



# COVID-19 HELP GUIDE FOR DC HOSPITALITY BUSINESSES

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# CORONAVIRUS HELP GUIDE FOR WASHINGTON DC HOSPITALITY BUSINESSES

The COVID-19 emergency has decimated the hospitality industry and the legal situation is fluid. We have put together this legal guide to assist bars, restaurants and nightlife establishments in Washington DC in identifying appropriate resources.

## 1 LEASE PROVISIONS

Many commercial leases contain force majeure, (commonly called 'an act of God') provisions. If this is in your lease, your rent may be suspended or forgiven. Lease agreements vary widely, and even if your lease has force majeure, it may not cover the current situation. Always consult a lawyer first.

## 2 AGREEMENT WITH LANDLORD

You should communicate with your landlord about finances. Even if you don't have the protective lease clauses, it makes sense for your landlord to work with you. If your business fails, the landlord may go without rent for a very long time. As such, a temporary concession may be a good business decision.

## 3 UNEMPLOYMENT INSURANCE

Washington DC's emergency Coronavirus law makes unemployment benefits more readily available, but, benefits paid are not charged to your account. That means your UI tax rate will not be increased as a result.

## 4 TAXES

Sales tax payments are suspended until July 20, 2020. This is not a forgiveness of sales tax liability, merely a delay. Likewise, income tax is delayed until July 15, 2020. Businesses can file and pay state and federal taxes by the later deadline without incurring penalties or interest.

## 5 UTILITY SERVICES

All three utility service providers are prohibited from terminating service for nonpayment during the Coronavirus emergency.

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## INSURANCE

Your insurance policy may include coverage for interruption of your business. There is no guarantee that you are covered for a public health emergency, but, check your policy, speak with your agent, and make a claim if you can. Insurance policies often have “virus” exclusions and insurance companies have been fighting claims tooth-and-nail. Several lawsuits over business interruption policies are already in the courts.

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## LIMITED OPERATIONS

Hospitality establishments in Washington DC can continue limited operations with take-out and delivery, including alcohol. There are some restrictions, however:

1. You must register with ABRA by completing an online form, viewable [here](#);
2. On-premises consumption is prohibited. You cannot serve customers while they are waiting for takeout;
3. You must sell a prepared food item with alcohol. (A sandwich, for example. A bag of chips don't count.)

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## SUSPENSION OF EVICTIONS

All evictions are suspended. However, the Emergency Coronavirus Law does not impact your rent obligation. So, if you don't pay rent, your landlord can't evict you now, but, may be able to use it against you later. The process varies from lease-to-lease and you should consult an attorney first.

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## ANTI-PRICE GOUGING

The Emergency Coronavirus Law prohibits charging more than the average price for retail goods. At least one retailer has been cited to date.

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## LICENSE FEES

Annual license fees are due on March 31, 2020 for some establishments. The payments are delayed until further notice.