



SENATE BILL 820

Employee Opportunity to Purchase Act

March 10, 2009

POSITION: Oppose

Mr. Chairman and Members of the Senate Finance Committee:

On behalf of the members of the *Restaurant Association of Maryland*, we oppose Senate Bill 820, which would require that businesses give the right of first refusal to their employees after a decision has been made to sell, close or relocate the business out of state.

Legislation of this nature is unprecedented, unwarranted and unnecessarily burdens business owners with delays that could negatively affect their ability to sell to a qualified third party. Moreover, this bill would further burden businesses by requiring the creation of Employee Stock Ownership Plans to facilitate such employee purchases.

In our industry, most business sales are managed by restaurant brokers. This legislation would also hamper a broker's ability to negotiate because the fate of the deal would depend on whether the business' employees chose to exercise their right of first refusal.

For these reasons, we oppose SB 820 and request an unfavorable report.

Respectfully submitted,

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy
Restaurant Association of Maryland
6301 Hillside Court
Columbia, MD 21046
410-290-6800