



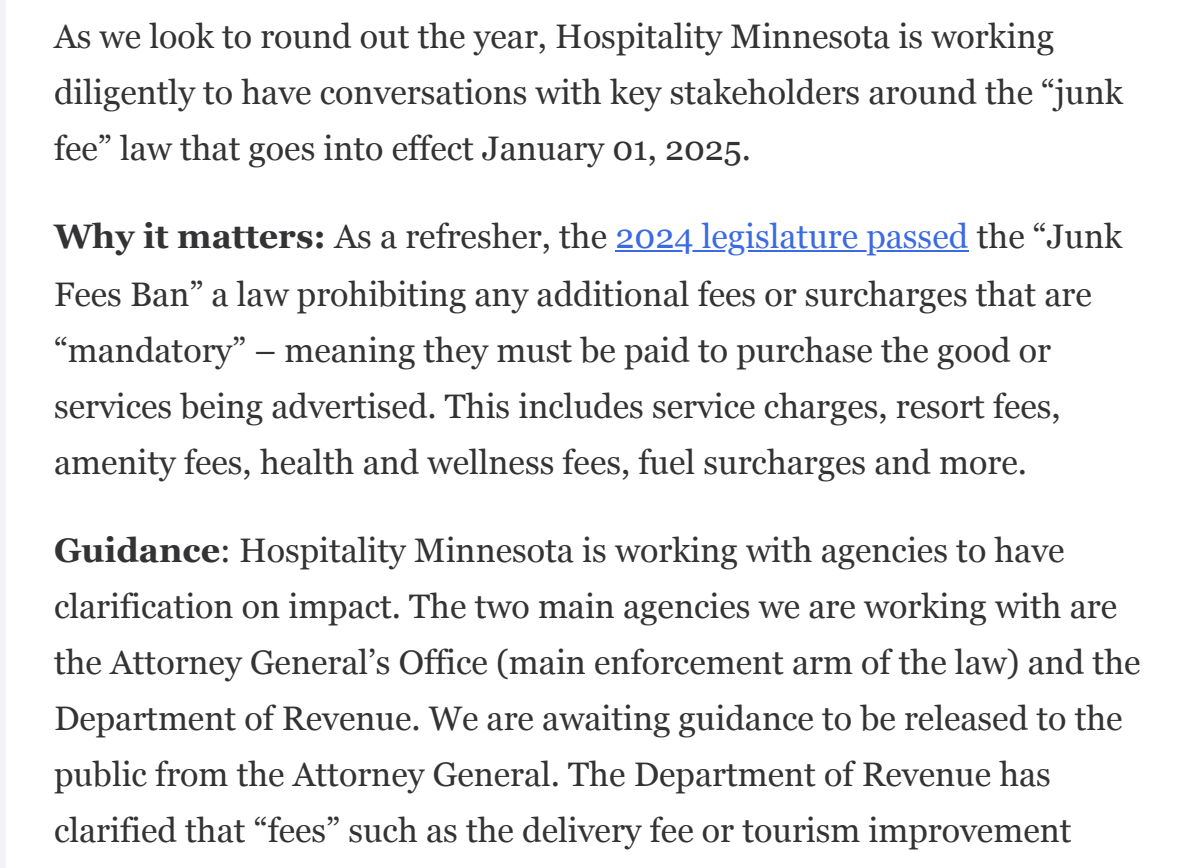
By Jill Sims • Sep 06, 2024

Smart Brevity® count: 5 mins...1346 words

From the Desk of Jill Sims: Welcome to the season of everything pumpkin spice! I hope you had a wonderful end of summer – it was a joy to see some of you or your businesses at the State Fair. My top favorites were the Visit Bemidji booth (snagged a great tote!), Patisserie 46's rhubarb crumble at the Minnesota's Farmers Union and Blue Barn's PB bacon cakes. The list I wanted to try was endless, but only 1 fair visit this year didn't afford me all the stops I wanted this year, but there's always next! Thank you to all of the hard work many of you put in to treat us all at the Fair!

Now that we're back in the swing of things, read our key update on junk fees, prepare for minimum wage increases, and check out our local updates for St. Paul (drive-thru ban), Roseville (Green2Go ordinance) and Bloomington (sewer availability charges). As for our long Minnesota goodbye, a reminder I will be departing Hospitality Minnesota on September 30.

Junk Fees Update



As we look to round out the year, Hospitality Minnesota is working diligently to have conversations with key stakeholders around the "junk fee" law that goes into effect January 01, 2025.

Why it matters: As a refresher, the [2024 legislature passed](#) the "Junk Fees Ban" a law prohibiting any additional fees or surcharges that are "mandatory" – meaning they must be paid to purchase the good or services being advertised. This includes service charges, resort fees, amenity fees, health and wellness fees, fuel surcharges and more.

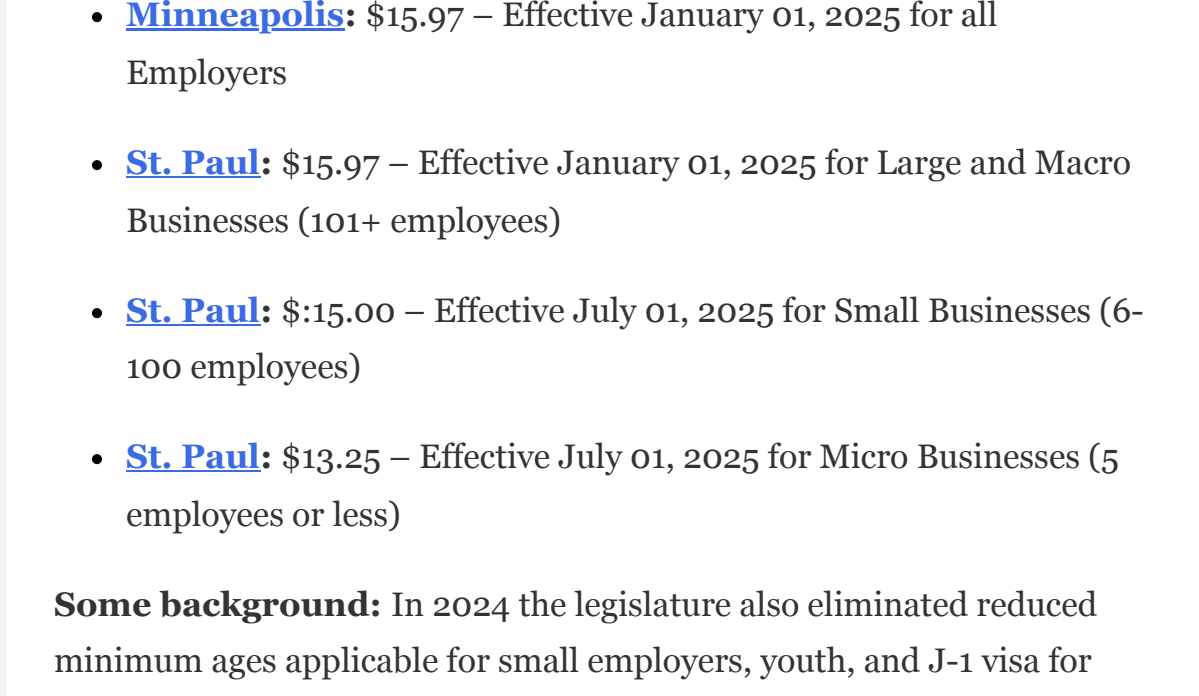
Guidance: Hospitality Minnesota is working with agencies to have clarification on impact. The two main agencies we are working with are the Attorney General's Office (main enforcement arm of the law) and the Department of Revenue. We are awaiting guidance to be released to the public from the Attorney General. The Department of Revenue has clarified that "fees" such as the delivery fee or tourism improvement district fee *are* a tax and not subject to the 'junk fee' bill.

Frequently Asked Questions: Addressing some questions we frequently receive, after consulting with agency stakeholders:

- **Am I allowed to charge a service charge?** No, service charges will be eliminated.
- **There is a section that states food and beverage establishments can allow for automatic gratuities – can it allow me to have other charges?** No, this is only for an automatic gratuity for a large party or room service – to go to the appropriate direct service employee.
- **Does this law apply to private contracts – such as catering or event orders?** Yes – there is no explicit exclusion of private contracts.
- **Can I charge a credit card fee/surcharge?** Yes, as long as you accept other methods of payment. See our recent webinar in the member portal.
- **How does this impact contracts that have been signed for 2025 and beyond?** The law is not retroactive; it only applies to contracts signed after January 01, 2025.
- **What is a delivery platform?** A delivery platform is not defined in the law, but generally perceived as the app based delivery platforms. We recommend proceeding with caution around this provision.
- **Who will enforce this law?** The Attorney General's office.

Path Ahead: Hospitality Minnesota is working with like-minded stakeholders to help shed light on the challenges for businesses, in particular for the hospitality sector, that this law will bring. Finding more workable solutions will be a priority for Hospitality Minnesota in the 2025 legislative session.

Minimum Wage Increases Statewide in 2025



The big picture: On January 01, 2025, [workers across Minnesota will see an increase in minimum wage](#) thanks to the legislature increasing the cost of living inflator from 2.5% to 5%.

- **By the numbers:** Across Minnesota, minimum wage, when adjusted for inflation, will be \$11.13 an hour on January 1, 2025.

Local increases: Minneapolis and St. Paul will also see increases to minimum wage, as noted below:

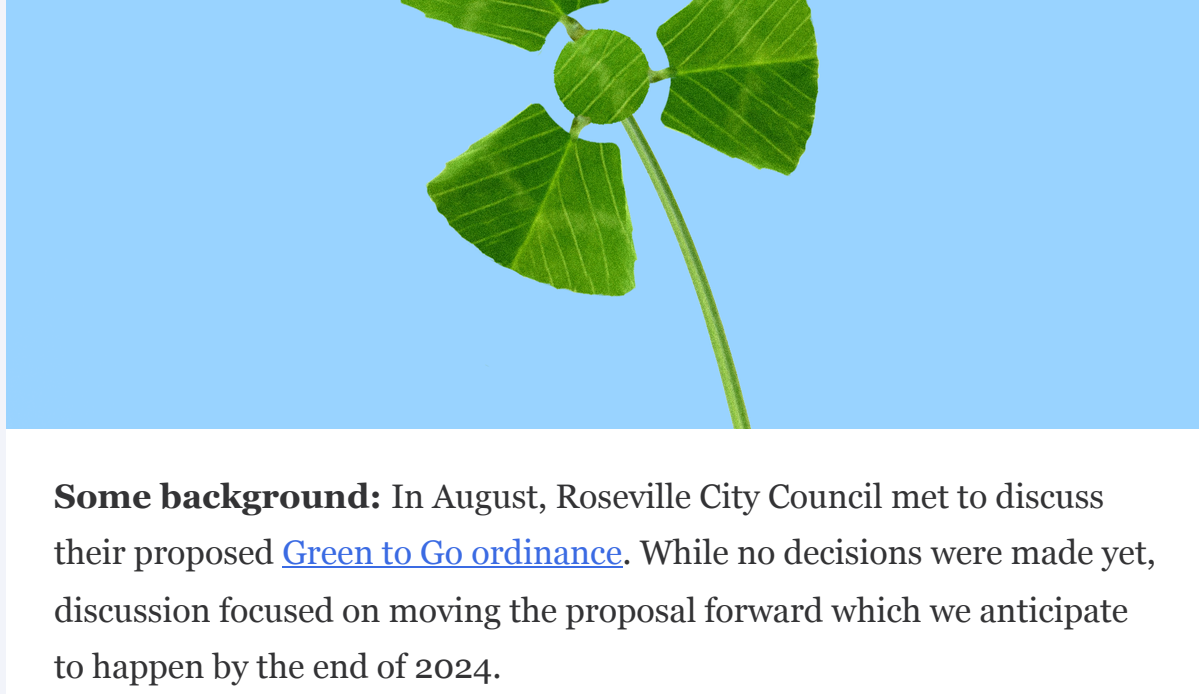
- **Minneapolis:** \$15.97 – Effective January 01, 2025 for all Employers
- **St. Paul:** \$15.97 – Effective January 01, 2025 for Large and Macro Businesses (101+ employees)
- **St. Paul:** \$:15.00 – Effective July 01, 2025 for Small Businesses (6-100 employees)
- **St. Paul:** \$13.25 – Effective July 01, 2025 for Micro Businesses (5 employees or less)

Some background: In 2024 the legislature also eliminated reduced minimum wages applicable for small employers, youth, and J-1 visa for hotels, motels and lodging establishments.

- All employers using those reduced minimum wages will need to increase to \$11.13 an hour. The law still allows for a 90-day training wage for workers under age 20. The current hourly training wage, \$8.85, will increase to \$9.08.

Don't forget your posters, All Minnesota employers must display [state-mandated posters](#) to be displayed in a location where employees can easily see them. The new poster on minimum wage will be available for download this fall.

St Paul Pushes Drive Thru Ban Forward



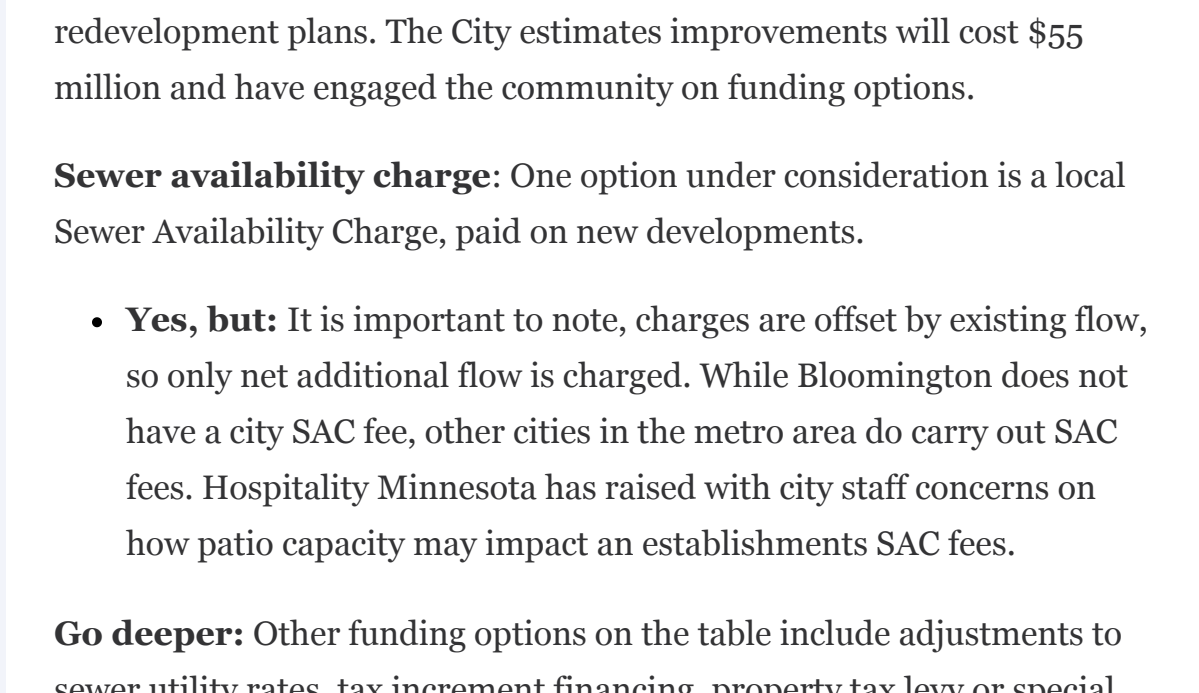
What happened: Last week, the Comprehensive and Neighborhood Planning Committee (CNPC) met to discuss the potential changes to the St. Paul drive-thru ordinance.

- **Some background:** As a refresher, the City of St. Paul is considering a complete ban on future fast food restaurants and coffee shops. For now, the ordinance would not impact existing locations, unless the location is torn down and rebuilt.

What's next: The next step for the ordinance is the full Planning Commission meeting, which will be held on Friday September 13 at 8:30AM at City Hall. There will be no public testimony or comment allowed at this meeting.

- **Next time to weigh in:** The next opportunity to weigh in publicly will be at the City Council meeting, assuming the Planning Commission moves forward the ordinance. The expectation is that City Council will take up this issue in October or November. Hospitality Minnesota will continue to work with St Paul Area Chamber and other partners to monitor and weigh in on this issue.

Roseville Green2Go Poised to Move Ahead

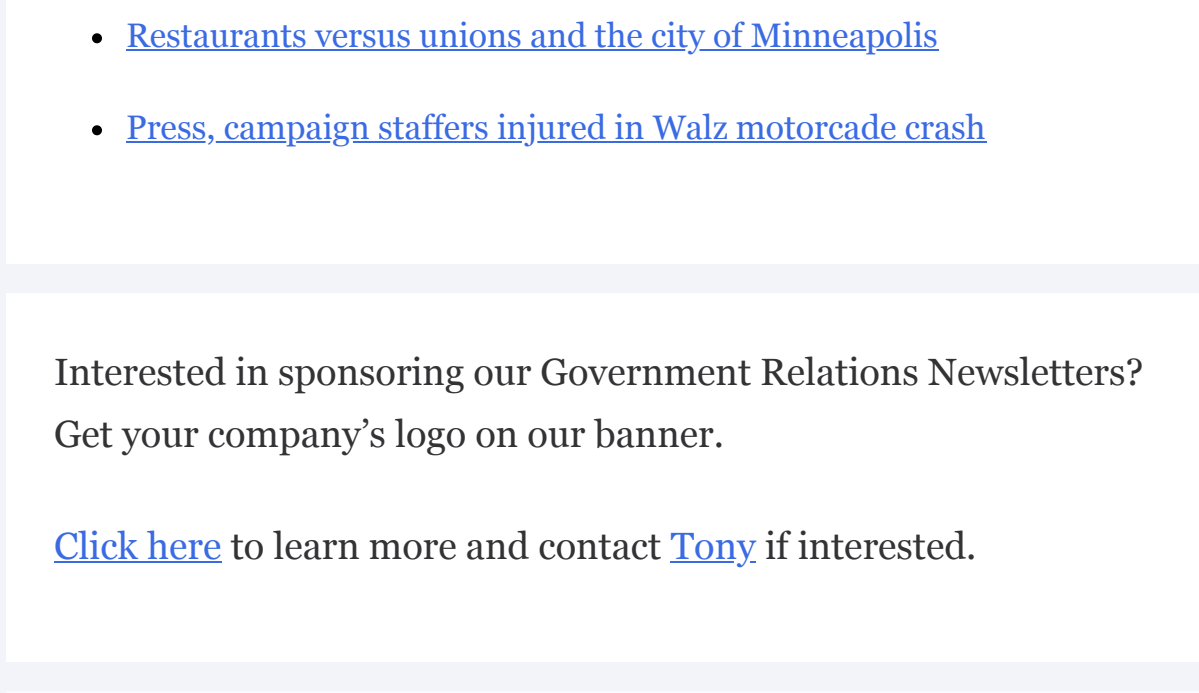


Some background: In August, Roseville City Council met to discuss their proposed [Green to Go ordinance](#). While no decisions were made yet, discussion focused on moving the proposal forward which we anticipate to happen by the end of 2024.

- **Why it matters:** The proposal requires any food and beverage prepared for immediate consumption and are meant to be carried out must be in packaging that is **compostable, recyclable or returnable/reuseable**. The goal is to reduce single-use plastic, eliminate Styrofoam and decrease volume of landfill waste.

Share your voice: Hospitality Minnesota is encouraging Roseville businesses to participate in the process directly with the City. If you have not completed the survey – [please do so here](#).

Bloomington Considers Sewer Availability Charge (SAC)



What's happening: The City of Bloomington is considering how to manage increased sanitary sewer capacity through their sewer system redevelopment plans. The City estimates improvements will cost \$55 million and have engaged the community on funding options.

Sewer availability charge: One option under consideration is a local Sewer Availability Charge, paid on new developments.

- **Yes, but:** It is important to note, charges are offset by existing flow, so only net additional flow is charged. While Bloomington does not have a city SAC fee, other cities in the metro area do carry out SAC fees. Hospitality Minnesota has raised with city staff concerns on how patio capacity may impact an establishments SAC fees.

Go deeper: Other funding options on the table include adjustments to sewer utility rates, tax increment financing, property tax levy or special assessments.

- **What's next:** The Bloomington Planning Commission is anticipated to hear the proposal in September and the City Council in October. Stay tuned to the [Let's Talk Bloomington Page](#) for updates and additional information.

In the News

- [Uber, Lyft drivers sue advocacy organization that pushed for wage hikes in Minneapolis, allege fraud](#)
- [Sen. Mitchell won't go on trial for burglary charge before start of next legislative session](#)
- [Restaurants versus unions and the city of Minneapolis](#)
- [Press, campaign staffers injured in Walz motorcade crash](#)

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