



## 2019 ISHA AWARDS OF EXCELLENCE APPLICATION

Entries must be for projects completed by **January 1, 2019 through September 30, 2019.**

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Association\_\_\_ Pennsylvania Restaurant & Lodging Association \_\_\_ Email\_\_\_sotterson@prla.org

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Phone\_\_\_717-232-4433 \_\_\_\_\_Fax\_\_\_\_717-236-1202 \_\_\_\_\_

Association Staff Size\_\_\_18 \_\_\_\_\_

*Associations Annual Budget (not including AH&LA dues):* X\_Over \$500,000 \_\_\_Under \$500,000

*Entry Category:* \_\_\_\_\_Education and Workforce Development \_\_\_\_\_Events and Fundraising

\_X\_\_\_Government Affairs \_\_\_\_\_Member Programs \_\_\_\_\_Public Relations \_\_\_\_\_Communications

Please respond to the following questions on a separate piece of paper.

1. Goals & Objectives of Program
2. Target Audience
3. Results of Program
4. Evaluation Measures
5. How was the program presented to the Target audience?
6. Addition information

**ENTRIES MUST BE RECEIVED NO LATER THAN OCTOBER 4, 2019**

## **ISHA 2019 Awards**

### **Category: Government Affairs**

#### **Program Title: PRLA Legislative Roundtables**

##### **1. Goals & Objectives**

The PRLA Government Affairs team established the Legislative Roundtables with one specific goal in mind, to help our members and industry develop relationships with their state-level elected officials.

Legislative advocacy is one of the most important functions of a trade association. It's often cited as the primary reason a member has joined the Pennsylvania Restaurant & Lodging Association. PRLA checks all the boxes when it comes to advocacy work—we have an excellent in-house lobbying team; we host an annual Legislative Day at the Capitol; we raise PAC and Advocacy Fund money to support and educate elected officials; we testify on the impact proposed legislation would have on our industry—but a critical aspect of member engagement with elected officials was missing from our work.

For years we have asked our members to develop relationships with their elected officials. We would encourage our members to invite legislators to their businesses and give them tips on how to make the ask and prepare for the visit. Very few members would do it on their own, so we decided that it was our role to help facilitate the process – thus the Legislative Roundtables were created.

Roundtables are held at a member location and PRLA invites legislators that represent that district or nearby districts to attend. Unlike a Legislative Day where our members would be allotted a 15-minute meeting to present a few talking points before the next trade group came in to do the same, these meetings allowed our members to have meaningful, uninterrupted conversations with their state representatives and senators on the issues that impact their businesses and employees. PRLA provided all registered attendees with talking points (see appendix 1) on key issues in advance of the meeting, as well as handouts (see appendix 2) for the legislators to take with them.

##### **2. Target Audience**

The primary audiences for our roundtables are PRLA members and Pennsylvania representatives and senators. The secondary audiences are nonmember restaurant and hotel operators and the staff members of elected officials.

##### **3. Results**

PRLA has hosted 21 Legislative Roundtables from 2018-2019. Nearly 400 legislators have been invited and almost 600 members have registered to attend a roundtable. In 2019, of the 174 legislators who were invited to a roundtable, 54 legislators and legislative staff attended. Of the 304 members who registered, 178 attended a roundtable (a turnout rate of about 68 percent).

4. **Evaluation Measures**

Our current evaluation measures include registration numbers and actual number of attendees for both members and legislators. Anecdotal feedback from members and legislators is also evaluated for future enhancements to the program. For example, several members have said the meeting time was not conducive to their schedules, which we will consider when we schedule future meetings.

Future evaluation measures will include how many members follow up with their elected officials independently of a roundtable.

5. **Presented to Audience**

The roundtables are presented as an opportunity to sit down with their elected officials and discuss how their decisions in Harrisburg impact the businesses and constituents in their districts (see appendix 3).

For the legislators, we present the roundtable as an opportunity to meet with their constituents from the hospitality industry and learn more about what issues are important to our industry.

6. **Additional Info**

The Legislative Roundtable program has been well received by our members and the legislators who have attended. With this early success, we are exploring additional enhancements to further engage our members and build upon these relationships, such as hosting dinners for legislative leaders and PRLA members in the district.

The Roundtables also indirectly served as membership recruitment and retention tool. Anyone from the industry regardless of membership status was welcome to attend the roundtable. For members and nonmembers, these meetings illustrated PRLA's political access and influence.

# LEGISLATIVE ROUNDTABLES

*Bringing your voice to the table.*

## ISSUES SUMMARY

# MINIMUM WAGE INCREASE

*Multiple pieces of legislation*

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## ISSUE SUMMARY

Gov. Wolf supports an increase in the minimum wage to \$15/hour and the elimination of the tipped wage in Pennsylvania. The minimum wage would jump to \$12/hour immediately and the tipped wage would also steadily increase until eliminated in 2025.

## POSITION

PRLA understands the concern that the minimum wage is significantly lower than surrounding states, but such an extraordinary increase would lead to significant job loss. In addition, an increase and eventual elimination of the tipped wage will actually lead to a pay cut for employees and a large number of businesses closing their doors.

## STATUS

Discussions surrounding this issue are likely to continue through the fall, which is why it is so important to make sure legislators understand the impact of the proposal before they take a vote.

## TALKING POINTS

- Increasing the minimum wage to \$15/hour will lead to 122,000 jobs being lost.
- Eliminating the tipped wage will eliminate the practice of tipping.
- Increasing the minimum wage and eliminating the tipped wage will negatively impact:
  - 582,800 food service jobs
  - 25,846 bars and restaurants
  - 121,516 hotel jobs
  - 127,000 hotel rooms at 1,500 properties
- Tipped workers are already guaranteed minimum wage per hour but the majority of people choose to work in the industry because they earn well above - averaging \$16 to \$20 an hour with tips.
- The hospitality industry invests 96 percent of its revenue back into the business, leaving only 4 percent to absorb the cost of these types of changes.
- Tip wage and credit allow the business to ensure that front of the house employees and back of the house employees have pay parity.
- A huge increase in minimum wage or elimination of tipped wage will force owners to reduce hours, cut staff, pass along costs to customers or close entirely.
- To find a way to pay for an increase in labor costs that equals over 400 percent, businesses will increase prices and become non-tipping establishments to justify the increased cost.
- This leads to a pay-cut for tipped employees, who will only have a base rate of pay and no additional tips.

## ACTION REQUESTED

Take a reasonable approach to this discussion that ensures the solution doesn't hurt the people it is supposed to help, and preserve the tipped wage!

# ALCOHOL LICENSING PROPOSAL

HB 1617

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## ISSUE SUMMARY

As more grocery stores, convenience stores, and big box stores obtain restaurant (R) liquor licenses, the PRLA's Alcohol Service Committee has been tasked with developing a proposal that would evaluate current needs and anticipate future licensing changes. The committee's goal is to develop a plan to address current pressures, protect the value of R licenses, and provide a pathway for someone who wants to enter the industry.

## STATUS

HB 1617 was recently introduced to address the "H" license to "R" license conversion. We are awaiting additional legislation to be introduced on the other proposal pieces.

## TALKING POINTS

- The PRLA has developed an initial process to help address some of the current issues.
- Changes to the current statewide auction:
  - Compile dead licenses that did not get bids from auctions over the course of the year and have a statewide auction of those "leftover" licenses. This could happen only once a year.
  - No more than one license can go to any County in the "leftover" auction.
    - ▶ For example, if five bids are submitted for locations in Lancaster County, only the top bid would win a license.
    - ▶ There is a transfer fee that would be assessed if you win a "leftover" dead license and move it to another county.
- Allow some "H" licenses to become "R" licenses
  - Start with the original H licenses that were allowed to eliminate the room requirement in 2007—about 360 licenses
  - \$25,000 fee to convert from an H to an R.
    - ▶ You must decide if you want to convert within 24 months.
  - If you sell the license within 5 years of converting to an R, 25 percent of the sale price of the license would be allocated back to the state as an additional fee for the conversion, minus the original \$25,000.

## ACTION REQUESTED

Support HB 1617, as well as these commonsense changes that do not overly disrupt the current market, but address the need for more licenses in various areas around the Commonwealth.

# ONLINE HOME SHARING TAX FAIRNESS

HB 787

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## ISSUE SUMMARY

HB 787 (Heffley—R, Carbon) requires online home sharing platforms such as Airbnb and VRBO to register with the Department of Revenue and regularly submit a list of Pennsylvania properties to ensure tax compliance. Further, the legislation also requires the Department to share that information with county treasurers to ensure local compliance and enforcement.

## STATUS

The bill passed the House Tourism & Recreational Development Committee on May 14 by a vote of 23-1 and is now awaiting consideration by the full House. It is a reintroduction of a bill that passed the House in 2018 by a vote of 177-14 but did not move in the Senate.

## TALKING POINTS

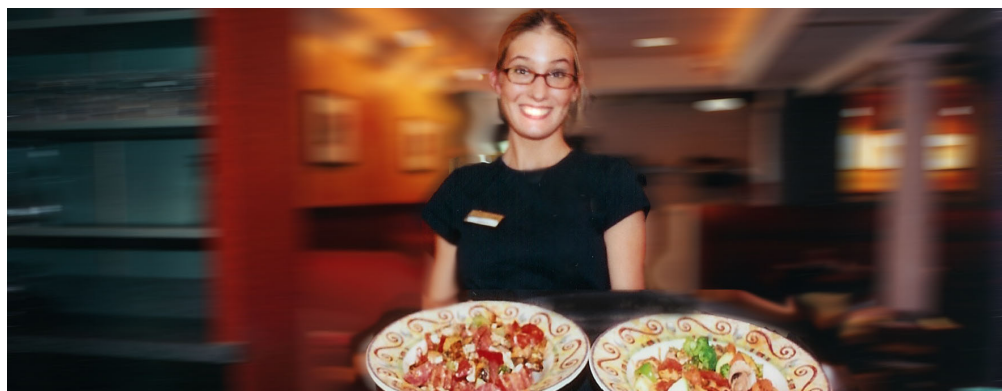
- Over the years, as technology has changed, online home sharing sites such as Airbnb and VRBO have made it easier for individuals to offer rooms in their home, or their entire home as a short-term rental for transient guests.
- While legislation was passed in 2018 (Act 109), that bill only requires compliance on the tax side, but doesn't allow the sharing of information to ensure other local levels of compliance. HB 787 helps to address the other problems that arise with short term rentals.
- Hotels and bed and breakfasts in the state are not opposed to the competition that comes from these types of sites, but this legislation is about leveling the playing field. Unfortunately, without legislating the information be shared—online home sharing platforms continue to allow for listings without ensuring any type of compliance.
- This legislation requires online home sharing sites to register with the Department of Revenue to regularly submit listings that are located in Pennsylvania.

## ACTION REQUESTED

Encourage House leadership to bring it up for a vote and support the bill when it comes before the full House.

# Pennsylvania Hospitality and Tourism

## ISSUES IMPACTING THE INDUSTRY



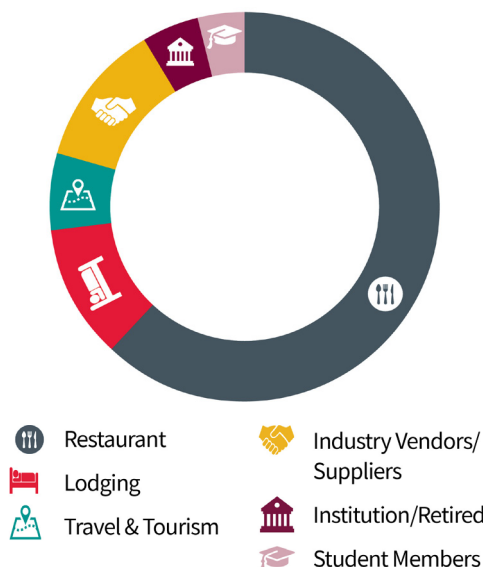
### MINIMUM WAGE & TIPPED WAGE

- PRLA supports reasonable conversation to an increase in the minimum wage but opposes any increase or elimination of the tipped wage.
- Increasing the minimum wage to \$15/hour will lead to 122,000 jobs being lost.
- Eliminating the tipped wage will eliminate the practice of tipping.
- Increasing the minimum wage and eliminating the tipped wage will negatively impact the industry in the following ways:
  - » 582,800 food service jobs
  - » 25,846 bars and restaurants
  - » 121,516 hotel jobs
  - » 127,000 hotel rooms at 1,500 properties
- Tipped workers are already guaranteed minimum wage per hour but the majority of people choose to work in the industry because they earn well above minimum wage—averaging \$16 to \$20 an hour with tips.
- The hospitality industry invests 96 percent of its revenue back into the business, leaving only 4 percent to absorb the cost of these types of changes.

### ABOUT PRLA

- Founded in 1937 to represent, promote, and educate its members for the improvement of the hospitality and tourism industries in Pennsylvania.
- Represents more than 2,900 hospitality and tourism members in 18 local chapters.
- Is the largest supplier of food safety certification and training materials in the state.
- Awards scholarships to Pennsylvania students pursuing post-secondary education in hospitality or culinary arts through its educational foundation.

### MEMBERSHIP BREAKDOWN







## ALCOHOL LICENSING PROPOSAL

- PRLA has developed a proposal that will help alleviate the pressures on the R license in some areas in the state, preserve the current value of licenses, and allow future investment in the restaurant industry.
- Change the current statewide auction to compile dead licenses that did not get bids from auctions over the course of the year and have a statewide auction of those “leftover” licenses. This could happen only once a year, and only one license can go to the highest bidder in each county.
- Support HB 1617, which would allow some “H” licenses to become “R” licenses by starting with the original H licenses that were allowed to eliminate the room requirement in 2007—about 360 licenses—and for a \$25,000 fee, allow them to convert from an H to an R license.



## ONLINE HOME SHARING TAX FAIRNESS

- PRLA supports HB 787 (Heffley—R, Carbon), which will require online hosting platforms to register with the state Department of Revenue and regularly submit a list of Pennsylvania properties using their platform. It also requires the Department to share this information with county treasurers for local hotel tax compliance.
- HB 787 passed the House Tourism & Recreational Development Committee on May 14 by a vote of 23-1. It is a reintroduction of last session’s HB 1810, which passed the full House in 2018 (177-14).
- It is an important next step to Act 109 of 2018, which closed the online travel company loophole. It ensures tax compliance and levels the playing field for traditional lodging establishments who operate visibly and transparently when it comes to abiding by state and local ordinances.

## PENNSYLVANIA INDUSTRY BREAKDOWN



**25,846**  
Eating & drinking  
places

**582,800**  
Restaurant &  
foodservice jobs

**\$21.5 billion**  
projected sales  
in 2017



**1,509**  
Hotel properties

**144,570**  
Guest rooms

**121,516**  
Hotel jobs

**\$34 billion**  
in business  
sales

## NATIONAL INDUSTRY BREAKDOWN



**1 million+**  
Eating & drinking  
places

**15.1 million**  
or 10% of the  
nation’s workforce  
is employed by the  
restaurant industry

**\$800 billion**  
in sales  
or 4% of the  
U.S. GDP



**54,200+**  
Hotel properties

**4.5 million**  
Hotel jobs or 3%  
of the nation’s  
workforce is em-  
ployed by the hotel  
industry

**\$1.1 trillion**  
hotel revenue,  
guest spending,  
and taxes contrib-  
uted by U.S. hotel  
sales

## CONTACT

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## LEGISLATIVE ROUNDTABLE

**APPALACHIAN BREWING COMPANY**

**259 STEINWEHR AVENUE, GETTYSBURG**



Bring your voice to the table and be a part of the conversation with your local legislators. We've invited legislators from your area to a Legislative Roundtable on September 10 at Appalachian Brewing Company on Steinwehr Avenue in Gettysburg so you can discuss the issues that are important to you and your business.

Take this opportunity to meet directly with the folks who represent you in Harrisburg, right in your own backyard. Talking points on key issues

**September 2019**

**10**

**Southern Chapter  
Legislative Roundtable**

September 10 • 3 PM  
Appalachian Brewing  
Company  
Steinwehr Avenue,