

HB1229_RichardKaplowitz_FAV

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Richard Keith Kaplowitz

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TESTIMONY ON HB#1229 - POSITION: FAVORABLE
Consumer Protection and Labor and Employment - Food Service Facilities and
Minimum Wage

TO: Chair Wells, Vice Chair Kerr, and members of the Government, Labor and Elections 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 HB#1229, **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.¹

¹¹ <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.>

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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 HB1229.