



NEW YORK STATE SENATOR

George M. Borrello

# **Senator Borrello Calls for Measures to Help Hospitality Industry and Other Small Businesses Affected by COVID-19 Crisis**

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ALBANY, NY – Senator George Borrello is calling on the Governor and state lawmakers to pass legislation to assist the hospitality industry and small business owners who have experienced sharp declines in revenue as a result of the COVID-19 crisis.

“Safeguarding public health is an urgent priority right now. The guidelines being imposed by the state are aimed at minimizing the spread of COVID-19 to the greatest extent possible,” said Senator George Borrello.

“However, our small business community – particularly the hospitality industry – will be the collateral damage of this epidemic unless we act. Leading up to today, restaurants around the state were seeing declines of 55 percent or more. With this week’s mandate that all restaurants must close their operations for everything except take-out orders, the devastation is set to get much worse. While the hospitality industry has been affected most sharply, small businesses across-the-board are experiencing hardships because of this situation. It is the responsibility of state government to step in and help these businesses make ends meet until the crisis has passed. Otherwise, the repercussions of COVID-19 could affect our economy for years to come,” Senator Borrello said.

“Restaurants across the state are finding themselves in uncharted waters and many are staring at the very real possibility of going out of business before we see the end of this crisis. We need real relief if we are going to save the many mom-and-pop

restaurants that make our communities special. Simply put, if help doesn't come soon, the landscape of the restaurant industry in New York will never be the same." - **Melissa Fleischut, President & CEO of the NYS Restaurant Association**

"Small businesses need relief from mandates and they need assistance with cash flow if they are to make it through this challenging economic situation. Small businesses will find it hard to weather this storm unless New York State takes a legislative and regulatory approach that lessens the cost burdens shouldered by small businesses and takes action to make capital accessible and affordable." - **Todd Trantum, President/CEO of the Chautauqua County Chamber of Commerce & Executive Director of the Manufacturers Association of the Southern Tier.**

Senator Borrello said he will be advancing legislation that will help mitigate the damaging impact that restaurants and other small businesses are experiencing.

Among the provisions expected to be included in the measure are the following.

- **An exemption of unemployment insurance rate increases.** Unemployment rates for businesses rise in conjunction with rising unemployment claims. If government-mandated closures force small businesses to lay off employees, employers should be "held harmless." New York State should agree to cover the additional costs associated with mandatory closures.
- **Reimbursement of paid sick and/or family leave.** At a time when small businesses are already financially stressed by closure-related revenue losses, having to pay mandated sick and/or family leave could put employers out of business. The extraordinary circumstances surrounding COVID-19 necessitate government assistance to small business to manage these costs.
- **Instituting temporary delivery fee caps to prevent price gouging.** With meal delivery one of the only options available to restaurants currently, it is important to shield these businesses from excessive third-party delivery fees by national companies such as Grubhub – fees which can span 15- 30 percent of a total order and eliminate the already-thin profit margin on which restaurants typically operate.
- **Enacting a 90-day extension on paying monthly sales and payroll taxes.** A temporary easing of tax requirements will provide some immediate relief for cash-strapped businesses.

- **Eliminating penalties for late payment of business and property taxes for companies and employees directly impacted by COVID-19.**
- **Making no interest loans and lines of credit from the NY Mortgage Corp available to businesses negatively affected by COVID-19.** Interest-free loans would offer businesses a way of covering costs while businesses are shuttered.
- **Temporary suspension of State Liquor Authority regulations that prohibit return of unused alcohol to distributors.** Hospitality operators have excess inventory of alcohol that was ordered pre-crisis, that will be unusable for the foreseeable future. Allowing them to return that for a refund will help ease cash flow concerns and help offset losses from perishable products.
- **Extending the cure period for various violations facing businesses during the crisis.**

Assemblyman Andy Goodell expressed his strong support in the Assembly for passage of this legislation. “We need to do everything within our power to help all of the innocent businesses and employees who are adversely impacted by this crisis.”

“This is a multi-pronged crisis. It is a public health emergency, but it is also an economic emergency. Safeguarding the health of New Yorkers is priority number one. But we also need to safeguard the viability of our small businesses who are the economic heart and soul of our communities. This legislation is aimed at mitigating the damage that is occurring daily at small businesses around New York. I urge my colleagues to join me in supporting these critically-needed measures.”