



House Bill 1229 Letter

February 26, 2026

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

To the Members of the House Government, Labor, and Elections 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 House Bill 1229.

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

For my company, this proposal would represent a **30%–60% increase in wages for my employees**, translating to an estimated **\$35,000 annual increase in payroll costs**. At that level of impact, it could ultimately threaten our ability to remain in operation. That level of increase is not sustainable for a small service-based business and would force difficult and immediate decisions, including:

- Potential layoffs of valued staff
- Significant price increases for our clients
- Reduced ability to expand services or invest in growth

Unlike large corporations, small Maryland businesses operate with limited margins and cannot absorb dramatic mandated increases in labor costs. The likely result would not be growth—it would be contraction.

What concerns me most is the permanence of placing such policy into the Maryland Constitution. Embedding sweeping economic mandates at that level removes the ability to respond to real-world economic conditions or unintended consequences. That rigidity creates substantial risk for small businesses, their employees, and the communities they serve.

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 House Bill 1229.

Thank you for your time and consideration.

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