry.

The cost implication of this bill is enormous, especially for Maryland small business owners. According to the NFIB Research Center’s “Economic Effects of the Maryland Minimum Wage Increase” (attached), SB886 would cost Maryland up to 84,000 jobs and \$15 billion in economic output by 2035. The analysis found that the negative effects would outweigh any positive outcomes of SB886 by a large margin, leading to lower levels of employment and economic output.

While state specific data is not available for Maryland, 32% of small business owners reported raising compensation in January, up 1 point from December, in the most recent [NFIB Jobs Report](#). A net 22% (seasonally adjusted) plan to raise compensation in the next three months.

Despite this good news, it’s important to point out that small business owners ranked “Minimum Wage/Living Wage” 25<sup>th</sup> on the “Measures of Small Business Problem Importance” in the most recent [Problems & Priorities](#) report by NFIB. It also ranked “Minimum Wage/Living Wage” 25<sup>th</sup> in that report. Legislation like SB886 hits especially hard on small businesses as they struggle balancing what they can afford with government mandates.

Senate Bill 886 must also be looked at through a lens of employer cost increases. Since 2018, Maryland small business owners have been saddled with the following: employer-paid sick leave (2018), minimum wage increases (2019 & 2024), personal income tax hikes (2025), paid leave insurance (effective 2027), and numerous fee and licensure increases. Taken together and we see why Maryland ranks as one of the [worst states to start a business](#), [highest for cost of doing business](#), and [least competitive for tax purposes](#).

For these reasons, **NFIB opposes SB886** and requests an unfavorable report.

**SB 0886 Unfavorable.pdf**

Uploaded by: Nicholas Ferrante

Position: UNF

**NICK'S**

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Prince Frederick, Md 20678  
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March 3<sup>rd</sup> 2026

RE: House Bill 1229 (\$25hr minimum wage) & HB 1479 (\$18hr minimum wage) & SB 0886

Dear Representative:

My name is Nick Ferrante and I, along with my family, am a lifelong resident and business owner in Southern Maryland. I am writing our local representatives to respectfully request that each strongly evaluate the detrimental effects SB 0086, HB 1229, and HB 1479 would impose on all small businesses and in turn our local community. Small business is the backbone of the State of Maryland, and both bills, coupled with the previously incurred massive wage hikes, will be the cause for small business demise. My family is in strong opposition to this proposed legislation and the long lasting effects it will bestow upon business owners and the employees that depend on them. I am adamant that my businesses will not endure the bill's consequences and I am steadfast that we are not the only small business that senses the same.

My family has operated multiple small businesses in Southern Maryland for 60 years dating back to the late 1960's when Nick's Super Market in Prince George's County was founded. My family currently owns and operates Carrington Center Market, DBA Nick's of Clinton (1989), in Charles County; Market Square Inc., DBA Nick's of Calvert (2006), in Calvert County; and Encore Sausage Company (2017) (previously Nick's Sausage Co. 1989-2009) located in Prince George's County.

Our businesses have incurred the previous minimum wage increases from \$7.25 to \$10.10+ per hour, and then more recently absorbed the \$15 per hour increase, as well as numerous other mandated increased expenses such as Paid Family Sick Leave, etc. We are currently navigating all time high beef prices that have significantly impacted our sales. Furthermore, we are in the middle of one of the biggest downward trends in the alcohol industry. We have already been forced to cut our workforce; consequently, eliminating many entry level positions that employed and gave our youth valuable work experience. On a regular basis, we employ a number of people who are not the primary source of household income.

The economic impact of this wage increase will put many families like mine out of business; subsequently, leave the families that work for us without jobs. As an example with regard to our two

retail locations; if 30 employees, working 40 hours per week have an increase of \$10 per hour, we will be spending \$12,000 more per week, per location, per year. This results in an increase of \$624,000+ per location, per year. Working off a good year's 1% net profit on yearly total sales of approximately 15 million dollars per location, we would not be able to make ends meet. We would have combined increases based solely on minimum wage at \$1,200,000. This will put us at a \$900,000 starting deficit per year between the two locations based solely on mandated wage increases. Unfortunately, this isn't taking into account the devastating impact the wage increase will have upon our production business.

Needless to say, we voiced our concerns ahead of the previous \$15hr wage increase and our local legislature and government told us, "It's simple, you will just have to raise your prices." Coincidentally enough those couple officials were not elected the following cycle. The last wage increase has caused detrimental effects on our local community, making it increasingly difficult to compete in the retail market. As far as each individual in our community, their paycheck looks better with a higher mandated wage, until the government takes higher taxes and they are paying higher prices locally because businesses need to increase their prices. In the end, higher mandated wages is detrimental to all in the end.

Furthermore, the state of Maryland, under our Governor, may be able to operate at a deficit each year, but my family cannot and we will not. This bill will also adversely wreak havoc on the state government with regards to monumental increases in entitlements being paid due to the loss of jobs. In addition to year end income tax, my family's retail businesses paid over 1.5 million dollars in sales tax this past year. The state government will be set up for catastrophe when thousands of other business, similar to ours, close their doors. Increased government entitlements from lost jobs and decreased tax income from lost businesses could spell disaster for our State.

There are many factors that can and cannot be controlled when owning and operating a business. My family will continue to work hard, be ethical, and hold ourselves to the highest moral standards. We will continue to be detailed orientated and put the business first, because if the business flourishes so do the employees. Unfortunately, we cannot control what our elected representatives decide or think is best for the community. We can only hope that each of our representatives will read this and, if nothing else, will have a better understanding of the crippling consequences Senate Bill 0886, House Bill 1229, and House Bill 1479 will bear against our local community and the small business that support its economy.

Respectfully,

A handwritten signature in black ink, appearing to read 'Nick Ferrante', written in a cursive style.

Nick Ferrante

**Testimony\_2026.03.09\_Oppose\_MDSHRM Oppose SB0886 M**

Uploaded by: Paige Boughan

Position: UNF



March 9, 2026

The Honorable Pamela Beidle, Chair  
Senator  
Maryland General Assembly  
3 East Miller Senate Office Building  
Annapolis, MD 21401

The Honorable Antonio Hayes, Vice Chair  
Senator  
Maryland General Assembly  
3 East Miller Senate Office Building  
Annapolis, MD 21401

RE: Opposition to S.B. 0886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

Dear Chair Beidle, Vice Chair Hayes, and Members of the Committee:

On behalf of the Maryland SHRM State Council (MD SHRM), we respectfully submit this testimony in opposition to S.B. 0886, legislation that would make sweeping and permanent changes to Maryland's wage structure, including significant scheduled increases to the State's minimum wage and the elimination of the tip credit.

As the trusted authority on all things work, the Society for Human Resource Management (SHRM) is the foremost expert, researcher, advocate, and thought leader on issues and innovations impacting today's evolving workplaces. MD SHRM serves as the liaison and support organization that links Maryland's local SHRM chapters with SHRM's regional and national organizations, representing thousands of HR professionals and employers across the State who are responsible for implementing workplace policies and managing workforce impacts of legislative changes.

While we recognize and appreciate the goal of supporting Maryland workers, this legislation proposes a broad and accelerated restructuring of the State's wage system that raises several significant concerns for employers, employees, and the overall competitiveness of Maryland's economy.

First, the bill establishes a statewide schedule to substantially increase the minimum wage over the coming years and permanently ties future increases to inflation, taking away future responsibility from the general assembly to set minimum wage through legislation. These changes would apply broadly across employers and industries, not solely within food service establishments. Many Maryland employers already meet or exceed minimum wage levels in

Maryland SHRM State Council  
PO Box 1482  
Westminster, MD 21158



neighboring states, and additional mandated increases could make Maryland less competitive within the region when businesses consider where to grow, invest, or hire.

Second, the bill phases out the tip credit entirely beginning in 2031 and requires employers to pay the full state minimum wage regardless of tips received. This represents a fundamental shift in how compensation structures operate in tipped industries. Employers, particularly restaurants and hospitality businesses, may face significant operational and payroll adjustments as a result of these changes.

Third, small businesses across Maryland continue to face economic uncertainty and rising costs associated with operating a business, including labor, benefits, insurance, and regulatory compliance. A multi-year schedule of significant wage increases, combined with automatic future adjustments tied to inflation, may create unpredictable and compounding cost pressures for employers who are still stabilizing after recent economic challenges.

Finally, the bill includes additional provisions affecting food service facilities, including new requirements related to service fees and how they must be disclosed and distributed to employees. While transparency is important, these provisions add further complexity and compliance considerations for employers in an already heavily regulated environment.

HR professionals are often responsible for implementing these changes within organizations and helping businesses remain compliant while supporting their workforce. MD SHRM believes that major, structural changes to wage policy should be carefully evaluated to ensure they balance the needs of employees with the operational realities facing Maryland employers.

For these reasons, MD SHRM respectfully urges the committee to give S.B. 886 an unfavorable report.

If you have questions regarding SHRM's position on S.B. 886 or other policies impacting the workplace, please contact Paige Boughan (MD SHRM – [paige.boughan@fmb1919.bank](mailto:paige.boughan@fmb1919.bank)).

Thank you for the work you do on behalf of your constituents and Maryland businesses.

Sincerely,

Paige Boughan  
Maryland SHRM State Council  
Legislative Director

Maryland SHRM State Council  
PO Box 1482  
Westminster, MD 21158

# **Opposition SB 886 Wash Co Chamber.pdf**

Uploaded by: Paul Frey

Position: UNF

March 6, 2026

The Honorable Senator Pamela Beidle, Chair  
Finance Committee  
3 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

RE: Opposition to SB 886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

Dear Chair Beidle and Members of the Committee,

On behalf of the Washinton County Chamber of Commerce, representing almost 700 organizations with over 40,000 employees, I am writing to **oppose SB 886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage.**

SB 886 would require a \$25 per hour minimum wage by 2030, eliminate the tip credit, automatically increase wages with inflation, and embed these mandates into the Maryland Constitution. While the goal of increasing worker earnings is admirable, this legislation would impose economic consequences many Maryland businesses – and consumers – simply cannot absorb. Let’s learn from California and the similar failed public policy they recently implemented. Like in California, the result will be higher costs, fewer jobs, and real harm to our state’s economy, all the while undermining the very businesses that create opportunity and employment in our communities.

For many small and mid-sized employers — particularly in hospitality, retail, childcare, and other service industries – these changes would be destabilizing. Eliminating the tip credit alone would fundamentally alter compensation models, regardless of what tipped employees currently earn.

Most concerning in SB 886 is the constitutional amendment. Locking wage policy into the Maryland Constitution would remove flexibility for future legislators to respond to economic downturns or unintended consequences. If jobs are lost or businesses close, the ability to adjust would be severely limited. This is not about opposing workers. It is about ensuring policies strengthen – rather than destabilize – the businesses that sustain Maryland’s workforce.

WalletHub recently ranked Maryland 49<sup>th</sup> for opening a business. We also rank 46<sup>th</sup> for tax climate and 37<sup>th</sup> nationally for business friendliness. At a time when businesses have more choices than ever, these signals should not be ignored. Adding ongoing increases to payroll-related costs will limit employers’ hiring flexibility, affect the ability of small and mid-sized businesses to remain competitive, and will force businesses to leave the state. Legislation like SB 886 will help determine whether Maryland becomes a place for businesses to grow – or a state to rule out.

It is for these reasons and more that I respectfully ask you to *oppose SB 886 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage.*

Sincerely,



Paul Frey, IOM  
President & CEO



**SB0886\_PYudelevit\_Unfav.pdf**

Uploaded by: Paula Yudelevit

Position: UNF

**BILL SB0886**  
**HART for Animals, Inc., Paula Yudelevit, Executive Director**  
**Unfavorable**

HART for Animals, a nonprofit, is located in Garrett County, Maryland. We have operated here for since 2009 and currently employ 44 people. I am writing in opposition to SB 886.

I understand the intent of this bill is to raise worker earnings, and I care deeply about my employees. But as a small nonprofit in rural Maryland, this proposal would create economic consequences many businesses and organizations like mine simply cannot absorb — threatening jobs, increasing costs, and undermining stability.

Raising the minimum wage to \$25 per hour by 2030 — a 67% increase — is not a small adjustment. For our organization, that would mean an estimated annual payroll increase of approximately \$750,000. Raising it to \$18 would add \$215,000, which is difficult to absorb. We barely make our budget at the end of the year as we strive to help those in our community. This would essentially put us out of business and jeopardize the welfare of over 40 employees.

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

I am not opposed to fair wages. I am concerned about sustainability — and whether businesses like mine will be able to continue operating and employing Marylanders under this structure.

Our mission to improve the condition of animals in Western Maryland through rescue and transport, accessible spay/neuter surgeries, building and operating a humane animal center, and sheltering and adopting homeless animals is funded by private donations, fundraising, and small grants. Our veterinary clinic performs no-cost and low-cost spay/neuters and emergency care for pets in our low-income households. Since 2009, our clinic has performed 13,072 low and no-cost spay/neuters for pets in our underserved community.

On behalf of the Board of Directors of HART for Animals, we urge you to consider the negative impact on the public service we provide to the region.

# **SB886.pdf**

Uploaded by: Richard Weldon

Position: UNF



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

# **Employer Impact Statement HB 1229 SB 886.pdf**

Uploaded by: Robin Spurdle

Position: UNF

**Subject:** Employer Impact Statement – HB 1229 / SB 886

Dear Chair and Members of the Committee,

On behalf of Sandy Cove Ministries' leadership and Board of Directors, we appreciate the opportunity to provide perspective regarding HB 1229 / SB 886.

Sandy Cove Ministries is a Christian retreat and conference center located in Cecil County, Maryland. We employ approximately 130 year-round team members and up to 250 employees during peak seasonal months. Our annual payroll budget is approximately \$3.5 million.

We support the goal of ensuring that Maryland workers are compensated fairly and that families can thrive. As an employer deeply invested in our staff and the community, we strive to provide competitive wages, benefits, housing options for seasonal staff, and a mission-driven workplace culture.

However, based on our internal financial modeling, the proposed staggered minimum wage increases outlined in HB 1229 / SB 886 would increase our annual labor costs by an estimated \$2 million once fully implemented.

To put this in context:

- A \$2 million increase represents more than a 55% increase over our current payroll budget.
- As a nonprofit ministry with a fixed revenue model tied to guest group bookings, we cannot readily absorb such an increase without significant operational changes.
- Our largest workforce segments include hospitality, housekeeping, food service, and seasonal student workers.

## **Operational Considerations**

### **1. Nonprofit Revenue Constraints**

Unlike for-profit entities, we do not operate with significant profit margins. Our pricing is set to serve churches, schools, and ministry organizations that often operate on limited budgets themselves. Substantial labor increases would necessitate raising guest rates significantly, which could reduce bookings and diminish access for families and ministry partners.

## 2. **Seasonal Workforce Dynamics**

We rely heavily on seasonal workers for summer operations. Rapid wage escalation at entry levels compresses wage bands, requiring proportional increases across supervisory and mid-level roles to maintain internal equity.

## 3. **Budget Sustainability**

A \$2 million increase would require either:

- a. Reductions in staffing levels
- b. Reduction in program offerings
- c. Significant rate increases for guests
- d. Capital project deferrals
- e. Or a combination of the above

## **Constructive Path Forward**

We respectfully request consideration of:

- An exemption for nonprofit employers
- Tax credits or offset mechanisms for charitable organizations
- Impact study specific to nonprofit hospitality employers

We believe there is space for policy that supports workers while also preserving the sustainability of nonprofit employers who serve thousands of Maryland families annually.

Sandy Cove Ministries has been part of the Cecil County community for decades. We employ local residents, partner with local vendors, and contribute to the regional economy. Our desire is to remain a stable employer and ministry resource for years to come.

We would welcome the opportunity to provide further financial analysis or participate in stakeholder discussions as you evaluate this legislation.

Thank you for your consideration and for your service to the State of Maryland.

Respectfully,

Stephen Weaver  
President & CEO  
Sandy Cove Ministries

On behalf of the Board of Directors  
Sandy Cove Ministries

# **Elite Spice Testimony Against Bill 1229 SB 886 (1)**

Uploaded by: Sharon Bar

Position: UNF

ELITE



SPICE

February 24, 2026

Opposition to House Bill 1229 / Senate Bill 886 – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

To the Members of the Government, Labor, and Elections Committee of the Maryland House of Delegates:

My name is Sharon Bar, and I am the Owner of Elite Spice, Inc. in Jessup, Maryland. We have proudly operated in Maryland for 38 years and currently employ approximately 750 people in the State of Maryland. I am writing in opposition to HB 1229 / SB 886.

I understand and respect the intent behind this legislation. I care deeply about our employees and about ensuring they are compensated fairly. However, the scale and structure of this proposal would create economic consequences that businesses like mine simply cannot absorb without significant disruption.

Raising the minimum wage to \$25 per hour represents a 67% increase from today's rate. Based on our current workforce and payroll structure, this proposal would increase our annual wage costs by approximately \$8.5 million. When payroll taxes and benefit costs are included, the total impact exceeds \$10 million per year.

This level of increase would force difficult decisions — including raising prices to our customers, slowing investment, reducing expansion plans, or reassessing staffing levels and hours. These are not theoretical concerns; they are real operational realities.

The impact would not be limited to entry-level employees. Because of wage compression, increases at the base level ripple throughout the entire organization, affecting supervisory and skilled roles as well.

I am not opposed to fair wages. I am concerned about sustainability — for our business, for our employees, and for Maryland's economic competitiveness.

For these reasons, I respectfully urge you to oppose HB 1229 / SB 886.

Thank you for your time and thoughtful consideration.

Sincerely,

Sharon Bar  
Vice President of Administration, Owner  
Elite Spice, Inc.  
Jessup, Maryland

# **SB 886 - \$25 Minimum Wage.pdf**

Uploaded by: Stephanie Helsing

Position: UNF



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

March 9, 2026

Dear Chairpersons, Beidle and Hayes, and Members of the Senate Finance Committee:

My name is Stephanie Helsing, and I am the President and CEO of the Greater Silver Spring Chamber of Commerce. On behalf of the Greater Silver Spring Chamber of Commerce, representing more than 360 employers, mostly small and minority owned businesses, in greater Silver Spring and surrounding areas in Montgomery County, we are submitting these comments of strong opposition to **Senate Bill 886 -- Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage** being heard in the Finance Committee on March 11, 2026.

Senate Bill 866 increases the statewide minimum wage to \$25 per hour by January 1, 2032, and beginning January 1, 2033, provides that the minimum wage will be indexed to the Consumer Price Index (CPI). The bill also phases out the tip credit by January 1, 2031, and raises the minimum wage for tipped workers to \$16.50 by January 1, 2030. We understand the intent of this bill, but this proposal would create economic consequences that many businesses in the greater Silver Spring community cannot absorb. The business community strongly opposes a dramatic increase in the state minimum wage because it would significantly raise labor costs, particularly for small businesses with limited margins. Higher mandated wages could force employers to reduce hiring, cut employee hours, or delay expansion, while also driving up prices and reducing competitiveness.

These added financial pressures jeopardize business stability and long-term growth, especially at a time when Maryland's minimum wage has already increased sharply in recent years and is currently indexed to the CPI. In this difficult economic climate, businesses need stability, and another substantial wage increase would undermine that stability. We are deeply concerned about the negative impact this bill will have on Maryland's already fragile business environment.

Further, regarding elimination of the tip credit, this legislation would have a profoundly negative impact on both full-service restaurant operators and servers. Many operators are still struggling to adapt to post pandemic economic challenges and eliminating the tipped wage would upend the long-standing business model they relied on, often when entering long term leases based on the existing tip credit structure. To absorb significantly higher labor costs, restaurants would be forced to raise menu prices, further straining customers. For most restaurant servers, eliminating the tipped wage would reduce their overall earnings and discourage workers from remaining in an already fragile industry, as customers are unlikely to tip at previous levels once higher menu prices take effect. Importantly, tipped employees are already guaranteed to receive at least the full applicable minimum wage through a combination of base wages and tips, with employers required to make up any difference under current law.

Policymakers should prioritize policies that support business growth, job creation, and economic expansion in Maryland. This approach is the most effective way to revitalize Maryland's stagnant economy. If this bill passes, it will be the neighboring states that benefit from our loss, as businesses choose to relocate because they can't absorb these proposals.

In summation, the Chamber wants all businesses to succeed and for these reasons, the Greater Silver Spring Chamber of Commerce respectfully opposes Senate Bill 886 and respectfully requests an unfavorable report. It is the Chamber's position that this legislation will have an egregiously negative impact on the greater Silver Spring businesses community.

Thank you for the opportunity to weigh in on this issue.

A handwritten signature in black ink that reads "Stephanie M. Helsing".

Stephanie Helsing  
President & CEO



# **SB0886\_UNF\_MSLBA\_Consumer Protection & Labor & Emp**

Uploaded by: Steve Wise

Position: UNF



**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:**

J. Steven Wise

Danna L. Kauffman

Andrew G. Vetter

410-244-7000

**2026 SB0886 Consumer Protection Labor Foodservice F**

Uploaded by: Susan Jones

Position: UNF



February 24, 2026

The Honorable Senator Pamela Beidle  
Finance Committee

**RE: SB0886 Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage**

POSITION: ***UNFAVORABLE***

On behalf of the Ocean City hospitality industry, I am writing to oppose this bill. This proposal would place unsustainable pressure on many Maryland businesses, leading to higher costs, reduced jobs, and unintended economic harm.

SB0886 would raise the minimum wage to \$25 by 2030, eliminate the tip credit, tie wages to inflation, and embed these changes in the Maryland Constitution.

A 67% wage increase in a short period is a significant shift that would drive up payroll costs, create wage compression, and force difficult decisions around staffing, pricing, and investment. For small and mid-sized businesses, especially in hospitality and other service industries. These changes would be particularly disruptive. Eliminating the tip credit alone would fundamentally change compensation models.

Embedding wage policy in the Constitution is especially concerning, as it removes flexibility to respond to economic conditions or unintended consequences.

This is not about opposing workers, but about ensuring policies support both employees and the businesses that employ them. I respectfully urge you to oppose SB0886.

Sincerely,

A handwritten signature in blue ink that reads "Susan L. Jones".

Susan L. Jones, Executive Director

**HB 1229\_SB 886\_ Consumer Protection and Labor and**

Uploaded by: Trudy Tibbals

Position: UNF

**HB 1229/SB 886:** Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage: Please vote to **OPPOSE** this bill.

Dear Government, Labor & Elections Committee:

I am writing to respectfully **oppose HB 1229/SB 886**, concerning *Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage*.

While supporting workers and promoting fair compensation are important goals, this legislation raises serious concerns about the economic impact on Maryland's food service industry—particularly small, locally owned restaurants and family-operated establishments.

Food service businesses operate on narrow profit margins and face rising costs related to food supplies, utilities, insurance, and compliance requirements. Additional mandated wage increases or restructuring of compensation systems could place significant financial strain on these businesses. Many establishments may be forced to raise prices, reduce staff hours, limit hiring, or, in some cases, close entirely.

Such consequences would not only affect business owners but also employees and consumers. Reduced staffing levels can limit earning opportunities for workers, while higher menu prices place added burdens on families already coping with inflation and increased living expenses.

Maryland should take a balanced approach that is necessary to protect jobs, sustain small businesses, and maintain affordability for consumers.

For these reasons, I respectfully urge you to **oppose HB 1229/SB 886**.

Thank you for your time and thoughtful consideration.

Respectfully,

Trudy Tibbals

**SB886\_ The Arc Maryland\_ LOI.pdf**

Uploaded by: Ande Kolp

Position: INFO



The Arc Maryland  
8601 Robert Fulton Dr. 140  
Columbia, MD 21046  
T 410.571.9320  
[www.thearcmd.org](http://www.thearcmd.org)

## Senate Finance Committee

### SB 886: Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

#### Letter of Information

March 9, 2026

The Arc Maryland is the largest statewide advocacy organization dedicated to the rights and quality of lives of children and adults with intellectual and developmental disabilities. **It is critically important that any legislation to increase the minimum wage in Maryland contain a provision for ensuring that Medicaid Providers, who are state contractors and whose rates are set by the state, are made whole and are supported to not only comply with a minimum wage mandate but to be competitive in the labor market to attract and retain qualified workers.**

DDA Community Services (“Provider”) organizations hold contracts with the Maryland Department of Health: Developmental Disabilities Administration to provide Home and Community Based services. Close to 100% of DDA provider organization funding comes from the state of Maryland with Federal matching funds. Unlike other businesses, DDA-licensed Medicaid providers are federally prohibited from passing on cost increases to the people they support.

Prior minimum wage bills that have passed in Maryland included Medicaid provider reimbursement mandates. In both 2014 and 2019 ([Fight for 15](#)), minimum wage legislation included Medicaid community service provider rate increases in an effort to ensure these critical service organizations could keep pace with the annual increases mandated through the minimum wage laws. It is quite surprising, therefore, **this current legislation omits funding mandates to ensure Medicaid providers can keep pace with increases to the state minimum wage.**

**It pains us to take no position on this effort as we believe in fair wages, but facing an FY27 budget cut of \$155 million General Funds to Developmental Disabilities services, with no movement to amend the proposed cut to date, leaves us with a valid impression there would be no amendment to this bill to include a mandate for a funding appropriation for Medicaid providers.**

Direct Support Professionals (DSPs) are essential healthcare workers who represent the backbone of the community-based service delivery system for people with Intellectual and Developmental Disabilities. They are skilled workers with an array of responsibilities which may include administering medications, supporting people with complex behavioral support plans, and helping people with disabilities to find and keep a job. DSPs play critically important roles in the lives of over 19,000 Marylanders with developmental disabilities such as Down Syndrome, Autism, and Cerebral Palsy. The jobs of DSPs who work with people with developmental disabilities are demanding and require extensive training and commitment. DSPs deserve fair compensation for their valuable work.

For the second year in a row, Developmental Disabilities funding is facing a severe cut. The cuts implemented past year and pondered this year are not accompanied by any decrease in operating or administrative pressures for providers or people who self direct their services. We are being asked to provide the same services and in some cases, do more, with less funding. As the survival of our very systems of support is our highest priority—the systems that employ DSPs and provide care to 19,000 Marylanders— we do not believe it is possible to amend this legislation to create a funding mandate for Medicaid Providers, and therefore we cannot support this legislation.

Sincerely,

Ande Kolp, Executive Director [akolp@thearcmd.org](mailto:akolp@thearcmd.org)

# **SB 886 - CPD - Service fees - Letter of Informatio**

Uploaded by: Steve Sakamoto-Wengel

Position: INFO



**CAROLYN A. QUATTROCKI**  
*Chief Deputy Attorney General*

**LEONARD J. HOWIE III**  
*Deputy Attorney General*

**CARRIE J. WILLIAMS**  
*Deputy Attorney General*

**SHARON S. MERRIWEATHER**  
*Deputy Attorney General*

**ZENITA WICKHAM HURLEY**  
*Deputy Attorney General*

**STATE OF MARYLAND  
OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION**

**ANTHONY G. BROWN**  
*Attorney General*

**WILLIAM D. GRUHN**  
*Division Chief*

**STEVEN M. SAKAMOTO-WENGEL**  
*Executive Counsel to the  
Attorney General*

**PETER V. BERNIS**  
*General Counsel*

**CHRISTIAN E. BARRERA**  
*Chief Of Staff*

March 11, 2026

**TO:** The Honorable Pam Beidle, Chair  
Finance Committee

**FROM:** Steven M. Sakamoto-Wengel  
Executive Counsel to the Attorney General

**RE:** Senate Bill 886 – Consumer Protection and Labor and Employment - Food  
Service Facilities and Minimum Wage (LETTER OF INFORMATION)

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The Consumer Protection Division states the following with respect to Senate Bill 886, sponsored by Senator Muse, which, among other things, would make it an unfair, abusive or deceptive trade practice in violation of the Consumer Protection Act for a “food service facility” to charge a “service fee” unless the fee is prominently disclosed to the customer on the menu or elsewhere where the customer is likely to see it before ordering. The Consumer Protection Division notes that § 13-301(3) of the Consumer Protection Act, Md. Code Ann., Com. Law § 13-301(3), makes it a violation of the Act to fail to disclose material facts to consumers if the failure deceives or tends to deceive consumers. Failure to conspicuously disclose that a “service fee” or other fee will be charged would constitute the failure to disclose a material fact that deceives or tends to deceive consumers. Please feel free to contact me if I can provide further information to the Finance Committee.

cc: The Honorable C. Anthony Muse  
Members, Finance Committee