

Coronavirus and Pennsylvanias Hospitality Industry

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COVID-19 has affected every individual and every industry in the country, but the hospitality industry has been particularly impacted. Hoteliers such as Marriott International have [furloughed thousands of employees](#) while seeking [government aid](#), along with Hilton, Hyatt and Airbnb as a result of decreased demand. Gov. Tom Wolf ordered all bars and restaurants in Pennsylvania's 67 counties [to no longer permit eating and drinking inside their establishments](#). Although ordering groceries for delivery via apps may have [increased](#), the market for food delivery apps has not seen a similar increase in downloads. Even if there was a noticeable increase, ordering takeout from these establishments may not be enough to offset the decrease in business and strain on the employees that rely on tips and hourly wages.

Here are some of the other effects we are seeing now or expect to happen locally, and some advice on how to handle them:

We are currently advising our hospitality clients to examine their insurance policies to determine if they possess the type of business interruption insurance that may cover a pandemic. For clients without insurance coverage, the *force majeure* clauses in their loan documents and commercial leases may be triggered. Barley Snyder attorney Amanda Jabour Kowalski recently wrote about whether coronavirus will be considered a *force majeure* event, [you can read that piece here](#).

When business does reopen, hotels, bars and restaurants should continue the practice of cleaning and sanitizing that they implemented prior to the mandatory closure.

This looks to be the official end of the era of sky-high pricing for the Pennsylvania Liquor Control Board's Category R liquor licenses for bars and restaurants. A few years ago, prices for those licenses in high-traffic areas were reaching \$700,000 or more, driven by grocery and convenience stores being allowed to sell beer and wine under the Category R licenses. Those prices [already were falling](#) since those grocery stores already had bought the ones they needed. With the hit the restaurant industry is likely to take, there could be an overabundance of licenses available, bringing the prices precipitously down.

For the affected employees, we hope the federal government passes a [stimulus program](#) to assist the employees who have lost income during this period.

Our [Hospitality Industry Group](#) is here to assist our clients during this turbulent time. Our attorneys, paralegals and administrative staff will continue to work, whether it be remotely or in the office. We will continue to stay up-to-date on developments in the industry at the local, state and national level. Please reach out to anyone in our Hospitality Industry Group with your questions or business needs.

We also have established the [Barley Snyder COVID-19 Response Service Team](#) to help your business navigate

legal complexities during this unprecedented event. If your business has questions concerning the effects of the coronavirus shutdown, please [contact me](#) or any member of the COVID-19 team.

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