Testimony - HB 1229, Consumer Protection and Labor and Employment - Food Service Facilities and Minimum Wage
Favorable
House Government, Labor, and Elections Committee
February 26, 2026
Terrence Cavanagh on Behalf of SEIU Local 500

Honorable Chairwoman Wells & Members of the House Government, Labor, and Elections 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.

HB 1229 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.

House Bill 1229 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, HB 1229 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 House Bill 1229 and urges a favorable report.

Thank you for your time and consideration.

Christopher C. Cano, MPA
Director of Political & Legislative Affairs
SEIU Local 500