

New Federal Legislation Aims to Protect the American Franchise Model

Business organizations from across the country, including OHLA and the American Hotel & Lodging Association, are supporting legislation introduced in Congress to clarify and codify a joint employer standard for franchisees and franchisors.

[H.R. 5267](#), The American Franchise Act (AFA), was introduced by Representatives Kevin Hern (R-OK) and Don Davis (D-NC) and a number of bipartisan cosponsors. The legislation provides needed clarity for the joint employer standard in the franchise relationship that determines when two entities share responsibility for violations of the National Labor Relations Act (NLRA) and Fair Labor Standards Act (FLSA) – a standard that has changed four times over the last decade based on political control of the White House.

OHLA and other members of the [Coalition to Save Local Businesses](#) have consistently shared a message with lawmakers that the NLRB created an overly broad standard that could be misapplied to suggest that franchisors might be responsible for a franchisee's workers. This created a problematic and potentially business-threatening situation for many hotel owners and operators who were faced with the possibility of brands being responsible for associates as employees.

OHLA will continue to work with AHLA and other business organizations to build support for the enactment of this critical legislation. You can [download a fact sheet](#) from the coalition to help explain the issue here.

SUPPORT THE AMERICAN FRANCHISE ACT!

Franchising fuels over 831,000 businesses, empowering first-time and minority entrepreneurs. But the shifting joint employer standard has created costly uncertainty, threatening family-owned restaurants, gyms, salons, and more.

Congress can fix this by passing the American Franchise Act. The legislation will establish a clear, permanent standard to protect small businesses, create jobs, and safeguard entrepreneurship.

Congress: Keep the American dream local. Pass the American Franchise Act!

Ohio HB 272 Aims for a Healthier Ohio, but Some Provisions Threaten Business

A legislative proposal with the laudable goal of protecting the health of Ohio citizens could create significant problems, including supply chain strain and lack of availability to products, that could unintentionally harm businesses and competitiveness statewide.

House Bill 272, the Protecting Utility and Resources for Enhanced Living, Improved Food, and Environment (PURE LIFE) Act, would ban certain food additives and chemicals in consumer products. OHLA and a coalition of business organizations point out that such regulation is, and should be, conducted by the federal government, to avoid a patchwork of conflicting and unworkable laws across the nation. The result could mean that some products would be unavailable in Ohio. Manufacturers of some products in the state would also be forced to cease operations and/or move production elsewhere.

State agencies responsible for enforcing the new law would have to greatly expand and create new fees and obstacles to doing business, undermining the work done over many years to make and keep Ohio competitive and to produce jobs. OHLA recognizes the desire to address legitimate health and safety concerns but argues that a unified national regulatory approach is the best way to do that in some instances. For more information, [download the H.B. 272 Fact Sheet here](#).

No Tax on Tips Regulations Proposed and Eligible Jobs Listed, Government Seeks Business Comments

Housekeepers, bellmen, servers, bartenders, concierges, tour guides, and parking attendants are some of the occupations that will qualify for tax exemptions on tipped income, according to a [preliminary list](#) issued by the U.S. Department of Treasury.

The Treasury and the IRS will develop an official list as part of the regulations implementing the change to the tax laws, and is seeking input from businesses during that process. [A draft the proposed rules is available here.](#)

To comment on the proposed regulations, visit the Federal Register page for “Occupations That Customarily and Regularly Received Tips; Definition of Qualified Tips” and [click the Submit a Public Comment link.](#)

Under the One Big Beautiful Act passed earlier this year, No Tax on Tips will allow employees and self-employed individuals to deduct up to \$25,000 of qualified tips they received in a year, per return. Eligible taxpayers may claim the deduction on their 2025 tax return that they file next year.

Tariff Impact to be Felt on Furniture and Cabinets

The administration has announced a specific **tariff of 50 percent on all kitchen cabinets, bathroom vanities, and associated products, and 30 percent on upholstered furniture, effective from October 1.** The American Hotel & Lodging Association and many industry partners have highlighted the concern for businesses of all sizes in our industry already facing economic challenges with rapidly rising costs and reduced travel demand. [View a list of product-specific tariffs here.](#)

Other tariff actions impacting lodging businesses include a 10 percent surcharge on imported lumber. While the President and his administration maintain the trade policy decisions are necessary address nonreciprocal trade relationships that threaten the nation’s economic and national security, groups representing businesses and employers like AHLA and OHLA continue to share real-world examples of impacts on those making brick-and-mortar investments and creating jobs. Recent reports show that the economic recover of our industry – already slow compared to other sectors – is losing steam in 2025.

Ohio Election Watch 2026

A major deadline for redrawing Ohio’s Congressional district maps elapsed on September 30 with no resolution between differing proposals from Republicans and Democrats. Dozens of proposals were submitted via a portal launched by House and Senate leaders, while Democrats proposed a map with 8 Republican and 7 Democrat districts. Currently, Republicans hold 10 districts, and Democrats 5 ... A poll shows that **61 percent of Ohioans support the proposed constitutional amendment to eliminate property taxes** in the state, a harbinger of what could be a looming massive upheaval to taxation and local government funding ... Upper Arlington Councilman John Kulewicz and former State Rep. Elliot Forhan (campaign moto: “[Tax the Rich](#)”) are set to compete in the Democrat primary for Attorney General ... U.S. Senator Jon Husted and former Senator Sherrod Brown appear to be headed for an potentially expensive contest as Brown tries to return to an office he held for 18 years. Brown, who would be 79 years old at the end of his term if elected, called on President Biden to drop out of the 2024 election over concerns about his age and health ... Republican Vivek Ramaswamy continued to gather support for his effort to be the Republican candidate for Governor, earning the endorsement of the Ohio Chamber of Commerce. His likely opponent would be Democrat Amy Acton, Ohio’s Director of the Dept. of Health during the COVID-19 pandemic.