

Testimony on Bill 34-23

Before the Montgomery County Council

By Mike Whatley

On Behalf of the National Restaurant Association

October 17, 2023

Members of the Montgomery County Council:

Thank you for the opportunity to provide written testimony to the Council expressing our opposition to <u>Bill 34-23</u>. The National Restaurant Association represents the owners and operators of the nation's restaurant industry, which employs nearly 15.5 million people at more than 1 million outlets.

Restaurants are the cornerstones of Montgomery County communities. From the independent coffee shops in neighborhoods, to the quickservice restaurants that get people through the return-to-work traffic, to table service restaurants, Montgomery County has a vibrant and growing restaurant scene. The business owners who open their restaurants in the County are job creators, business taxpayers, and often community leaders.

Nearly 200,000 people are employed in eating and drinking places across Maryland, and the members of the Council already create and enforce labor laws and regulations that apply to those working in Montgomery County. We oppose Bill 34-23 because it surrenders this legislative process to an unelected Commission giving them a scope and authority that would ultimately jeopardize the independence of restaurant owners and operators.

The bill specifically indicates that the restaurant industry would be the first to be examined by this Commission, but there has been no indication from the Council or other community leaders that the current lawmaking process does not already protect restaurant workers.

An additional body creating labor regulations for the restaurant industry, or any other industry in Montgomery County, would create confusion and threaten the independence of restaurant owners and operators. This could ultimately lead to slower business growth or lost jobs.

Maryland has the fifth highest number of minority-owned restaurants in the U.S. – with 54% of restaurants owned by minorities. Overall, 20% of restaurants are Black-owned, 27% are Asian-owned, and 8% are Hispanic-owned. This also exceeds minority ownership in Maryland's overall private sector, which has 42% overall minority-ownership.

The restaurant industry is one of the last remaining industries where you can start in an entry-level position and work your way to business ownership. The industry is also a major contributor to the Maryland economy. For every dollar spent in one of Maryland's 11,000 restaurants, \$1.90 goes into the state's economy.

The National Restaurant Association and our members welcome the opportunity to discuss worker protections in the County's restaurants. We also hope that you will agree the Council should continue to lead the decision-making process when it comes to labor laws and regulations, which is why we oppose Bill 34-23.