



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.

February 26, 2026

Dear Chairpersons, Wells and Kerr, and Members of the Government, Labor, and Elections 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 **House Bill 1229 -- Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage** being heard in the Government, Labor, and Elections Committee on February 26, 2026.

House Bill 1229 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 House Bill 1229 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