

February 24, 2026

The Honorable Delegate Melissa Wells, Chair
Government, Labor, and Elections Committee
145 Lowe House Office Building
Annapolis, MD 21401

RE: Opposition to HB 1229 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage

Dear Chair Wells 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 HB 1229 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage.**

HB 1229 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 HB 1229 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 49th for opening a business. We also rank 46th for tax climate and 37th 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 HB 1229 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 HB 1229 - Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage.*

Sincerely,



Paul Frey, IOM
President & CEO

