




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
*County Executive*

MEMORANDUM

October 17, 2023

TO: Evan Glass, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Support of Bill 35-23, County Minimum Wage – Tipped Employees

I am writing to share my support of Bill 35-23. Bill 35-23 will adjust the calculation for minimum wage for tipped workers and phase out the tip credit which currently exists under County law. This phase out would take place over the next five years, with tipped employees subject to the same minimum wage as other employees by July 1, 2028.

There remains an inequitable gap in the County's minimum wage laws. Thanks to our collective leadership, Montgomery County's minimum wage leads the state, and helps to ensure that working families can afford to live in the County, where they contribute daily to our economy. I have long said that our minimum wage needs to make certain that Montgomery County employees are treated fairly, and even our current minimum wage falls short of that goal. This is doubly so for tipped employees in our County.

Tipping has a history in our country that cannot be set aside as we strive for a more equitable society. Our country saw an influx in tipped custom after the Civil War, and quickly became an acceptable way to exploit the work of Black employees and women, by paying them this reduced rate. In fact, “[b]y 1880, 43% of all workers employed in hotels and restaurants were African Americans, primarily men.<sup>1</sup>”. Tipped wages are still more likely to be paid to women, and non-white employees, and passing this Bill is the equitable thing to do for our County.

Opponents of this legislation cite concerns for our restaurant industry and its employees. While I value both, we have yet to see complaints out of the jurisdictions that have eliminated the tipped

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<sup>1</sup> [https://onefairwage.site/wp-content/uploads/2021/02/OFW\\_EndingLegacyOfSlavery-2.pdf](https://onefairwage.site/wp-content/uploads/2021/02/OFW_EndingLegacyOfSlavery-2.pdf)

wage. In fact, eight states<sup>2</sup> and the District of Columbia have one wage across the state, and yet also sustain a burgeoning restaurant industry. There is no evidence of complaints of service, or employees making less. In fact, according to a recent survey, there does not appear to be a causal connection between a uniform wage and tipping behavior<sup>3</sup>.

Ending the tipped minimum wage is the right thing to do. It can help to lift more people out of poverty, provide more stable and predictable employment, and reduce historic inequities. I strongly recommend the Council pass Bill 35-23.

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<sup>2</sup> Alaska, California, Hawaii, Minnesota, Montana, Nevada, Oregon, and Washington State

<sup>3</sup> <https://money.com/states-best-worst-tippers-restaurants-ranking/>