



Date: February 10, 2025

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

Re: SB 0809 – Declaration of Rights - Right to Minimum Wage for Tipped Workers - **Oppose**

Dear Senator Beidle:

SB 0809 would remove the tip-credit system for tipped workers and replace it with a Maryland *constitutional* right to the whatever minimum wage is in effect. No one has a constitutional right to job, let alone a particular wage rate. Jobs and the pay rates attached are earned, not guaranteed.

Furthermore, the arguments against removing tip-credits are well known. The reality is that the tip credit benefits workers by enabling them to earn income *in excess of the minimum wage* and benefits customers by keeping the price of eating out lower.

Removing tip credits would have negative consequences for restaurants, tipped employees, and customers:

Restaurant impact

- **Higher labor costs**
Without tip credits, restaurants would have higher labor costs, which would lead to:
 - Increased menu prices
 - Reduced profitability
 - Fewer jobs
- **Reduced investment**
Restaurants might have less money to invest in other areas of their business.

Tipped employee impact

- **Reduced income:** Tipped employees would earn less money.
- **Reduced employment:** Some tipped employees might lose their jobs as food service operation struggle to meet the new rates.

Customer impact

- **Higher menu prices:** Customers would pay more for food and drinks to offset the higher wages restaurant owners would have to pay.



Other considerations

- Most tipped employees already earn more than the minimum wage, so eliminating tip credits would take away a significant source of income, rather than adding to it.
- Tipped employees consider the current system to be profitable and flexible .

[According to the Employment Policies Institute](#), tipped employees earn more than twice the federal minimum wage when tips are included in their hourly earnings.

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

Sincerely,

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

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Chris Tomlinson
Senator Justin Ready