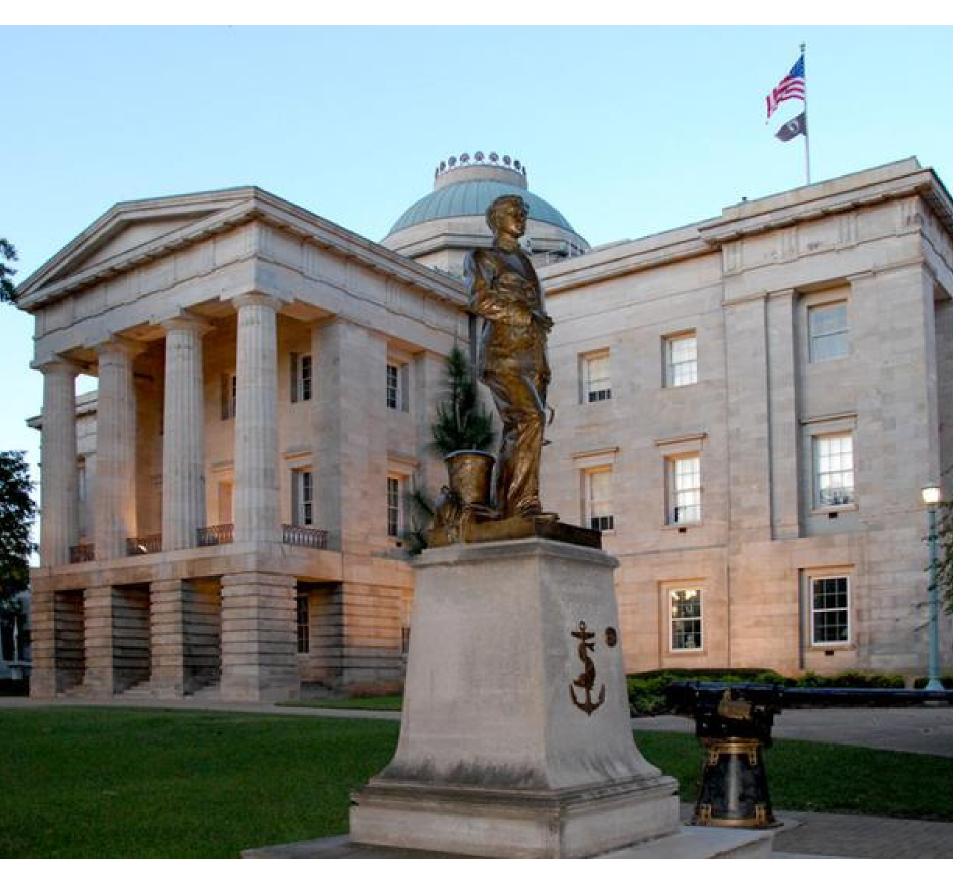
GOALS:

- KEY ISSUES
- WHAT YOUR STATE LODGING ASSOCIATION CAN DO FOR YOU
- HOW YOU CAN MAKE A DIFFERENCE

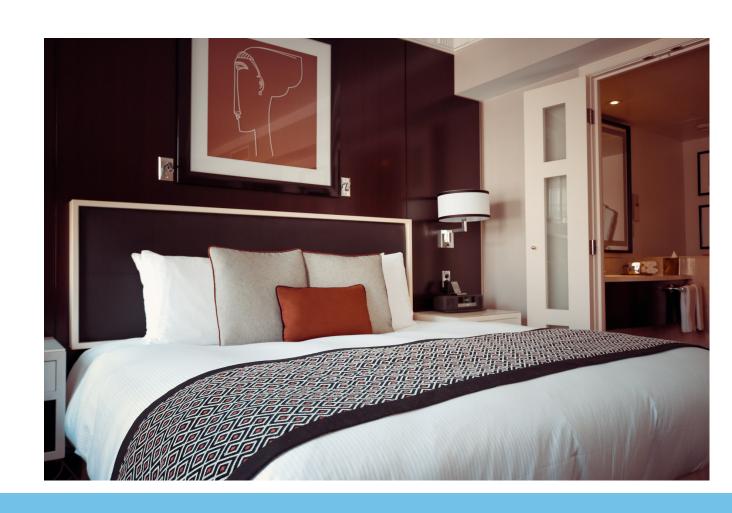


KEY ISSUES IMPACTING THE HOSPITALITY INDUSTRY

June 18, 2019 | Lynn Minges, President & CEO NC Restaurant & Lodging Association

YOU FACE MANY CHALLENGES IN YOUR BUSINESSES TODAY

- COMPLEX POLICY AND INDUSTRY LANDSCAPE
- CHANGING ECONOMY
- TECHNOLOGY
- WORKFORCE AND EMPLOYMENT



KEY FEDERAL ISSUES

Restaurant depreciation Immigration Overtime Regulations

KEY STATE ISSUES



KEY LOCAL ISSUES

Noise Ordinances Health Department Short Term Rentals Local Board Appointments
Occupancy Tax Spending Defeating Meals Taxes
Hotel Permits ABC Board

TAXATION



- OCCUPANCY TAXES
- MEALS TAXES

LABOR & WAGE

- MINIMUMWAGE
- TIP CREDIT
- PREDICTIVESCHEDULING
- PAID SICKLEAVE











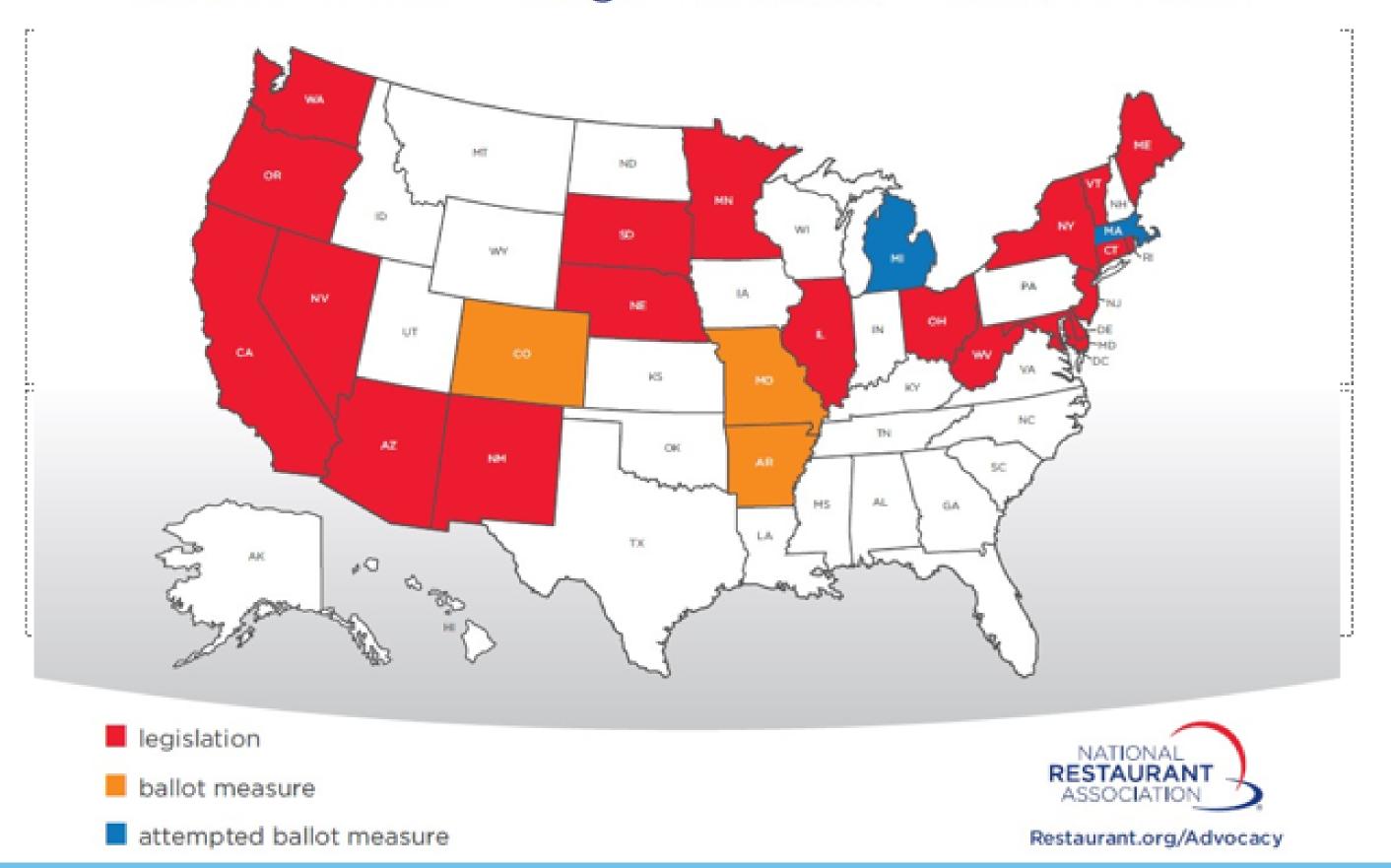
Poll: Majority of voters support \$15 minimum wage

A majority of Americans support increasing the federal minimum wage to \$15 an hour, according to a poll released Thursday.

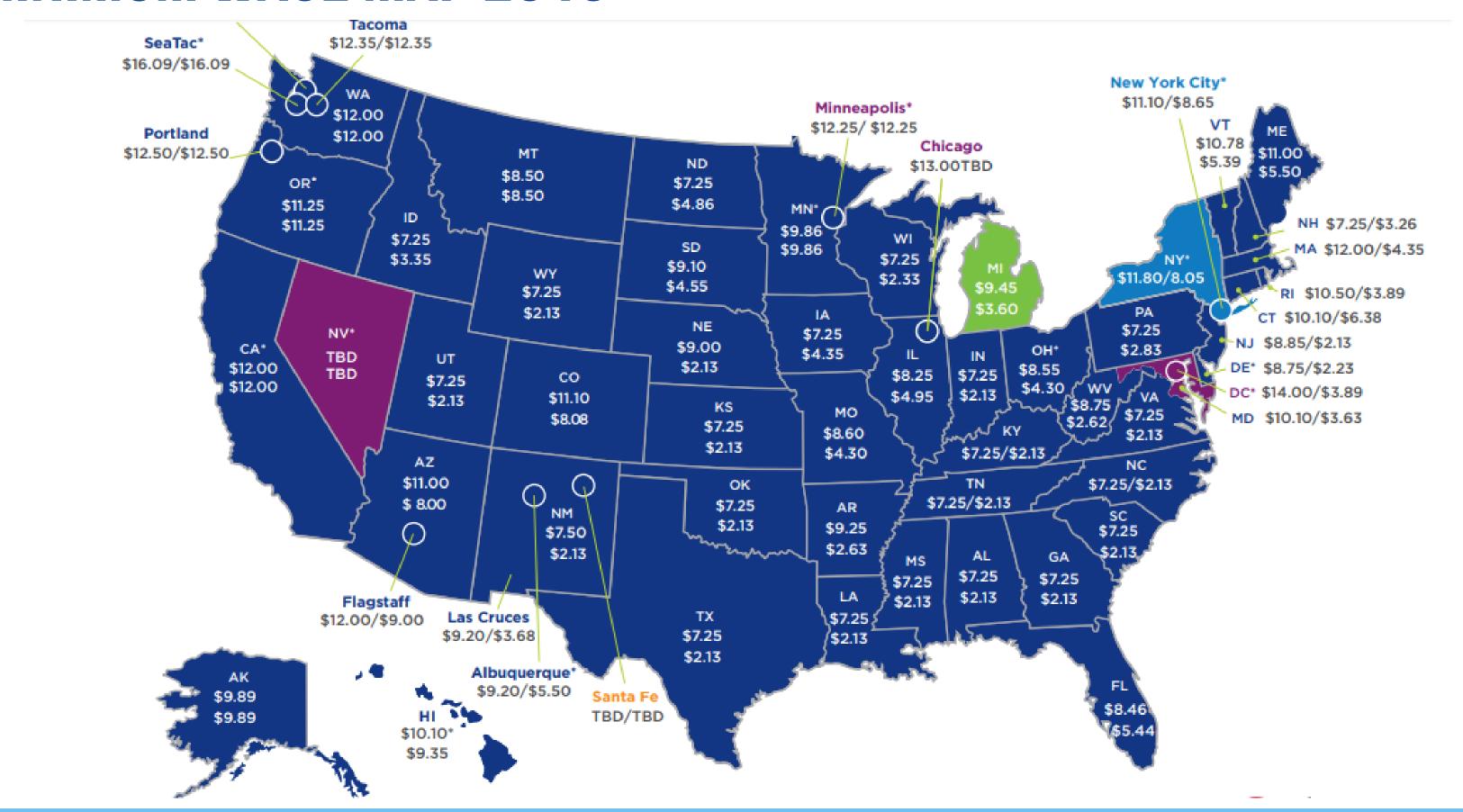
The latest Hill-HarrisX poll found that 55 percent of registered voters said they would support raising the the minimum wage to \$15 per hour. Another 27 percent said it should be increased but to a lesser amount.

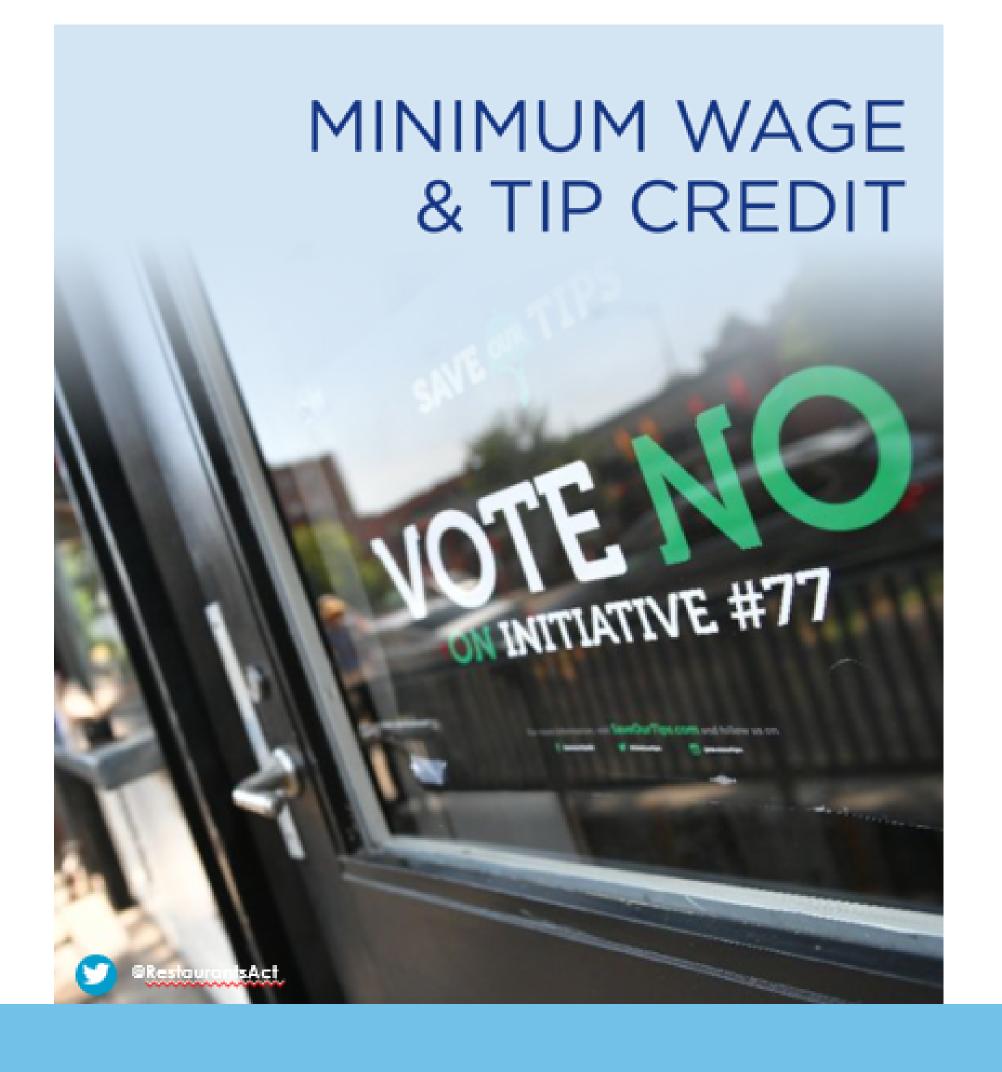
Read the full story here

States Minimum Wage Increases in Recent Years



MINIMUM WAGE MAP 2019





RECENT TRENDS



MINIMUM WAGE

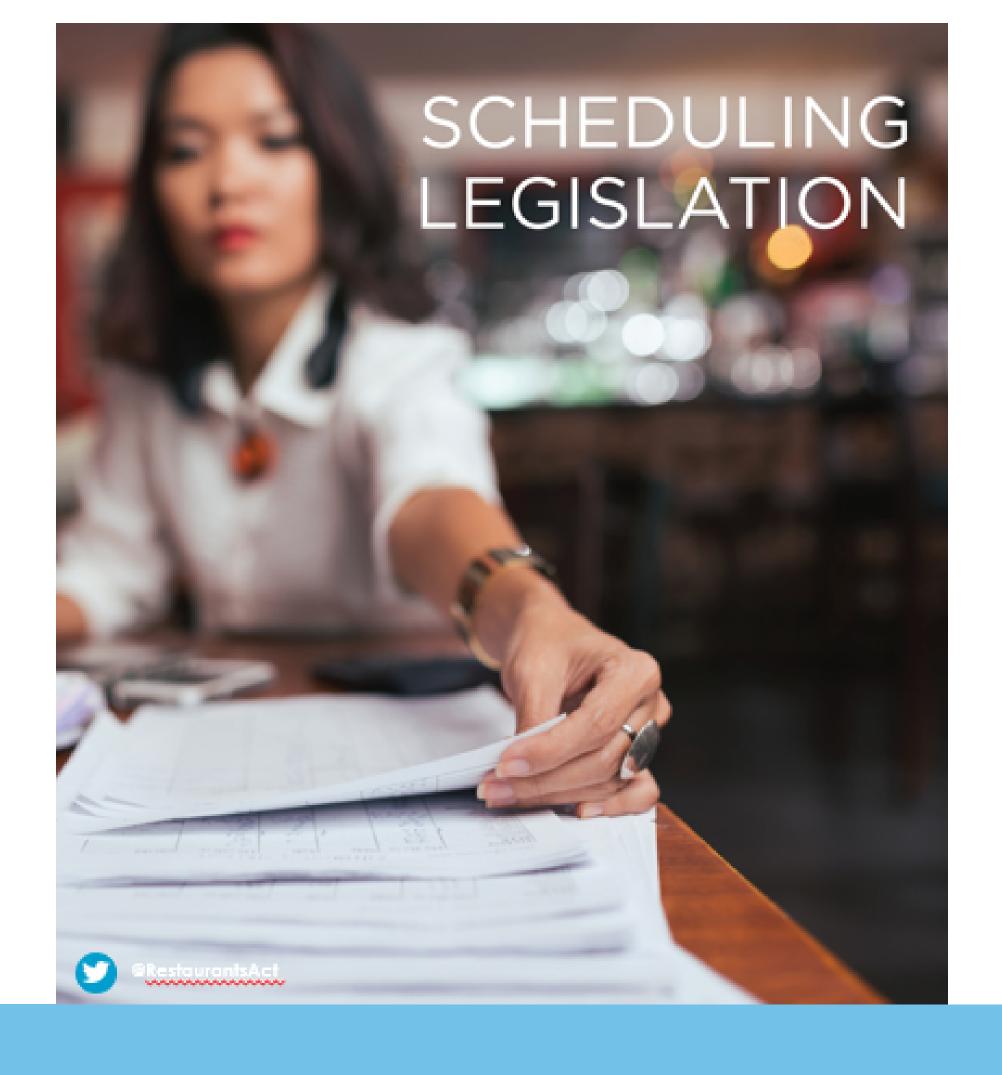
- \$15 per hour passing in numerous states
- \$15 per hour no longer the limit
 - \$18 per hour in Anaheim
 - \$17 per hour proposed in Hawaii



TIP CREDIT

- Significant tipped employee pushback
- 2018 Tip Credit Fights: Washington DC, Michigan
- 2019 Tip Credit Fights: New Mexico, Maryland





WHAT IS IT?



REQUIREMENTS

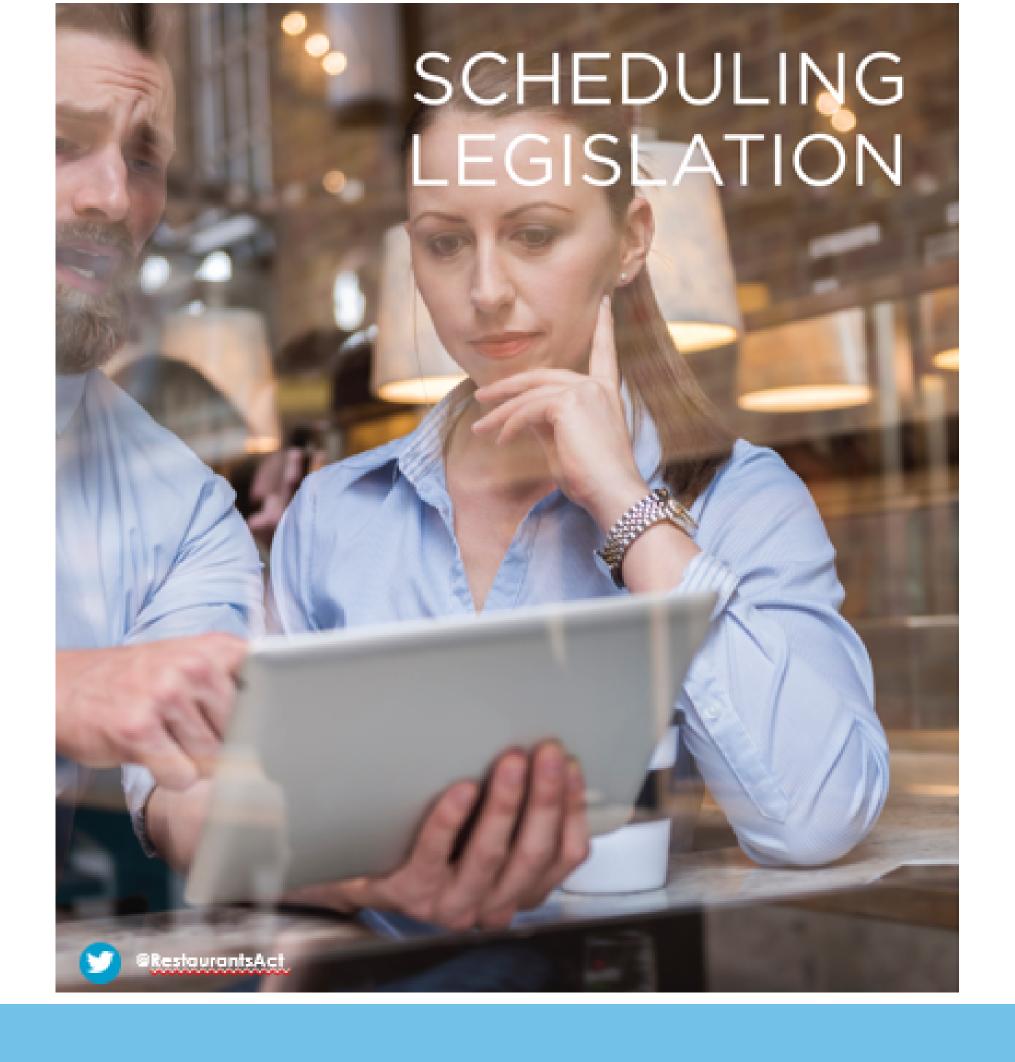
- Post schedules two weeks (14 days) in advance
- Offer more hours to existing workers before hiring part time workers



ENFORCEMENT

- Penalty pay for schedule changes
- Years of record keeping required





INITIAL IMPACTS



EMPLOYEES

- Difficulty picking up extra hours
- Not knowing schedule two weeks out
- Pushing back on additional jurisdictions proposing regulations

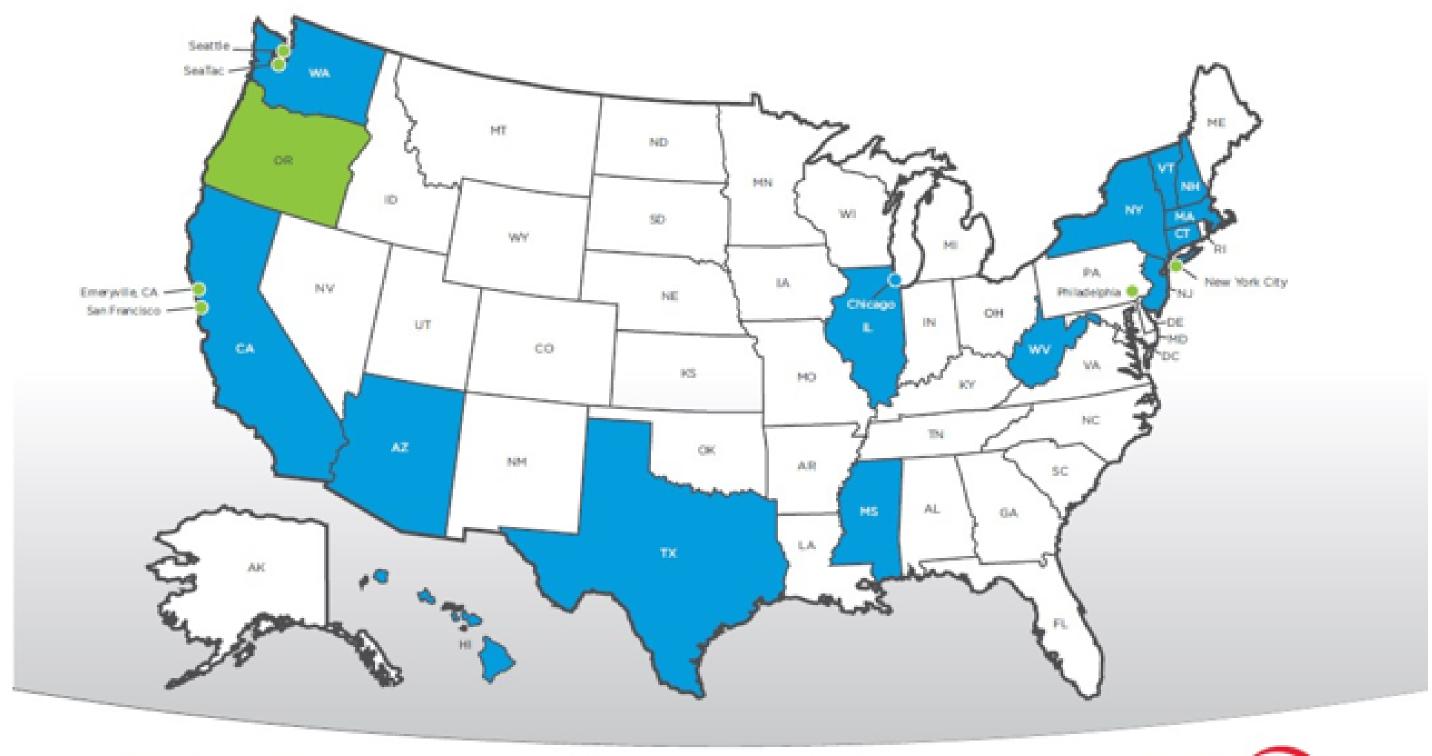


EMPLOYERS

- Confusion
- Rising HR burden/cost
- Reducing voluntary shift swapping
- Impact of layering regulations



Restrictive Scheduling Legislation



Scheduling mandate passed

Scheduling legislation introduced



Restaurant.org/Advocacy

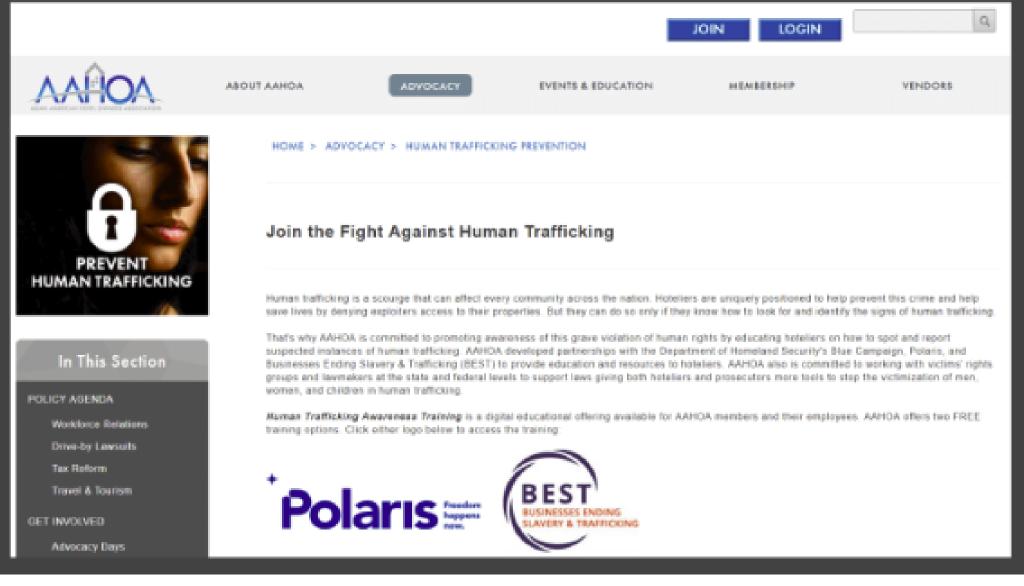




Human Trafficking Awareness Training Certificate Programs





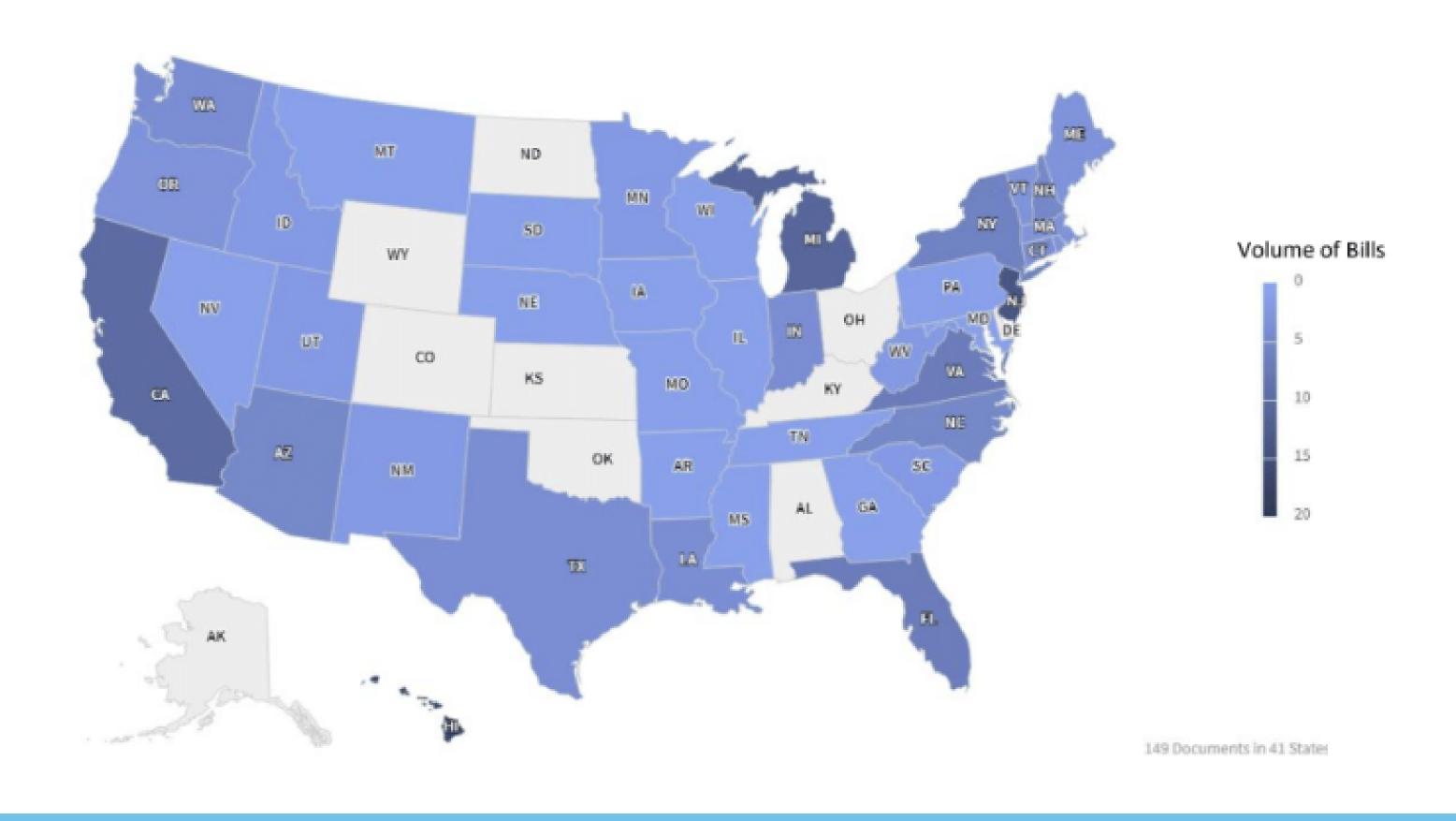


SHORT-TERM RENTALS

- PREVENT STATEWIDE BAN ON LOCAL REGULATION
- STATUTORY CLARIFICATION THAT ACCOMMODATION FACILITATORS MUST COLLECT AND REMIT SALES AND OCCUPANCY TAXES



STATE SHORT TERM RENTAL LEGISLATION 2019



Statewide Short-Term Rental Oversight



Short-Term Rental Regulations Passed in Top Cities Major Progress In the Local Front



Airbnb's Tax Agreements Are Obsolete

Tax Collection Post-Wayfair

- State laws and tax agency rules and practices should treat Airbnb equally as compared to other businesses by moving the company out of these agreements and into mandatory collection status
- Lack of auditing ability of Airbnb's tax agreements poses greatest legal risk
- States and localities should restore equity, integrity and transparency to avoid future legal challenges
- Recommendations to states and localities: Cancel VCA agreements and pass general market place provider legislation

"Airbnb no longer qualifies — if it ever did — for privileged treatment by tax agencies as a 'voluntary collector. Post-Wayfair, Airbnb's 'voluntary agreements' are now a relic of a past legal premise that no longer exists." Dan Bucks

AIRBNO'S TAX AGREEMENTS ARE ORSOLETE

Supreme Court Decision Means State And Local Governments Should Tax Airbob Like Every Other Online U.S. Business

Former Devictor, Municipal Brussian Department & Executive Sirector, Multistate Fas Const.

EXECUTIVE SUMMARY

Through Autorit's soluntary tax agreements with states and local agencies across the country, tax agencies granted Autorit and its indigreg operators more favorable freetrance than other brigany operators and tempoyees generally, thus facilitating Autorits provid an inventor areas. The user majority of Autority country too appearance are negatived before closed store without any public input, no public disclosures and no exercise, including PCIA, to find out what is in the dools." Tempeyors have no clear if Among is paying the correct amount of taxes. Even the tax appropriate had have Aprec 5 waster free audits of the company cannot properly with the accuracy of Autor's payments.

Planter, the U.S. Supreme Court's Wayter's: South Salvata dicoson² less year now removes any illustrated Automoconstitutionally has a sufficient operaction to states to be municipally required to collect ledging and sales have

Articls no larger qualifies—if it over did—for printeged treatment by lax agencies on a "voluntary collector." This beament goes Artists an advantage in the materiplece by creating a liss and regulatory haven for Artists beinging operators. Proc. Rogifier, Solvetts "solutiony agreements" are now a rest; of a past legal previous that no larger sends.

State laws and tax agency rules and practices about treat Arbeit equally an compared to other bunchmouse by moving the company not of these agreements and into mandatory collection status on they implement the Mayber decision. This fact that during and companion solves are originary in local commons fact are thinly recording flavorable treatment pure interested seriors in the wake of the adaptive decision, opens the possibility of serious, New legal challenges to states and boatles.

Further, as the comes terrorate the Article agreements, they should also shown that of restiges of the unpostfed law

The problems caused by these agreements can all be recorded by proper action by wide and bead generaliseds in the value of the Wayfor decision. (Instrument course of action under consideration post-Wayfor is to require electronic marketplaces to collect lasers on sides into a state. Thus, state and local governments can containly serurate these agreements and secure proper too colection by sequenty Artifornia. An electronic management that the other treat community within a color or to color; some and occurred a todaying base in a proper

Further, states can require alsohoric manageless in provide, for income like compliance purposes, 1056 reports of earnings exceeding \$600 by in-state octors, including corners of outping facilities. Also, in facilities expropriets local properly laustice and requisition of lodging facilities, states should exhibite a registry of local operators to be continued with the operation of the management within the state.

long a fundar or unjury future agreement on justic, others, for one best or should never the consenfor early, and, the prior have beginning from search the beginning region from the beginning for the beginning which is provided a state of the contract of t or the class. The decision conflicted the county has decision in Spanis, have classed and had decision in feature decision research.

THE CONTROL OF LIGHT TWENTY, NAMED AND THE WAY AS THE SAFETY TO SAFETY AT THE ADMINISTRATION OF CONTROL OFFICE AND ADMINISTRATION OF CONTROL OF property specified and other terr business reside that account the major expression pattern state because one tax teachers

Wayfair Decision Implementation: Unintended 'brand.com' impacts

Option 1 – Specific Carve Out

This provision fits best under the definition of "marketplace facilitator" or equivalent in the proposed legislation.

"A person is not a marketplace facilitator with respect to the sale or charges for rooms, lodgings or accommodations described in (section code) if the rooms, lodgings or accommodations are provided by a hotel, motel, inn, or other place that is a [registered seller] under (section code) and the [registered seller] provides the rooms, lodgings or accommodations for occupancy under a brand belonging to such person."

Option 2 - General Discretionary Authority

This provision fits best under the language imposing a sales tax collection obligation on a "marketplace facilitator".

"[The Department] may grant a waiver from the requirements of this section if:

- A marketplace facilitator demonstrates, to the satisfaction of [the Department], that substantially all of its marketplace sellers
 already are [registered sellers] under (cite code section); or,
- A marketplace seller has sufficient nexus to require registration under [cite code section] and [the Department] determines
 that collection of the tax by the marketplace seller with regard to transactions facilitated by the marketplace facilitator would
 serve the purpose of [cite code section].

If such waiver is granted, the tax levied under this chapter shall be collectible from the marketplace seller. [The Department] shall develop guidelines that establish the criteria for obtaining a waiver pursuant to this section, the process and procedure for a marketplace facilitator or marketplace seller to apply for a waiver, and the process for providing notice to an affected marketplace facilitator and marketplace seller of a waiver obtained pursuant to this subsection."

Model 1099 Legislation



The National Conference of State Legislatures



Executive Committee Task Force on State and Local Taxation

Fairmont Princess * November 16-17, 2018 * Scottsdale, Arizona

Unless otherwise noted, all meetings will be held in the Princess Salon DE.

Agenda

Friday - November 16

1:00 - 1:15 p.m.

Welcome and Introductions

The Task Force chairs will provide an overview of the meeting followed by attendee introductions.

- Senator Deb Peters, South Dakota
- Representative Marvin Abney, Rhode Island

1:15 - 1:45 p.m.

The Gig Economy & State Taxes: 1099 K Reporting

Whether driving for Uber, renting a room (or multiple condos) via Airbnb, picking up groceries for Instacart, or running errands for TaskRabbit, people are increasingly turning to the flexibility of app-based, independent employment as a source of income. As with remote sales tax collection, the question for states is how to respond to these developments in the absence of federal leadership. Learn how Massachusetts and Vermont acted to ensure taxpayers have the information they need to comply with tax laws.

Joe Crosby, MultiState Associates

EMERGING ISSUES

- SEXUAL HARASSMENT/TRAINING MANDATES
- PANIC BUTTONS
- SINGLE USE PLASTIC TOILETRIES

- STRAW BAN
- SODA TAX
- VARIOUS REPORTING REQUIREMENTS
- NEW REGULATIONS

OFFENSE

- WORKFORCE DEVELOPMENT, EDUCATION, APPRENTICESHIPS
- ABC REFORM
- SCHOOL CALENDAR
- CASINO NIGHTS
- IMAGE OF THE INDUSTRY



WHY SHOULD YOU BE A MEMBER OF YOUR STATE LODGING ASSOCIATION?



- KNOWLEDGEABLE AND PREPARED ON ALL ISSUES
- SPEAKS OUT ON BEHALF OF THE ENTIRE INDUSTRY
- PREPARED AND EMPOWERED TO TAKE ACTION
- KEEPS YOU INFORMED AND ENGAGED WHEN NEEDED
- KEEPS YOU AND YOUR BUSINESS OUT OF THE FRAY ON SENSITIVE ISSUES
- ALLOWS YOU TO FOCUS ON YOUR BUSINESS

WHAT CAN YOU DO?

- WHO DO STATE LEGISLATORS LISTEN TO?
- WHAT ARE THE MOST EFFECTIVE STRATEGIES FOR INFLUENCING UNDECIDED LEGISLATORS?
- HOW CAN CONSTITUENTS BUILD RELATIONSHIPS WITH THEIR ELECTED OFFICIALS?







KEY ISSUES IMPACTING THE HOSPITALITY INDUSTRY

June 3, 2019 | Lynn Minges, President & CEO

NC Restaurant & Lodging Association