



LEGISLATIVE UPDATE



May 8, 2020

Welcome to GHLA @ the Capitol, your weekly update about news you need to know related to Georgia's lodging industry and the 2020 General Assembly. GHLA's legislative team will be your eyes and ears under the Gold Dome.



Safe Stay Guidelines from AHLA

Consumer confidence is critical for restarting travel. AHLA's Safe Stay Enhanced Industry-wide Hotel Cleaning Standards provides a solid foundation for hoteliers to guide their efforts to raise the already high standards used in the properties. The standards of *Safe Stay* were developed under the guidance of an [Advisory Council](#), comprised of industry leaders representing all segments of the hotel industry, and in conjunction with public health experts to advance best practices for protecting against the coronavirus.

Safe Stay represents the top priority for the industry, the health and safety of guests and employees. These enhanced hotel cleaning practices, social interactions, and workplace protocols will continue to evolve to meet the new health and safety challenges and expectations presented by COVID-19.

Please show your support for Safe Stay and sign on to endorse the program.

- [Click here to download a copy of the document.](#)
- [Click here for the main Safe Stay website](#)
- [Click here to sign on.](#)

Joint Senate & House Appropriations Leaders Convene

On Thursday, the General Assembly held a virtual joint committee meeting hosted by House Appropriations Committee Chair Terry England (R-Auburn) and Senate Appropriations Chair Blake Tillery (R-Vidalia). The meeting served to set the stage for the impending budget crisis facing the State going into the remaining days of the session.

Dr. Jeffrey Dorfman, the State Fiscal Economist, provided an update on the State's economic projections as the legislators work to craft a budget with drastic revenue shortfalls. As GHLA has often commented during the Governor's recent subcommittee, consumer confidence will be the most critical factor in restoring the economy. Currently, 73% of consumers are afraid to use public transit, and 75% reported they would not go to a mall. Restaurants, vacation rentals, and vacation travel are slightly more favorable but still represent areas where consumers will need encouragement in the upcoming months.

Of note, unemployment numbers are high, but the majority of claims filed are for "partial" unemployment. This means that while employees are seeing reduced hours, many of them are still receiving some form of income. Dorfman struck a positive tone at points, indicating that the slowdown is mandate-driven rather than economically driven. He thinks the economy can experience a bounce back.

The impact of the shelter in place orders has certainly touched each sector differently. Hotels (accommodations) and retail stores have been hit the hardest (56% and 50%, respectively), whereas online retail has seen a predictable bump of 18% (the chart is below). Grocers have seen a small uptick as well. The marketplace facilitator bill that GHLA helped pass will bring in an estimated \$12-\$15 million per month in state revenue.

Total revenues are about \$19.23 billion year-to-date, which is down 3.4% from the year prior (\$680M).

After Dr. Dorfman presented, Budget Director Kelly Farr provided an update of the State's operating revenue. Farr reminded the audience that the figures operate on a lag. He outlined how the most significant impact will be from the delayed individual income tax filings which are only down 3% this month. This is likely because the federal government extended the filing of income taxes until July 15, at which time he is hopeful these numbers will show an uptick. While income tax collections are down, he

assessed that it could have been "far worse." Both tobacco and alcohol taxes saw small increases.

Overall, revenue was down 36% or just over \$1 billion. Farr warned that these figures could go from bad to worse for the next few months. The drop in April was based on sales numbers for March. The State did not begin a shelter in place strategy until later in March.

The State will likely dip into the rainy-day reserve fund to pay for this year's budget. Lawmakers will begin meeting later this month before restarting the 2020 session in June with their primary objective: passing a balanced 2021 budget in a crisis.

Sector	State + Local Sales Tax	Percent Decline YoY
Accommodations	\$ 15,708,818	56%
Autos	\$ 35,014,451	6%
Construction	\$ 10,129,489	3%
Food & Groceries	\$ 100,439,756	Up 6%
General Merchandise	\$ 28,652,072	50%
Home Furnishings	\$ 91,127,339	6%
Manufacturing	\$ 61,241,244	4%
Miscellaneous Services	\$ 104,844,066	12%
Online retail	\$ 37,872,146	Up 18%
Other Retail	\$ 254,124,577	1%
Restaurants/Bars/Food Serv	\$ 92,579,997	27%
Grand Total	\$ 997,354,056.70	10%

Liability Protection Legislation Prevents Lawsuit Pandemic

Businesses throughout Georgia have banded together in partnership to mitigate the risk of reopening the state. Part of this risk reduction strategy is to pass liability protection legislation that would expire when the worst of COVID-19 is over. In a letter to the Governor and Lieutenant Governor, GHLA echoed the sentiment of businesses operating in the new normal. As companies incorporate policies and procedures to meet state and federal guidelines, the risk of civil suits will remain a threat to these businesses. Cautiously restarting operations before the United States has a cure or a vaccine is inherently risky, but one that must eventually be taken to ensure businesses don't shutter for good.

Liability protection will allow businesses to respond appropriately during the pandemic and shelter them from frivolous lawsuits. A liability protection bill will provide civil liability protections to companies in Georgia, which is necessary given the tort climate in the Peach State. This effort would not cover businesses engaging in willful misconduct, reckless harm, or intentional infliction of harm.

As the trial lawyers have recently argued to Congress, Americans are against giving businesses guaranteed immunity. Not one company has advocated for such blanket protection. The letter sent to leaders in Georgia asks for a targeted and temporary liability protection during a national emergency, which Americans support. The bill is still being drafted and discussed by business leaders leading up to the June session. GHLA will continue to offer support and resources towards this coalition effort that seeks to protect businesses in Georgia from further harm during COVID-19.

Legislative Tracking Update

Please [click here to go to our Legislative tracking page](#) for the complete list of bills we are watching.

[Visit our main page.](#)

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