

**MHLA**  
Maryland Hotel  
Lodging Association

**Bill 35-23, County Minimum Wage - Tipped Employees**

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.<sup>1</sup> Our members include more than 20 hotels with over 4,400 rooms located in Montgomery County.

This bill reduces the tip credit for tipped employees in increments from its current level beginning July 1, 2024, before prohibiting the tip credit entirely beginning July 1, 2028, and instead would require an employer to directly pay an employee at least the County minimum wage.

Certain hotel employees, such as banquet servers, waitstaff, and bartenders, are among those who may benefit from the existing tip credit. While they are guaranteed to make at least minimum wage, employees in a tipped position typically bring home significantly more. If this legislation passes, by July 1, 2028, all tipped employees will have to be paid minimum wage and we believe the era of tips will disappear—making it much more difficult to find adequate staff and much more difficult to make a career out of a tipped position, which many individuals do today.

The existing tip credit is of benefit to employees and employers, as well as the guests who benefit from excellent customer service provided by tipped employees.

The Maryland Hotel Lodging Association respectfully requests an Unfavorable Report on Bill 35-23.

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<sup>1</sup> [AHLA Dashboard \(morningconsultintelligence.com\)](https://www.morningconsultintelligence.com)