



July 27, 2020

The Honorable Amy Klobuchar
United States Senate
425 Dirksen Senate Building
Washington, DC 20510

The Honorable Tina Smith
United States Senate
720 Hart Senate Office Building
Washington, DC 20510

The Honorable Collin Peterson
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

The Honorable Betty McCollum
Minnesota House of Representatives
2256 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Emmer
United States House of Representatives
315 Cannon House Office Building
Washington, DC 20515

The Honorable Pete Stauber
United States House of Representatives
126 Cannon House Office Building
Washington, DC 20515

The Honorable Jim Hagedorn
United States House of Representatives
325 Cannon House Office Building
Washington, DC 20515

The Honorable Ilhan Omar
United States House of Representatives
1517 Longworth House Office Building
Washington, DC 20515

The Honorable Angie Craig
United States House of Representatives
1523 Longworth House Office Building
Washington, DC 20515

The Honorable Dean Phillips
United States House of Representatives
1305 Longworth House Office Building
Washington, DC 20515

Re: Economic Relief for Minnesota's Hospitality Industry

Dear Senators and Representatives:

We write to request your support of additional federal assistance to save Minnesota's hospitality industry and its 300,000 plus jobs.

Hospitality Minnesota is the umbrella organization representing approximately 2,000 restaurant, foodservice, lodging, and resort and campground businesses in Minnesota. The hospitality industry is a significant driver of jobs and our economy.

In a normally functioning economy, Minnesota's hospitality industry supports 1 in 10 jobs in the state. Restaurant and lodging businesses help to generate over \$31 billion in business sales per year. The industry also collects and remits 18% of the State's sales tax, without which the average Minnesota family would pay an additional \$625 per year to fund the state's spending priorities.

Minnesota's economy is far from normal right now. Many hospitality businesses remain on the verge of collapse. In a recent survey of hospitality businesses:

- Only 35% indicated they have been able to rehire their full staff;
- Half of respondents said they are still down 50% or more;

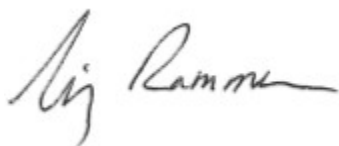
- 36% indicated they will be forced to close within the next six months at the current trajectory; and
- 65% of respondents indicated that they need additional financial support.

Given the impact on employment and the broader economy, we cannot allow this industry to collapse. To help save these businesses, we ask that you consider supporting the following actions:

- Authorize a second round of **Paycheck Protection Program** (PPP) relief. Increase the maximum loan amount, create greater flexibility for business expenses and make such expenses tax-deductible;
- Support the **Restaurants Act** which would create a **\$120 billion recovery fund** providing grants of up to \$10 million. We prefer the senate version S.4012 which allows individual franchisees (i.e. the operator of a single Dairy Queen) to obtain assistance, or changes in the House bill now or in conference to address such small operators;
- Provide targeted **liability protection**. Such protections allow for claims involving *intentional* misconduct or negligence, but would create a safe harbor for those acting in good faith to follow public health guidelines;
- Create a federal program to address and support **business interruption claims** by hospitality businesses impacted by COVID-19;
- Additional **lending options** for hospitality businesses. Potential avenues include:
 - Creation of a new loan program with long-term maturity, deferred payments, low-interest and potential forgiveness provisions;
 - Expanded funding for Economic Injury Disaster Loans (EIDL) and new advance grants for businesses with significant revenue reduction due to COVID-19; and
 - Tailored assistance for lodging companies with commercial mortgage-backed securities loans (CMBS) and expanded access to the Main Street Lending Facility established by the CARES Act.
- Expand **tax credits** for hospitality businesses, including:
 - Temporary travel tax credit for qualified travel expenses such as lodging, meals, recreation, transportation, entertainment, business meetings or events, etc.
 - Tax credits for customer and employee wellness expenditures for PPE, enhanced sanitation, and other efforts;
 - Tax credits or grant programs that help operators acquire any needed upgrades for their facility's HVAC systems for enhanced air circulation related to COVID-19.
 - Enhance the Employee Retention Tax Credit, including making sure that businesses are eligible *after* a PPP loan is exhausted.
- Provide economic stimulus through additional **direct payments** to Americans. Congress should also consider an extension of certain **targeted unemployment benefits**. We support the State of Minnesota's position that workers who are offered their job back and can return safely should do so. Any additional federal benefits should not disincentivize safe return to employment. Nevertheless, given the current capacity limitations in our industry and others, it's clear that some workers are likely to require additional assistance and we cannot as a nation turn our back on them. Such stimulus also has the benefit of supporting economic activity at a time when it is most needed.

Please let us know if you have any questions or if we can be of additional assistance to you.

Sincerely,



Liz Rammer
President and CEO