



March 4, 2025

The Honorable Arthur J. Corvese
Chairman, House Committee on Labor
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Opposition to H 5507

Chairman Corvese and Members of the House Labor Committee,

As the owner of Snookers Sports, Billiards, Bar & Grill located in Providence, I write to express my opposition to H 5507, which would eliminate the tipped minimum wage. Although I can appreciate the intention of the bill which, I believe, is to provide fair compensation to tipped employees, the bill is unnecessary, in my opinion, as tipped employees in Rhode Island are already generously compensated. This bill will severely harm small businesses in Rhode Island and the entire hospitality industry, causing the industry to completely change the way we do business. These changes will hurt our employees as well as our guests.

People are drawn to tipped restaurant jobs because of the earning potential these jobs provide. Currently, the median full-service restaurant tipped employee in Rhode Island makes nearly \$29/hour. At Snookers, our tipped employees can make as much as \$50/hour, and most of them consistently make over \$30/hour. In the very rare circumstance that an employee makes less than minimum wage even after accounting for their tips, we make sure that they are paid at least minimum wage for every hour they work as the law already requires. The idea that this bill needs to be passed to protect tipped workers is simply not true. In fact, historically, when the tip credit has been eliminated, the level of consumer tipping has dropped due to many factors including menu price increases, the imposition of house service fees and public perception. The passage of this bill will likely result in workers making less money, not more.

The proposed elimination of the tipped minimum wage would cost Snookers over \$275,000/year just in wages. It would also increase payroll taxes, workers compensation insurance premiums and other expenses that are directly related to payroll. This added expense would be detrimental to our business as it represents a number larger than our current profits. It would mean that we would need to change the model by which we run our business, a model that currently serves the best interests of our employees as well as our guests. We would be forced to lay off some tipped employees, and for those who remained, we would have to cut back hours. This would result in employees earning less money than they currently do. Service would suffer, and our guests would not enjoy the same experience that we are able to offer now. Menu prices would also need to increase to keep the business profitable at a time when rising prices are already a source of frustration across the restaurant industry.

The proposed increase in the tipped minimum wage would be extremely harmful to Snookers and our entire industry. I respectfully ask that you oppose H 5507. Thank you for your consideration.

Sincerely



Paul Troxell
Johnston, RI