

Public Hearing on  
Bill 35-23, County Minimum Wage – Tipped Employees

before

The Honorable Evan Glass  
Council President  
Montgomery County Council

October 17, 2023

Testimony of Aaron Droller  
Silver Spring, Maryland

Good afternoon Council President Glass, and members of the Montgomery County Council. My name is Aaron Droller and I am a resident of Silver Spring. Thank you for the opportunity to present testimony on Bill 35-23, County Minimum Wage – Tipped Employees (“Bill”). I testify today in opposition to the Bill. The policy choices made because of the COVID-19 pandemic hit the restaurant industry particularly hard, and it is unfathomable to me that this Council would consider this Bill at a time when our restaurant economy is undergoing a fragile recovery.

I am not a server or restaurateur. I am just a regular resident who enjoys going to restaurants, as I am sure many of you on the dais do as well. I believe that tipped employees should be paid fairly for their labor. This Bill, however, is a solution in search of a problem that does not exist. In Maryland, all tipped employees are guaranteed the State Minimum Wage Rate. There is no evidence that evasion of the minimum wage law is a widespread problem in Montgomery County. To the extent that a few outlier restaurants are evading the law, the Maryland Department of Labor is responsible for ensuring the legal requirement is met. This is not a responsibility for the County government, which should not inject itself into a system that is functioning as the law requires.

This Bill would result in vastly higher menu prices and dramatic surcharges, as we are currently seeing in the District of Columbia. Out-of-state special interest groups and advocacy organizations would like you to believe that customers will pay these higher prices, on top of generous gratuities. This is a completely unreasonable expectation in the long run. The studies and polls that advocates often cite to this effect are riddled with selection bias and do not account for the long-term behavioral changes that will occur. It may take some time, but this Bill will eventually eliminate tipping culture in Montgomery County. At high end restaurants, customers

may be willing to pay a gratuity and inflated menu prices and surcharges. At mid-range and more casual restaurants, however, customers will eventually balk at these higher prices on top of tips. There's only so much a person is willing to pay for a hamburger or sushi roll.

As a result of vastly inflated prices directly attributable to this Bill, customers simply won't go to restaurants as often in order to balance family budgets. This will result in a reduction in server hours and take-home pay. It will also result in reduced revenues for many restaurants with already slim margins. Montgomery County already has a well-earned reputation that is hostile to business, and the Bill will induce the small local and family-owned restaurants that we all love to take their businesses elsewhere. Ultimately, it may only be chain restaurants that have the resources to withstand the county's hostile business climate. I love Outback as much as the next guy, but the county should not pass laws that punish local restaurateurs, customers, and servers. Please reject Bill 35-23. Thank you for your time and for your service to Montgomery County.