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Do I Need to Close My Business? Guidance on Essential vs. Nonessential Businesses in Pennsylvania

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Businesses in Pennsylvania and beyond have critically important decisions to make over the next few weeks, and one of the first questions they are facing is, "Do we need to close?"

On Monday afternoon, Pennsylvania Gov. Tom Wolf gave a number of businesses a definitive answer. Wolf said the state will "strongly urge" the closure of all nonessential businesses throughout Pennsylvania to help stop the spread of the <u>COVID-19 disease</u>, better known as the coronavirus. The directive applies to businesses statewide and strongly encourages all nonessential business in Pennsylvania to close for 14 days, which started at 12:01 a.m. on Tuesday, March 17. The Wolf administration said it is "strongly urging" businesses to act now, while warning officials could eventually find it "necessary to compel closures." At this time, Wolf said that the state will not be forcing these businesses to close or penalizing them if they do not, but that could change. By choosing to remain open, businesses also risk increased liability should they be proven to have contributed to a customer, employee or other visitor contracting the virus.

According to the governor's office, nonessential businesses include:

- · Entertainment, hospitality and recreation facilities, including community and recreation centers
- · Gyms, including yoga, barre and spin facilities
- · Hair salons and barber shops, nail salons and spas
- Casinos
- Concert venues
- Theaters
- · Sporting event venues and golf courses
- Retail facilities, including shopping malls except for pharmacy or other health care facilities within retail operations

Essential businesses, which can stay open but whose employees and customers are urged to practice social distancing, include, but are not limited to:

- Food processing
- Agriculture
- Industrial manufacturing
- Feed mills

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- Construction
- Trash collection
- · Grocery and household goods (including convenience stores)
- · Home repair, hardware and auto repair
- · Pharmacy and other medical facilities
- · Biomedical and health care
- · Post offices and shipping outlets
- Insurance
- Banks
- Gas stations
- Laundromats
- · Veterinary clinics and pet stores
- · Warehousing, storage and distribution
- · Public transportation and hotel and commercial lodging

Other businesses not included on either list - including legal services, business and management consulting, professional services and insurance services - are encouraged to have their employees work remotely or to telecommute. If that's not possible, according to the governor's office, those businesses should use social distancing best practices and be aware of the federal government's guidance to avoid gatherings of 10 people or more.

However, while the guidance offers a noncomprehensive list of essential and nonessential businesses, it isn't as definitive as business owners would have preferred. Wolf issued the "strongly urge" closure message for businesses, which isn't the same as it would be to order or mandate closure, leaving those nonessential businesses ultimately still deciding for themselves as to whether they will close or not. It bears repeating: nonessential businesses or others urged to close who choose to remain open may be opening themselves up to potential liability.

The one industry that did get a definitive answer is food service, as Wolf ordered bars and restaurants closed. He made the order just before the start of St. Patrick's Day, often one of the most profitable days of the year for bars - but also one of the most crowded bar days of the year, making for a potential health risk. Carry-out, delivery and drive-thru service can remain open at these establishments, however. Wolf did note that he is not making these decisions lightly, but that his responsibility to protect the health and welfare of Pennsylvania's citizens outweighed other concerns.

Even if they are listed as essential, some businesses, including dental and optometry practices, are choosing to close out of an abundance of caution to protect their employees and patients. In the event you are in the medical industry and are choosing to close, you should make sure your patients have an emergency contact number where you can be reached. If patients need to reach you in case of an emergency, you can either provide them with your cell or home phone, or you can set up an online phone number through Google, Skype or other online providers that can be forwarded to your cell phone. There may be further considerations related to closing a medical practice that you should discuss with one of our health care attorneys.

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Child care centers are included in the non-essential list. However, Wolf has said they are permitted to remain open and that the state is not enforcing the child care closings with the state police or National Guard.

The city of Philadelphia has released separate guidance which all business in Philadelphia County should follow.

The landscape of business amid the coronavirus pandemic is changing by the hour. If you have questions about how your company will be affected, please contact <u>Dan Desmond</u>, <u>Brian Korman</u> or any member of the <u>Barley</u> <u>Snyder Business Practice Group</u> or the <u>Barley Snyder COVID-19 Response Service Team</u>.

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