

MHILA
Maryland Hotel
Lodging Association

SB449 – Oppose
Unlawful Employment Practices – Remedies
Judicial Proceedings Committee
February 15, 2022

Chair Smith, Vice Chair Waldstreicher and Honorable Members of the Committee:

As the sole statewide trade association dedicated to advocacy for Maryland's lodging industry, with 75,000+ hotel rooms and 34,000 direct employees (pre-pandemic), we urge an unfavorable report on Senate Bill 449.

Senate Bill 449, which would amend existing law, would seek to increase the compensatory and punitive damages that may be awarded to a complainant in an unlawful employment practice case and increase the period of time the complainant would be eligible for back pay.

As mentioned, a law exists that addresses compensation for unlawful employment practices and our members are not opposed to that law. We are, however, opposed to this legislation as it would increase award limits and expand backpay.

Our industry is still recovering from the effects of COVID-19. Increases in operating expenses, coupled with inflation, have significantly tightened already razor thin margins. Given inflationary pressures, true adjusted recovery will not take place until 2025 according to STR and Tourism Economics. **The bill's fiscal note states that "small businesses face potentially significant costs associated with the increase in damages caps and the increase in years for which a claimant can claim back pay."** Any further increase in operational expenses passed on to hotels by insurers will reduce the amount our members can invest in their employees, their properties and in their communities while further hampering recovery.

For the reasons expressed in this letter, we oppose SB 275 and request an unfavorable report.

Respectfully submitted,

Amy Rohrer, CAE
President & CEO