



January 26, 2024

Senate Finance Committee
Senator Pamela Beidle
3 East
Miller Senate Office Building
Annapolis, Maryland 21401

Dear Senator Beidle:

RE: SB 0160 - Labor and Employment - Payment of Minimum Wage - Tipped Employees– **Oppose**

The unintended consequences of our actions need to be considered before we take that action. For SB 0160, we must consider the following:

Where will the money come from for an increase in wages? The average profit margin for a full-service restaurant is 3% to 5% - very slim. Will restaurants be forced to add service charges to customers' bill to make up the difference? Will they have to raise menu and drink prices? Will they have to downsize (which is already an issue since finding staff in this industry is very difficult).

How will all this play with an establishment's customer base? There will be many customers who will reduce tips if they know their server is already making \$15.00 or more per hour. Others will reduce tips when they have to pay higher menu prices and/or service charges.

In many restaurants, servers can make \$25.00 per hour and *more* when adding in tips. There is a real possibility that will no longer be the case if the reality of this legislation sets in.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill and therefore requests that you give it an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads 'Mike McMullin'.

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Senator Justin Ready
Delegate April Rose