

**Written Testimony in Opposition to House Bill 1479
Labor and Employment – Minimum Wage – Increase (Maryland Raise the Wage Act)**

Submitted by:

Evan Avnet

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Chair and Members of the Committee:

I write in opposition to House Bill 1479 on behalf of the Maryland Investigators and Security Association (MISA), which represents businesses and professionals in Maryland's private security and investigative industries.

While well-intended, HB 1479 would have a severe and immediate negative impact on the private security industry, the clients we serve, and ultimately Maryland consumers.

Private security is not a low-overhead industry. Security companies do not simply pay wages and collect revenue. In addition to payroll, our industry carries substantial fixed and rising compliance costs, including:

- General liability insurance
- Workers' compensation insurance
- Commercial auto insurance, where applicable
- State agency licensing fees
- Individual guard licensing fees
- Fingerprinting and background checks
- Initial and recurring training requirements
- Uniforms, equipment, supervision, and administrative compliance costs

These costs already place tremendous pressure on security providers. A mandated increase in minimum wage does not operate in a vacuum. It creates **wage compression** throughout the entire pay scale.

If the entry-level floor is pushed significantly higher, employers cannot simply pay experienced officers, supervisors, and specialized personnel at or near the same rate as new hires. To retain staff, maintain morale, and preserve operational structure, wages must increase across the board.

That means a government-mandated increase at the bottom rapidly becomes a much larger increase throughout the workforce.

In practical terms, if wage policy drives the market toward a minimum labor expectation in the **\$19 to \$25 per hour range**, no serious applicant will accept "minimum wage" work in a high-liability, high-risk field like private security. Employers would then be forced to pay more realistic market wages in the **\$30 to \$35 per hour range** to attract and retain dependable personnel.

Once payroll taxes, insurance burdens, overtime exposure, administrative overhead, licensing, training, and operating costs are added, the billable rate to the client can quickly rise into the **\$60 to \$65 per hour range** for a single security officer.

For many clients, that pricing is simply not sustainable.

There is a very real ceiling on what private businesses, hotels, apartments, shopping centers, event venues, construction sites, and other security users are willing—or able—to pay for contract security services. Once those rates exceed what the client can absorb, one of two things happens:

1. **The contract is cancelled entirely**, or
2. **The client reduces coverage**, leaving fewer hours, fewer officers, and less protection.

The result is predictable:

- Loss of security jobs
- Reduced security presence for private businesses and properties
- Greater risk of theft, violence, liability, and disorder
- Increased costs passed along to the public

This is not theoretical. Security is a pass-through cost in many industries. For example, when a hotel in Ocean City must pay substantially more for contract security, that increased expense is added into the cost of doing business. Those costs are then pushed to guests through higher room rates, fees, and service charges.

When enough mandatory labor cost is imposed across multiple operational categories—including security—the consumer ultimately pays the difference. That is inflation in real time.

In some sectors, rather than absorbing those increases, businesses will simply eliminate contract security altogether. That makes properties less safe, reduces deterrence, and removes trained personnel who often prevent incidents before law enforcement is ever called.

Private security is an essential support service for Maryland businesses. It helps deter crime, protect employees and customers, reduce liability, and preserve order. Pricing this service out of reach will not improve economic stability—it will undermine it.

For these reasons, I respectfully urge the Committee to issue an **unfavorable report on House Bill 1479**.

Respectfully submitted,



Evan Avnet
President
Maryland Investigators and Security Association (MISA)