



## 2022 VRLTA LEGISLATIVE POSITIONS

The Virginia Restaurant, Lodging & Travel Association is the unified voice for the restaurant, lodging, travel and hospitality suppliers industries. The association creates value for members by promoting the legislative interests of the industry, providing cooperative marketing and educational opportunities while protecting free enterprise.

While this document outlines VRLTA's 2022 Legislative Priorities, the issue is not just about ensuring an economic environment that allows hospitality and tourism businesses to thrive. Rather, COVID-19 and the devastating impact it has had on Virginia's hospitality and tourism sector means that the issues included below are critical to the survival of the industry. Failing to protect these businesses, large and small, will impact travel, tourism, and dining in every District across the Commonwealth. For these reasons, it's urgent that Virginia's legislators take an approach of "do no harm," and work to provide relief from regulatory challenges, taxes, and other obligations to these small businesses. Without such relief, the industry which has already fallen from the fifth to the sixth largest in the Commonwealth and one of the largest employers in Virginia faces collapse and ruin the likes of which have not been seen in our history.

The "2022 Top Priorities" included below are critical to the future of Virginia's restaurants, hotels, campgrounds, and attractions as it faces a long and perilous recovery from the havoc inflicted by COVID-19 and the restrictions that were adopted to protect the health and safety of the public. While many of these restrictions have been relaxed, the industry continues to face challenges from market forces related to COVID-19.

This listing is not exhaustive in nature; please contact our offices for further comments.

## 2022 TOP PRIORITIES

- ▶ **Economic Relief for Hospitality and Tourism:** VRLTA supports Virginia and its localities using American Rescue Plan Act (ARPA) to build upon the economic relief appropriated in 2021, and allocate additional funding to assist restaurants, hotels, attractions, campgrounds, and tourism authorities recover from the economic fallout associated with COVID-19.
- ▶ **Tipped Wage/ Tip Credit:** VRLTA supports and accepts existing federal law for tipped employees that provides strong protections to ensure they never earn less than the applicable minimum wage, and is opposed to increases to the tipped wage. VRLTA opposes efforts to reduce or eliminate the tipped credit. Tip credit should increase dollar for dollar with any increase in the minimum wage.
- ▶ **Minimum Wage:** VRLTA supports efforts to further delay the minimum wage increase that was enacted during the 2020 session and the Commonwealth initiating a study on the economic impact before moving forward with any escalation, and opposes any efforts to give jurisdictions the authority to impose a minimum wage greater than the federal guideline.

- ▶ **Workforce Matters:** VRLTA believes Virginia is the number one state to do business. VRLTA supports Virginia as a right-to-work state, and opposes any efforts to expand burdensome requirements on business owners, such as predictive scheduling, mandatory paid leave, etc.
- ▶ **ABC Licenses:** VRLTA supports making Cocktails To-Go permanent, and expedited ABC approval of outdoor dining spaces. Moreover, we believe ABC requirements for minimum food sales should be strictly and equally enforced.
- ▶ **Tourism Promotion:** VRLTA supports continued state tourism promotion by the Virginia Tourism Corporation and favors funding it at a level no lower than \$30 million annually, and requests an additional \$11 million be allocated to the VTC for marketing purposes to attract first time visitors to Virginia and to enhance our leverage marketing program. Moreover, an additional \$1 million in funding is needed to fully cover operating costs for Virginia's Welcome Centers, and \$7 million annually for film tax credits. VRLTA also continues to support the legislative initiatives of the Virginia Tourism Corporation. VRLTA also supports local tourism promotion efforts be maintained at levels to support tourism marketing.
- ▶ **Taxation:** VRLTA opposes single industry taxes aimed at the hospitality industry, such as meals taxes, transient occupancy taxes, and admissions taxes, unless there is support from the industry, the revenue generated is intended to promote visitation in the areas the taxes are being levied, and a clear and defined means for the collection and disbursement of the revenues for tourism marketing. Additionally, VRLTA is opposed to the imposition of any COVID-19 related unemployment insurance taxes on businesses to replenish the Unemployment Insurance Trust Fund.
- ▶ **Landlord Tenant Law and Lodging:** VRLTA is opposed the alteration of the 90 day threshold for transiency at hotels and motels. Applying landlord tenant law to these establishments prior to the 90 day limit creates additional obligations and constraints on lodging businesses. Hotels are focused on serving short term guests, not permanent residents. It would also undermine the collection of sales and lodging taxes, and jeopardize tourism promotion revenues. Moreover, it would subvert the ability to combat human tracking, and other illegal activities effectively and expediently.
- ▶ **Gambling:** VRLTA believes that competitive parity should be maintained between casinos, restaurants and other hospitality businesses, and to accomplish this casinos should be precluded from providing complimentary goods and services to patrons. Casinos should remit all appropriate local taxes included meals, lodging, etc. Moreover, assessments should be imposed on casinos to help bolster Virginia Tourism Corporation tourism promotion. VRLTA is opposed to further expansion of jurisdictions that can establish casinos beyond those currently listed in the law.

## TRAVEL + TOURISM

- ▶ **Economic Relief for Hospitality and Tourism:** VRLTA supports Virginia and its localities using American Rescue Plan Act (ARPA) to build upon the economic relief appropriated in 2021, and allocate

additional funding to assist restaurants, hotels, attractions, campgrounds, and tourism authorities recover from the economic fallout associated with COVID-19.

- ▶ **Economic Development:** VRLTA supports economic development efforts to attract, develop and reinvest in Virginia businesses, in particular tourism development given its ability to develop a well trained work force and uniquely create a higher quality of life that attracts visitors as well as new residents to the community.
- ▶ **School Calendar:** VRLTA supports current law precluding Virginia public schools from beginning any earlier than 14 days prior to Labor Day.
- ▶ **Tourism Promotion:** VRLTA supports continued state tourism promotion by the Virginia Tourism Corporation and favors funding it at a level no lower than \$30 million annually, and requests an additional \$11 million be allocated to the VTC for marketing purposes to attract first time visitors to Virginia and to enhance our leverage marketing program. Moreover, an additional \$1 million in funding is needed to fully cover operating costs for Virginia's Welcome Centers, and \$7 million annually for film tax credits. VRLTA also continues to support the legislative initiatives of the Virginia Tourism Corporation. VRLTA also supports local tourism promotion efforts be maintained at levels to support tourism marketing.
- ▶ **Transportation:** Virginia's transportation system is critical to support travel, economic development and business operations across Virginia. An effective statewide solution will be comprehensive, designed to employ multi-modal transit, new technologies and innovative ideas. VRLTA strongly opposes any hospitality taxes imposed to fund transportation solutions.
- ▶ **Welcome Centers and Safety Rest Areas:** VRLTA supports on every interstate corridor the maintenance as well as the renovation or reconstruction, where necessary, of Virginia's Welcome Centers and Safety Rest Areas.
- ▶ **Landlord Tenant Law and Lodging:** VRLTA is opposed the alteration of the 90 day threshold for transiency at hotels and motels. Applying landlord tenant law to these establishments prior to the 90 day limit creates additional obligations and constraints on lodging businesses. Hotels are focused on serving short term guests, not permanent residents. It would also undermine the collection of sales and lodging taxes, and jeopardize tourism promotion revenues. Moreover, it would subvert the ability to combat human tracking, and other illegal activities effectively and expediently.
- ▶ **Tourism Improvement Districts:** VRLTA supports hospitality related businesses and localities entering into public private partnerships and create Tourism Improvement Districts (TIDs). Proposals should require that localities obtain support and approval of assessments from a majority of hospitality related businesses that are located in the TID, and funds generated by such levies shall be dedicated solely to the promotion and tourism related marketing of the TID. The TID must also be managed by the local Destination Marketing Organization.

## Tax Code

- ▶ **Accelerated Sales Tax:** VRLTA opposes the imposition of the accelerated sales tax payment, a policy which places an undue burden on hospitality and travel businesses.
- ▶ **Admissions Tax:** VRLTA opposes admissions tax because it discriminates against one industry.
- ▶ **Dealer Discount:** VRLTA supports the restoration of the dealer discount that compensates retailers for the costs associated with the collection and remittance of state and local taxes.
- ▶ **Dillon Rule:** VRLTA supports the Dillon Rule and opposes granting counties, or other entities, the same taxing authority as cities and towns.
- ▶ **Lodging Taxes/TOT:** VRLTA opposes the imposition of lodging taxes/TOT except where the local tourism industry supports the need for the new tax, 100% of the new tax is dedicated to a defined objective for the marketing of tourism, and it's clearly delineated as for use only for tourism promotion. VRLTA supports legislation that would require cities and towns to pass a referendum before being permitted to further increase lodging taxes/TOT within that locality.
- ▶ **Meals Taxes:** VRLTA opposes meals tax because it discriminates against one industry. Furthermore, VRLTA supports full transparency when conveying to the general public the total tax being charged for the sale of prepared food. VRLTA supports legislation that would require cities and towns to pass a referendum before being permitted to further increase the meals tax within that locality.
- ▶ **Meals/Lodging Tax Referenda:** VRLTA believes localities should be required to hold a referendum prior to seeking to increase a meals or lodging tax.
- ▶ **Unemployment Insurance Taxes:** VRLTA is opposed to the imposition of any COVID-19 related unemployment compensation taxes on businesses to replenish the Unemployment Insurance Trust Fund. Legislators should examine other means of rebuilding the Trust Fund that doesn't place a burden on businesses that were forced to close to mitigate the spread of COVID-19, thereby resulting in them having to lay-off staff through no fault of their own.

## Tort Reform + Liability

- ▶ **ADA 'Drive-By' Lawsuits:** VRLTA supports federal and state efforts to protect businesses from burdensome 'drive-by' lawsuits brought under the ADA act; VRLTA supports the passing of legislation that would allow a 'notice and cure' provision to address deficiencies in accessing or utilizing a business under the ADA.
- ▶ **Increased Restrictions:** VRLTA opposes efforts to impose unreasonable restrictions (i.e. zoning, licensing, etc.) upon hospitality establishments' owners or operators by localities' alleging problems with customer activities surrounding property.
- ▶ **Tort Reform:** VRLTA supports limits on punitive damages and joint and several liabilities.

- ▶ **Liability Protection:** VRLTA supports the establishment of liability protections for hospitality and tourism related businesses that shield these employers from frivolous lawsuits related to COVID-19 so long as they comply with health and safety guidelines or do not engage in grossly negligent behavior.

## WORKFORCE

- ▶ **Education:** VRLTA supports rigorous tourism, hospitality, and culinary curricula with increased funding and support for career and technical education. VRLTA supports strategies of graduation and student accreditation that ensures all high school graduates are college and workforce ready.
- ▶ **Health Care:** VRLTA supports efforts to make employer-sponsored health care coverage more affordable for employers and their employees.
- ▶ **Immigration:** VRLTA supports reasonable efforts to ensure that businesses do not employ illegal aliens; however, VRLTA opposes any requirements that place an undue burden on businesses to enforce immigration laws or that otherwise impose penalties on employers that make a good-faith effort to comply with such laws. VRLTA also supports the continued viability of the H2-B and J-1Visa programs.
- ▶ **Minimum Wage:** VRLTA supports efforts to further delay the minimum wage increase that was enacted during the 2020 session and the Commonwealth initiating a study on the economic impact before moving forward with any escalation, and opposes any efforts to give jurisdictions the authority to impose a minimum wage greater than the federal guideline.
- ▶ **Tipped Wage/ Tip Credit:** VRLTA supports and accepts existing federal law for tipped employees that provides strong protections to ensure they never earn less than the applicable minimum wage, and is opposed to increases to the tipped wage. VRLTA opposes efforts to reduce or eliminate the tipped credit. Tip credit should increase dollar for dollar with any increase in the minimum wage.
- ▶ **Mandatory Paid Leave:** VRLTA maintains that it is in the best interest of every business to provide the best benefits to their employees that they can afford, and opposes any effort to mandate that employers provide employees paid leave.
- ▶ **Predictive Scheduling:** VRLTA believes that government intervention in the scheduling of employees through a one-size-fits-all approach intrudes on the employer-employee relationship and creates unnecessary mandates on how a business should operate
- ▶ **Right-To-Work:** VRLTA supports the right of all employees to work without mandatory membership in a labor union
- ▶ **Unemployment Compensation:** VRLTA supports Virginia unemployment compensation law designed to provide adequate and temporary financial assistance to employees who become unemployed through no fault of their own.



- ▶ **Workers' Compensation:** VRLTA supports established rates to compensate employees for clearly identifiable injuries sustained on the job. VRLTA opposes efforts to unnecessarily increase the cost of providing workers' compensation.
- ▶ **Workforce Development:** VRLTA supports the efforts of K-12 public schools, institutions of higher education and career and technical programs across the Commonwealth to prepare Virginians to enter the workforce with the necessary knowledge and skills for success.
- ▶ **Veterans:** VRLTA supports all efforts to improve the transitioning of former military members into the hospitality workforce, streamline the transitioning process, and help to meet workforce demands while utilizing the unique value veterans provide.

## ABC & FOOD SERVICE ISSUES

### ABC Issues

- ▶ **ABC Licenses:** VRLTA supports limiting ABC licenses for on-premises consumption of alcoholic beverages to those establishments that meet the State Health Department and Virginia ABC Board requirements for a restaurant (e.g., operating kitchen, menu, minimum food sales). All ABC requirements for minimum food sales should be strictly and equally enforced.
- ▶ **MBAR:** VRLTA supports the current requirements that exist governing the sale of mixed beverages.
- ▶ **Delivery:** VRLTA is monitoring any effort to regulate the delivery of alcohol to establishments and supports reasonable regulations.
- ▶ **Distilled Spirits:** VRLTA opposes the continued price increases on distilled spirits sold to Virginia's mixed beverage licensees (restaurants, hotels and caterers). The mark-up on distilled spirits is a discriminatory tax on the Commonwealth's hospitality industry. VRLTA supports wholesale pricing for licensees.
- ▶ **Dram Shop:** VRLTA opposes Dram Shop and all legislation that places third party liability upon hospitality establishments' owners and operators.
- ▶ **Alcohol To-Go:** VRLTA supports establishing alcohol to-go as a permanent standard for restaurants including the sale of beer, wine, and cocktails for takeout and deliver.
- ▶ **Outdoor Refreshment Areas:** VRLTA supports allowing local governments to establish by ordinance zones where alcoholic beverages may be consumed.

### Food Service Issues



- ▶ **Menu Labeling:** VRLTA opposes any state or locally imposed requirement that food content, calorie and/or other nutritional information be displayed on a restaurant menu or otherwise within the retail premises.
- ▶ **Restaurant Grading:** VRLTA opposes all efforts to establish a grading system for restaurants.
- ▶ **Outdoor Dining:** VRLTA supports the Commonwealth and its localities allowing outdoor dining in nontraditional spaces on a permanent basis. Virginia localities should continue to relax zoning requirements to permit outdoor dining on sidewalks, parking lots/ spaces, closed streets, etc, and allow restaurants to create semi-permanent outdoor spaces that can host guests during all seasons. The Virginia Alcohol Beverage Control Authority should also continue expedited approvals of outdoor dining spaces.
- ▶ **Third Party Delivery Services:** VRLTA supports reasonable requirements for third party delivery service companies that would stipulate these companies must have a contract with a restaurant prior to delivering their food and doing business with the food vendor. In addition, fee transparency should be established that mandates a third party delivery service conspicuously delineates for the customer what percentage is being taken from the restaurant.

## GENERAL BUSINESS PRACTICES

### Competition Parity

- ▶ **Non-GSA Travel Programs:** VRLTA opposes government-mandated per diems and travel programs that supersede programs set forth by the General Services Administration.
- ▶ **OTA/OTC:** VRLTA maintains that lodging should not be liable for collecting or remitting taxes on behalf of an intermediary; VRLTA opposes preferential tax treatment of intermediaries that would not also apply to lodging.
- ▶ **Short Term Online Rental Market:** VRLTA maintains that Short Term Online Rental Market companies should compete on a level playing field and be subject to the same laws and regulations as other businesses competing in the lodging and residential building industries. However, VRLTA opposes attempts to operate residential buildings or other mass occupied non-transient establishments as short-term online rentals in a de facto hotel manner. VRLTA opposes any efforts from short-term online rental market companies to collect and remit taxes, on behalf of the short-term online rental operators utilizing their websites, through agreements that restrict data transparency and auditability. Further, VRLTA is opposed to any attempts to undermine the ability of localities to regulate short term rentals.

- ▶ **1099 Reporting Fix:** VRLTA supports requiring all who operate short term rentals should file a 1099-MISC to ensure that appropriate income taxes are being paid as almost every other contractor is required to do.
- ▶ **Unfair Competition:** VRLTA opposes unfair competition practices of state operated campgrounds, lodging, and restaurant facilities, as well as state-owned or operated travel attractions that compete directly with privately owned or operated campgrounds, lodging and restaurant facilities, as well as privately-owned or operated travel attractions.
- ▶ **State Parks:** VRLTA believes that state operated campgrounds and parks should be subject to the same lodging taxes and other applicable taxes as other private businesses operating within the industry.

## Consumer Protection

- ▶ **Human Trafficking:** VRLTA strongly opposes human trafficking and supports enforcement that would eliminate this heinous criminal activity.

## Gaming

- ▶ **Casinos and Gambling:** VRLTA believes that casinos should be precluded from providing complimentary goods and services to patrons. This protects restaurants and other hospitality businesses from unfair competition. These establishments should remit appropriate meals, lodging, and other relevant taxes too. In addition, specific taxes on casinos should be assessed to help bolster Virginia Tourism Corporation tourism promotion. Further, VRLTA is opposed to expansion of jurisdictions that can establish casinos beyond those currently listed in the law.

## Music

- ▶ **Music Licensing:** VRLTA supports songwriters' entitlement to royalties but opposes less-than-professional solicitation and enforcement tactics of music licensing organizations.

## Recycling

- ▶ **Bottle Bill:** VRLTA opposes any requirement that imposes the burden and cost on retailers to recycle beverage containers.
- ▶ **Recycled Bags:** VRLTA supports the use of degradable materials when economically feasible; however, VRLTA opposes any mandatory requirements relating to paper or plastic products, including any ban on the use of such materials as plastic straws, plastic bags or Styrofoam containers.

## Tobacco/ Cannabis Legalization

- ▶ **Tobacco and Electronic Cigarettes (Vaping):** VRLTA supports a statewide ban on tobacco smoking and vaping in public spaces which provides for no exceptions that could create an inequitable competitive environment among affected businesses.
- ▶ **Cannabis Legalization:** VRLTA supports the recreational and legal use of cannabis, and laws should ensure that a legalized cannabis marketplace doesn't have archaic restrictions that subvert the growth of the industries or hospitality businesses that participate in it through provisions that limit Virginia's Right to Work law. VRLTA supports using a portion of the taxes raised by the sale of cannabis to finance tourism promotion.

## Weapons

- ▶ **Weapons On Business Premises:** VRLTA supports the right of private businesses to determine whether to permit patrons and employees to bring weapons onto the business premises, including any parking areas, together with the right of such businesses, at their discretion, to post "no firearms or weapons" signs on the business premises.