



The Honorable Andrew Carlson
House of Representatives
557 State Office Building
St. Paul, MN 55155

Dear Representative Carlson:

I write regarding HF39 and to express Hospitality Minnesota's concerns about the scope and impact of the bill. We look forward to speaking with you and will reach out to your staff to schedule a conversation.

While we appreciate the intent of the legislation to get hospitality workers back to work and to provide some degree of certainty for employees, we feel a prescriptive approach may prove counterproductive.

Minnesota's hospitality industry is reeling, having lost over 116,000 jobs in the last year. For an industry that employs one-in-ten Minnesotans in normal times, this is devastating. Our members' primary focus is financial survival and being permitted to reopen (and safely expanding capacity) so that we can get people back to work. According to our December survey fielded with the Minneapolis Federal Reserve Bank, 30% of hotels fear they will face insolvency in the first quarter of 2021 (and 60% by summer) without help. The American Hotel and Lodging Association has projected 600 of Minnesota's 1000 hotels could face foreclosure by summer. Many in the industry expect an economic recovery to take several years and it will require all of us working together (industry, workers, governments, and community) to achieve our shared objectives in overcoming the devastating economic impact from the pandemic.

As our country has faced the COVID-19 crisis together, Hospitality Minnesota and its members have been leaders in advocating for employee assistance programs, including expanded and accelerated unemployment benefits, stimulus aid, PPP funding (60% of which typically goes to workers), housing and food insecurity protections, and other measures to assist workers. For these workers to get back to work, hotel businesses must survive the current economic crisis and consumer confidence must return to spur travel and tourism.

Businesses facing financial collapse require financial and operational flexibility. This is especially acute during the unprecedented times of COVID-19. Our concerns about HF39 as currently drafted are that it imposes new and additional mandates and processes on hotels and constrains their flexibility at a time when their operational capacity has been diminished and flexibility is key. The constitutionality of similar measures has been questioned in other jurisdictions, such as Baltimore (see attached) and a similar bill was vetoed in California this fall by Governor Newsom due to similar concerns. The city of San Diego has been sued over a similar provision and is currently in litigation (see attached).

As events and travel business begin to pick back up, hotel operators are highly motivated to bring back employees who are ready to return to work, and well-trained, to provide the safety and service expected by guests. They must also be the workers best-suited to ensure excellent operations as swiftly as possible, contributing to the long-term recovery of their operation.

Thank you for your consideration and I look forward to speaking further.

Sincerely,

Liz Rammer
President & CEO