



June 22, 2020

To: Joint Interim Committee on The First Special Session of 2020  
From: ORLA Government Affairs Team  
Re: Industry Priorities for Legislative Action

Dear Chairs Courtney and Kotek and Members of the Joint Interim Committee on the First Special Session of 2020,

ORLA respectfully requests the following legislative priorities be added for legislative consideration as part of the June 2020 Special Session specifically. Our industry has been overwhelmed by the changes taking place to responsibly manage operations while adjusting to significant reductions in consumer demand. It is not an exaggeration to state thousands of small business locations are at stake as we work to assist as many operations as possible survive historic industry challenges.

All priorities outlined below will assist an industry providing the second highest number of jobs in Oregon prior to COVID-19. We thank you in advance for your consideration.

#### **Advancing Liability Protections for Oregon's Restaurants and Lodging Establishments**

Our country in normal times has grown accustomed to a business environment rife with lawsuits and settlements. The Oregon State Legislature needs to take action to protect Oregon's second largest private sector industry in providing reasonable liability protections against COVID-19 lawsuits when operators follow all Center for Disease Control and Oregon Health Authority guidelines. A field day for frivolous lawsuits against small businesses is on our doorstep without ground rules established by our elected leaders to protect hospitality businesses operating in good faith.

#### **Fighting Worker Compensation COVID-19 Presumption Claims**

Some organizations representing public and private sector workers believe a new law should be established making Oregon's workplaces the default reason for virus spread. A 'workplace virus spread presumption' would trigger significant escalations in worker compensation claims, premium costs, and small business administrative expense at a time when our economic ecosystem is fragile at best. ORLA is adamantly opposed to the establishment of any presumption which discounts the immeasurable ways Oregonians can contract the virus outside of the workplace without appropriate safety precautions.

#### **Extending Oregon's Commercial Eviction Moratorium**

On April 1, Governor Brown initiated [Executive Order 20-13](#) establishing in part a commercial eviction moratorium for 90 days for all non-residential tenancies. The State of Oregon emergency declaration across our state continues and as such, an extension of the initial eviction moratorium is warranted for an additional 90 days. Ongoing flexibility extended to tenants to promote positive working relationships with landlords for rental obligations that will still be owed by tenants during the duration of the pandemic is essential to assisting as many small business operators as possible in their efforts to recover and remain solvent.

### **Protecting the Statewide Lodging Tax for Tourism Promotion at 1.8 Percent**

Now more than ever Oregon will need every industry dollar available for tourism promotion as an integral part of our overall economic recovery. Oregon’s statewide lodging tax is set to sunset to 1.5 percent from the current 1.8 percent rate on July 1 unless the sunset clause is removed during the June special session. ORLA is a staunch advocate for the ongoing and complete protection of this resource for tourism promotion via our semi-independent state agency Travel Oregon. Removing the sunset and utilizing the full 1.8 percent statewide lodging tax for ongoing industry promotion will be critical to recovery efforts.

### **Launching “To-Go” Cocktails in Oregon**

Every state surrounding Oregon has authorized a cocktails to-go program to support a hospitality industry in crisis. States have established safe and reliable ways to launch these programs and provide a creative opportunity to assist restaurant operations in their quest to survive. ORLA estimates we may see anywhere from 1,000 to 2,500 permanent foodservice location closures in the coming 18 months out of approximately 10,000 foodservice locations in existence before the pandemic. An Oregon To-Go Cocktail Program would serve as one tool assisting thousands of operators in regaining sales at a critical time and we can implement the program safely as proven by states across our country.

### **Pausing Oregon’s Minimum Wage for 18 Months**

Due to a quirk in Oregon law, thousands of hospitality workers in Oregon count as minimum wage workers while earning far more than minimum wage. Oregon has one of the highest minimum wage rates in the country and is set to increase even higher on July 1. We have 2 choices here in Oregon – we can (1) arbitrarily increase compensation for thousands of workers who count as minimum wage employees but make more than minimum wage through tip income and tip pooling or we can (2) bring as many Oregonians back to work as possible and relieve historic pressure on the Oregon Employment Department’s unemployment insurance trust fund. Oregon legislators will need to pick one of these options in the June 2020 special session.

Respectfully submitted,



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