

**KRHA Restaurant & Hospitality Industry Update
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Senate Commerce Committee
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The Kansas restaurant and hospitality industry has never experienced the level of government intervention as we have in the past two months. While our association understands the need to stand down our businesses under threat of the COVID-19 pandemic, please know it came at a significant cost. I have provided a handout with some stark numbers; Since March 1 we have lost \$325 million dollars in sales, 64,000 restaurant employees have been laid off or furloughed, and 38% of restaurants have closed at least temporarily.

Please know, if you choose, as a legislative body to do nothing until next January, many of your favorite places will be out of business. Most small restaurants had an average of 20 days cash reserves. Unfortunately, nearly 60% of our customers don't expect to go to a restaurant within the next month at the earliest. Simply being open does not mean our restaurants are able to break even.

I was asked to give an update on both what has helped, hurt and provide a way forward.

What has helped?

- The \$5 million dollar Hospitality Industry Relief Emergency (HIRE) fund.
- The Kansas Department of Agriculture guidance on reselling unprepared food.
- The April 22 Executive Order 20-27 allowing the selling of mixed drinks.
- The April 30 Executive Order 20-29 allowing 10 people within six feet or the addition of physical barriers.

What has hurt?

- Standing down one half of food distribution in Kansas.
- Not quickly allowing for additional lines of commerce (growlers, mixed drinks).
- Not quickly addressing which expenses and taxes should be paid.
- Unstable government and small business uncertainty. Not knowing who has what authority and evaluating how to either risk a dollar or close the business.

What needs to be done by the legislature?

- Eliminate the penalties and interest on property taxes until the emergency order ends.
- Eliminate pre-paid sales tax to avoid the same cliff if another government shutdown occurs.
- Allow for the selling of growlers, wine and mixed drinks to go.
- Limit legal liability for public facing entities complying with public health guidance.
- Secure the linked deposit loan program to create a long term financing tool for access to capital.
- Finally, oppose the KDOL proposed rule of presumed workers compensation COVID-19 liability.

What can you do?

- Encourage confidence. Our businesses will only regain their footing if customers have confidence it is safe to go back out in public.
- Demand more balanced data. Government has a role to play in providing balanced and accurate information. For example, it is important to both know how many new COVID cases are in our community and also how many people have been released from the hospital and recovered. We need to have balance in our public message.

Our experience is there is no government program that can replace a meaningful business. However, we have shared real solutions that will help and KRHA encourages the legislature to find a way to get them over the finish line.