



March 07, 2023

The Honorable Jennifer McEwen, Chair  
Senate Labor Committee  
3217 Minnesota Senate Bldg  
St. Paul, MN 55155

The Honorable Gene Dornink, Ranking Minority Member  
Senate Labor Committee  
3411 Minnesota Senate Bldg  
St. Paul, MN 55155

Dear Chair McEwen, Ranking Minority Member Dornink and Members of the Committee:

We appreciate the opportunity to weigh in on SF2319 and address the challenges this legislation poses for Minnesota's hospitality industry. Hospitality Minnesota is the trade organization for Minnesota's restaurants and foodservice, hotels and lodging, and resorts and campground sectors. We are concerned about the impact this bill will have on the hospitality industry ecosystem through food delivery, the unintended consequences for in-house delivery services, and the impact on transportation for employees and patrons.

**Food Delivery:** The pandemic accelerated the growth of food delivery. Today, many of our restaurants and foodservice businesses rely on food delivery as a revenue driver of their business and utilize third-party delivery services to deliver their product. Should this bill pass, delivery fees will see a significant increase which will very likely deter patronage further impacting a time of fragile recovery and economic uncertainty.

**In-House Food Delivery:** As drafted, the bill language is not clear on how this will apply to a restaurant or foodservice business that has their own in-house delivery drivers (for example, a local pizza business or sandwich delivery company). Today, most food orders for delivery are typically conducted through the defined "digital network", meaning individuals place their order through an online-enabled application, software or website. The definition of "transportation network company" lacks clarity if a restaurant or foodservice business connecting a digital order to their own employee driver for transportation purposes is included or excluded in this policy. However, the language explicitly excludes taxicabs, limousines, for-hire vehicles, or private passenger vehicle driven by a volunteer driver.

**Impact on Transportation:** Many hotel and restaurant patrons rely on rideshare services as the source of transportation to and from these businesses. As drafted, the bill will significantly increase the cost of rideshare services, which will have a negative impact on reliable and safe transportation systems for our guests.

We encourage the committee to think through the ramifications across the entire ecosystem that this legislation will impact and respectfully ask that you oppose this legislation as drafted. Please don't hesitate to call on us if we can serve as a resource for input or provide any additional information.

Sincerely,

Liz Rammer, President & CEO  
Hospitality Minnesota