

MHLA

Maryland Hotel Lodging Association

Bill 34-23, County Minimum Wage – Wage Commission - Established

Montgomery County Council Meeting

October 17, 2023

Position: Oppose

Dear President Glass, Vice President Friedson and Honorable Members of the Council:

The Maryland Hotel Lodging Association (MHLA) is the sole statewide trade association dedicated to advocacy for Maryland’s lodging industry, which supports more than 106,000 jobs and contributes \$9.3B to Maryland’s economy annually.¹ Our members include more than 20 hotels with over 4,400 rooms located in Montgomery County.

Bill 34-35 would establish a 7 member “advisory wage commission” charged with studying wages and working conditions within the county, within specific industries as outlined by an “annual work plan” prepared by the Commission. The first report containing the commission’s recommendations to the County Executive and the County Council is directed to focus on “chain restaurants” within the county and would be due October 1, 2024.

Future work plans would identify an “industry or industries to be studied”, subject to approval or modification by the Executive and the Council. This creates a slippery slope in which additional industries, including hotels, could be caught in the crosshairs as the wage commission sets its next annual work plan.

Bill 34-23 is unnecessary given that multiple workplace protections are already in place for employees.

Private employers already comply with considerable regulations and safety standards that have been enacted through appropriate legislative and regulatory channels. For example:

- [OSHA](#) sets industry-specific safety standards for employers and enforces those standards via inspections.
- Overlapping [federal](#), [state](#) and [local laws](#) dictate workers’ rights including minimum wage and overtime rules.
- The [Equal Employment Opportunity Commission \(EEOC\)](#) enforces laws that make discrimination illegal in the workplace.
- The [Maryland Healthy Working Families Act](#) and Montgomery County’s [Earned Sick and Safe Law](#) require most employers to provide paid sick and safe leave.

¹ [AHLA Dashboard \(morningconsultintelligence.com\)](#)

MHLA

Maryland Hotel Lodging Association

- Next year employers and employees will begin contributing to the [Family and Medical Leave Insurance Program](#), which will provide up to 12 weeks of benefits to covered individuals for qualified leave.
- Every commercial building in Montgomery County is required to have a [Fire Code Compliance permit](#) from the Department of Permitting Services. This ensures that the building is compliant with applicable codes and standards which provide for life safety and help prevent instances of fire and/or loss of life.
- Environmental health specialists from the [Montgomery County Department of Health and Human Services](#) perform inspections and investigations of public facilities, for the purpose of identifying public health and safety hazards.

Establishment of an unelected wage commission raises numerous questions and concerns.

How would the commission ensure adequate representation and input on behalf of ALL segments of an industry being studied? What data would be used to identify an industry for inclusion in future work plans? How would the commission study wages, which are confidential? What is the definition of “working conditions”? What working conditions, beyond those already subject to regulation, would be studied?

Business owners and operators – not an unelected board - should be empowered to make wage, working condition and benefit decisions without government overreach.

Putting such decisions into the hands of an unelected wage commission would lessen the ability for Montgomery County businesses to compete and grow. A thriving lodging industry contributes significantly to the local economy, helping to grow jobs and tax revenue. More than \$14M in Montgomery County lodging tax alone was collected in FY23. And data shows that for every hotel employee, an average of 2.6 additional jobs in the community are supported as hotel guests spend additional money dining out, shopping, visiting attractions, utilizing transportation, etc.² Montgomery County’s business operators, who know their employees best and already comply with considerable mandates, deserve to maintain independence to effectively run their businesses for the benefit of their individual employees and surrounding communities.

For the reasons expressed herein, the Maryland Hotel Lodging Association respectfully requests an Unfavorable Report on Bill 34-23.

² [Hotel and Hotel-Supported Employment](#), Oxford Economics