

February 24, 2021

The Honorable Anastasia Williams
House Committee on Labor
Rhode Island State House
Providence, RI 02903

Re: H.5403 – An Act Relating to Holidays and Days of Special Observance – Work on Holidays and Sundays

Dear Chairperson Williams:


On behalf of the RI Hospitality Association, I write to express our opposition to H.5403, which would require individual employers to meet certain criteria in order to qualify for class exemptions to the Sunday/Holiday premium pay requirement. It should be noted that as of January 1, 2023, Rhode Island will be the only state in the nation to even have Sunday/Holiday premium pay.

Due to the nature of our industry, most hospitality businesses are rightfully exempted from the Sunday/Holiday premium pay requirement. This legislation would require almost every hospitality business to start paying the premium pay rate. At a time when profit margins are shrinking, this will be an unaffordable requirement for many employers.

Any restaurants with tipped employees would not meet the proposed requirement because, although most tipped employees make well above minimum wage with their tips, federal law classifies them as minimum wage employees. Many restaurants will choose to close on Sundays and holidays as a result of this legislation, which will have dramatic implications for businesses and its employees. It will also have a harmful impact on the state and municipalities, which depend on the hotel tax and meals and beverage tax revenue from these businesses.

The bill also penalizes employers for doing legally permissible activities, such as using temporary employment agencies to staff operations, while also penalizing employers for not offering certain benefits not required by law, such as employer-funded retirement options. It would prevent businesses from settling lawsuits, because the existence of one settlement is enough to nullify an employer's exemption.

Furthermore, we object to tying an employer's environmental record to labor issues. There is no other instance in labor law that requires employers to take on additional labor requirements due to their environmental record.

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Finally, since the legislation requires the RI Department of Labor & Training to individually approve exemptions for employers, we ask that a fiscal impact analysis be completed on this legislation. It is unknown if DLT has the resources to process these applications in a timely manner.


If you have any questions, please don't hesitate to contact us at 401-223-1120 or sarah@rihospitality.org.

Sincerely,

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