



Advocacy report prepared and presented by Ben Wogsland, Director of Government Relations at the Hospitality Minnesota Board of Directors meeting on Tuesday, June 16, 2020. We also presented a summary of media stories of which Hospitality Minnesota was a part. That list follows the advocacy report.

Issue	Hospitality Minnesota Advocacy	Results
<p>Maintaining Essential Operations and Re-opening Safely</p>	<p>Even before the governor issued his initial “stay-at-home” order in March, we began advocating for lodging facilities, restaurants, and campgrounds as essential services.</p> <p>Over the following weeks, we and our members engaged in direct advocacy with the governor, the legislature, and the DEED, Health and DNR commissioners. This included a campaign of letters, emails, phone calls, virtual meetings and participation in the governor’s “hospitality roundtable.” We also led an effective public relations coalition campaign, facilitated video testimonials, and drove opinion pieces from our CEO and our Board of Directors to make the case for safely re-opening those businesses limited by the executive orders. As part of this push, we leveraged our board leadership and other experts to develop safety guidelines that we presented to the government to help make our case. We used all reasonable tools at our disposal.</p> <p>During this period, we have been focused on the re-opening and expansion of in-dining and catering events, campgrounds,</p>	<p>The governor’s March 27 executive order acknowledged certain lodging facilities and restaurants—via pick-up—as essential services. (We immediately began advocating for safe expansion of lodging, campground, houseboat, outfitter, restaurant and catering services).</p> <p>On April 22 in response to our aggressive advocacy, the state clarified that seasonal RV renters would now be allowed, as well as “hotel portions” of resorts.</p> <p>On May 18, the state announced it would allow houseboats and the expansion of outfitter operations.</p> <p>On May 21, the state announced campgrounds could begin recreational operations on June 1. While the loss of Memorial Day weekend revenue stung, the road was cleared for future revenue generation this summer.</p> <p>On the same day, we were disappointed to learn that on June 1, only outdoor restaurant operations would be allowed, rather than in-dining at limited capacity, as expected.</p>

houseboats, outfitters, swimming pools and recreational equipment. Recent successes in removing some limitations are the result of this hard work and we will continue to go to bat for you to expand upon them.

We are currently working to continue expanding occupancy as prudent and as allowed by the public health data.

State Economic Relief Fund

On March 16, [HM asked the Governor to create a state economic relief fund](#) to support no-interest loans for hospitality businesses.

On June 5, the state announced that beginning 6/10 in-dining will be allowed at 50% capacity. In addition, event operations are expanded, as well as the operation of swimming pools and playgrounds which are so critical to our lodging and campground members.

On March 23, the Governor announced a \$30M fund to provide loans in amounts between \$2,500 and \$35,000; 0% interest; long-term repayment; and up to 50% forgivable. Unfortunately, the program has excluded hotels, resorts, campgrounds, outfitters and other businesses crushed by the pandemic and stay-at-home orders. We have [repeatedly advocated for an expansion of this program with the Governor and Legislature](#). The Legislature has now passed a bill in the special session to fund \$60 million in grants and expand eligibility.

Federal No-Interest Loan Fund

On March 19, [HM advocated for a federal no-interest loan fund](#) to assist hospitality businesses with cashflow challenges.

Upon the passage of the CARES Act (including the Paycheck Protection Act), we immediately began working to fix the PPP. The original bill was full of deficiencies and was *not* structured in a way that works for our industry. This included advocacy with the administration in collaboration with our federal partners, as well as meetings with Minnesota congressional leaders that ultimately led the charge to fix the bill: Congressmen Phillips, Stauber, Craig and Emmer. Our efforts also included leveraging our relationships with state leaders to pressure the feds to fix the bill, and media and video testimonial campaigns.

On March 27, federal lawmakers established a \$350B fund that allows business to obtain forgivable loans in the amount of 250% of their average one-month payroll in order to cover rent, mortgage or payroll obligations. Lawmakers subsequently added another \$310 billion to the program but did not immediately fix its operational deficiencies.

On June 4, the federal government enacted legislation to fix the PPP by expanding the forgiveness provisions. The bill now allows businesses to use the funds over a 24-week period, expands the percentage of funds that can be directed to non-payroll costs (rent, mortgage, utilities), and extends the payback provisions. This was a huge and necessary accomplishment for our industry.

Federal Economic Injury Disaster Assistance

On March 16, HM asked the Governor to request certification for MN regarding federal Economic Injury Disaster Assistance (\$1B fund).

Later in the same week, the Governor made this request to the federal SBA, which was approved on March 21.

Alcohol To-Go

On March 19, HM began advocating to allow alcohol-to-go for restaurants shuttered by the state's executive order.

On April 17, the state enacted a new law to allow certain to-go beer and wine sales accompanying food.

Sales Tax Remittance

On March 16, [HM asked for a "freeze" in the remittance of sales tax](#) in Minnesota.

On March 19, the Revenue Department suspended payment of the sales tax to April 20 and later extended the deadline to May 20, with the ability for businesses to request further relief after that point for cause. We are aware that some members are currently experiencing problems requesting relief/payment plans from the Department and we are advocating for clear and fair administration of its abatement program. Stay tuned.

Property Taxes	On April 1, we asked the state to allow businesses impacted by COVID-10 to delay their May 15 property tax payments. We then worked with a business coalition that included the chamber of commerce to advance our policy recommendations.	As of today, over 40 counties have passed some form of relief for property taxes including in some cases delays to July 15, abatement penalties and interest and other relief.
Payroll Taxes	On March 19, HM advocated for a deferral of payroll taxes.	On March 27, federal lawmakers deferred 2020 payroll taxes until December 31, 2020, at which point only half will be due, with the remaining half due by December 31, 2021.
Tax Filings and Payment Obligations	On March 19, HM asked for additional delays in tax filings and payment obligations.	On March 20, the federal government announced it would delay tax filings until July 15, and the state subsequently followed suit.
Capital Availability	On March 19, HM asked the federal government to allow the U.S. Treasury to make additional capital available to hospitality businesses with liquidity challenges.	On March 27, federal lawmakers authorized U.S. Treasury to finance \$500 billion in low-interest loans to businesses hit hard by the crisis that are having a hard time obtaining other financing.
Qualified Improvement Property Tax	On March 19, HM advocated for a fix to the QIP (Qualified Improvement Property) tax provision.	On March 27, federal lawmakers did so, allowing businesses to amend previous year's tax filings.
Retain/Rehire Tax Credits	On March 19, HM asked the federal government to provide tax credits for businesses that retain or quickly rehire employees.	On March 27, federal lawmakers provided for a 50% tax credit to business for wages paid in the aftermath of the crisis.
Community Development Block Grants	On March 19, HM advocated for additional funding through Community Development Block Grants to help communities (and hospitality businesses) recover.	On March 27, federal lawmakers allocated \$5B in additional CDBG funding to assist in recovery efforts by local communities.
Retirement Account Withdrawals	On March 19, HM asked for individuals to be allowed to make withdrawals from retirement accounts (401(k), etc.) without penalty.	On March 27, federal lawmakers provided this relief, so that individuals may access these funds for emergency purposes.

Unemployment Benefits

On March 16, [HM advocated for an acceleration and expansion of state unemployment benefits](#) to protect our workers.

Governor Walz announced Minnesota would accelerate unemployment benefits and hold employers harmless on rate increases for higher volume of claims on the eve of March 16.

On March 27, federal lawmakers extended unemployment benefits to four months and expanded state UI payments by \$600/week. While these benefits have been helpful to workers, they pose a challenge to employers attempting to hire back staff and we have attempted to work with Congress, DEED and policymakers to address this problem.

Direct Financial Payments

On March 19, [HM advocated for direct financial payments](#) to assist workers.

On March 27, federal lawmakers provided for direct payments to 90% of Americans in the amount of \$1,200 (\$2,400 per couple; \$500 per child).

Mortgage and Eviction Relief and Protection

On March 19, HM asked for mortgage and eviction relief and protection for borrowers.

On April 1, along with calls from our federal partners, we asked for the state's assistance in protecting hospitality businesses from eviction.

On March 27, federal lawmakers froze foreclosures for 60 (or more) days and evictions for 90 days, as well as potential forbearance of mortgage payments without penalty for up to 12 months.

Governor Walz also ordered a suspension of evictions on March 23.

We have not yet obtained assistance from the federal or state government on eviction or rent relief (other than PPP funding) for commercial properties.

Since the announcement of the closure, we have been contacted by media outlets across the state to comment on various aspects of the crisis. What follows is only a selection of the articles and segments we have been interviewed for or mentioned in. They do not represent the extent of coverage influenced by our actions in the marketplace or our interactions with news outlets on stories that didn't mention us. Nearly all of these resulted from an outlet contacting us, only a small handful were cultivated by us. A comprehensive list, with active links to stories, is under development, though it will never capture all the outlets that carried or reprinted stories generating untold value in earned media and goodwill for your association.

3/16/2020 Fox9

Gov. Walz orders bars and restaurants across Minnesota to close to dine in customers

3/16/2020 MPR News

Walz order shifts bars, eateries to takeout only to stem COVID-19 spread

3/19/2020	Star Tribune	Opinion: Minnesota's hospitality industry in danger of collapse Liz Rammer
4/4/2020	Star Tribune	Twin Cities hotels repurposing rooms for first responders, homeless and other groups
4/6/2020	KSTP	Minnesota hotels sign up to help health care workers first responders during COVID-19 pandemic
4/14/2020	Fox9	Empty hotel rooms have industry leaders concerned
4/17/2020	Fox9	Gov. Walz signs bill allowing takeout beer and wine from bars and restaurants
4/22/2020	MPR News	For Minnesota restaurants, it's about survival now
4/23/2020	MPR News	Update on COVID-19 in MN
4/27/2020	KSTP	As some Minnesotans return to work, restaurants face uncertainty
4/28/2020	Fox9	What will Minnesota restaurants look like when they reopen
5/4/2020	Brainerd Dispatch	LIVE: Gov. Walz to provide update on Minnesota's response to COVID-19 at 2 pm
5/4/2020	Fox9	Minnesota Governor: no exact date for businesses to reopen
5/4/2020	KARE11	Live updates: State seeks feedback on safely reopening economy
5/4/2020	KSTP	Walz, state leaders talk about getting businesses reopened
5/4/2020	MPR News	Update on COVID-19 in MN
5/4/2020	Pioneer Press	Walz reopens Minnesota businesses
5/4/2020	Star Tribune	Numbers spike for Minnesotans in intensive care for COVID-19
5/5/2020	MPR News	Update on COVID-19 in MN
5/5/2020	Star Tribune	Surgeries, other care set to resume in Minnesota
5/5/2020	Washington Examiner	Walz: Minnesota working on reopening hospitality industry, but 'no exact date'
5/7/2020	Brainerd Dispatch	Faith leaders sue, local officials ask for answers as decisions about reopening Minnesota loom
5/7/2020	Star Tribune	Minnesota needs more workers to track COVID-19
5/8/2020	Star Tribune	Minnesota must recover from its pandemic of fear
5/10/2020	Star Tribune	Women are the front line fo the beleaguered hospitality industry
5/13/2020	MPR News	Pressure on Walz grows as COVID-19 orders set to expire
5/14/2020	KSTP	Despite possible reopening, pandemic puts food scene in danger of collapse

5/14/2020	MPR News	Businesses want to reopen, but how to do it safely?
5/16/2020	Star Tribune	Treading water'--Will beloved Twin Cities restaurants survive COVID-19?
5/18/2020	MPR News	Will restaurants and retail be able to bounce back?
5/19/2020	KSTP	RV campers wait to hear if Minnesota campgrounds will open for summer
5/19/2020	WCCO-TV	Minnesota restaurants and bars to learn 'four pillars' reopening guidelines Wednesday
5/20/2020	KEYC	Guidelines for bars and restaurants to be released
5/21/2020	Mankato Free Press	Our View: COVID-19: Walz faces heavy political lift on restrictions
5/21/2020	Star Tribune	Minnesota restaurant owners feel blindsided by state's order only allowing patio dining
5/22/2020	tpt	Almanac: The limitations of Minnesota's new restaurant rules
5/24/2020	WCCO-TV	WCCO Sunday Morning: Talking Points: Restaurants adjust to Gov. Walz' restrictions
5/29/2020	Star Tribune	Opinion: Please give Minnesota restaurants a chance to survive Hospitality Minnesota Board of Directors
6/1/2020	Bring Me the News	Today is the first day restaurants can reopen their patios amid the COVID-19 pandemic
6/1/2020	Pioneer Press	Twin Cities restaurants reopen to outdoor diners but George Floyd protests may have many holding off
6/1/2020	Pioneer Press	For some business owners, Monday's reopening is a time for excitement. For others, it's not nearly enough.
6/4/2020	TC Business Journal	Unusual patio season raises new questions for bars, restaurants and taprooms
6/4/2020	TC Business Journal	Minnesota architects volunteer to offer restaurants reopening advice
6/5/2020	Pioneer Press	Restaurant, gym owners rejoice as Gov. Walz reopens more businesses amid coronavirus
6/5/2020	Star Tribune	Editorial: Taking the next step in Minnesota's COVID-19 response
6/9/2020	WCCO-TV	People want to get out: despite pandemic, there's plenty of summer fun to be had
6/10/2020	KARE11	Sunrise Snapshot: Restaurants optimistic about return to indoor dining