



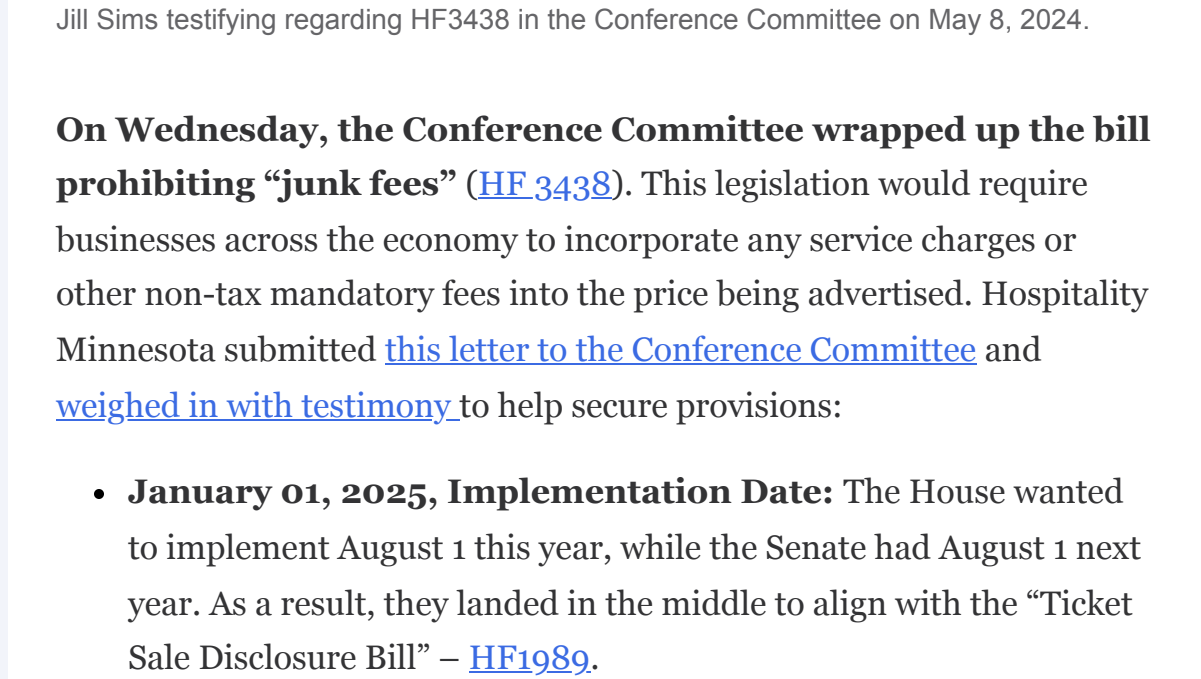
By Jill Sims • May 10, 2024

Smart Brevity® count: 4.5 mins...1230 words

From the Desk of Jill Sims: We're rounding the corner to close out session with only 5 legislative days to go (but 10 calendar days). This week, conference committees made headway, we hosted a successful legislative lunch, stopped by great receptions hosted by partners MN-FISH and Greater Mankato Growth (I-90!), the ethics committee met regarding allegations against Senator Nicole Mitchell and we picked up some wins in the commerce policy omnibus bill. Read on about junk fees, liquor provisions, our legislative lunch, rideshare and what we're tracking in the final days.

Celebration: Kaleb and his wife Kymmi have welcomed their first child, Josephine McCulloch! Baby McCulloch arrived early Tuesday morning and Kaleb will be out of the office on paternity leave until June 03. Please join our team in congratulating Kaleb and Kymmi!

'Junk Fees' Bill Wraps Negotiations, Heads for Final Votes



Jill Sims testifying regarding HF3438 in the Conference Committee on May 8, 2024.

On Wednesday, the Conference Committee wrapped up the bill prohibiting "junk fees" (HF 3438). This legislation would require businesses across the economy to incorporate any service charges or other non-tax mandatory fees into the price being advertised. Hospitality Minnesota submitted [this letter to the Conference Committee](#) and [weighed in with testimony](#) to help secure provisions:

- **January 01, 2025, Implementation Date:** The House wanted to implement August 1 this year, while the Senate had August 1 next year. As a result, they landed in the middle to align with the "Ticket Sale Disclosure Bill" – [HF1989](#).
- **Amendment to Protect Automatic Gratuity in Hotel Room Service:** The authors do allow for automatic gratuity (large party, no tip model) in food and beverage service establishments. Oddly, MDH did not view hotel room service in the inclusion of "food and beverage service establishment"; so we were able to secure a [technical amendment](#) to allow the practice of automatic gratuity for hotel room service.

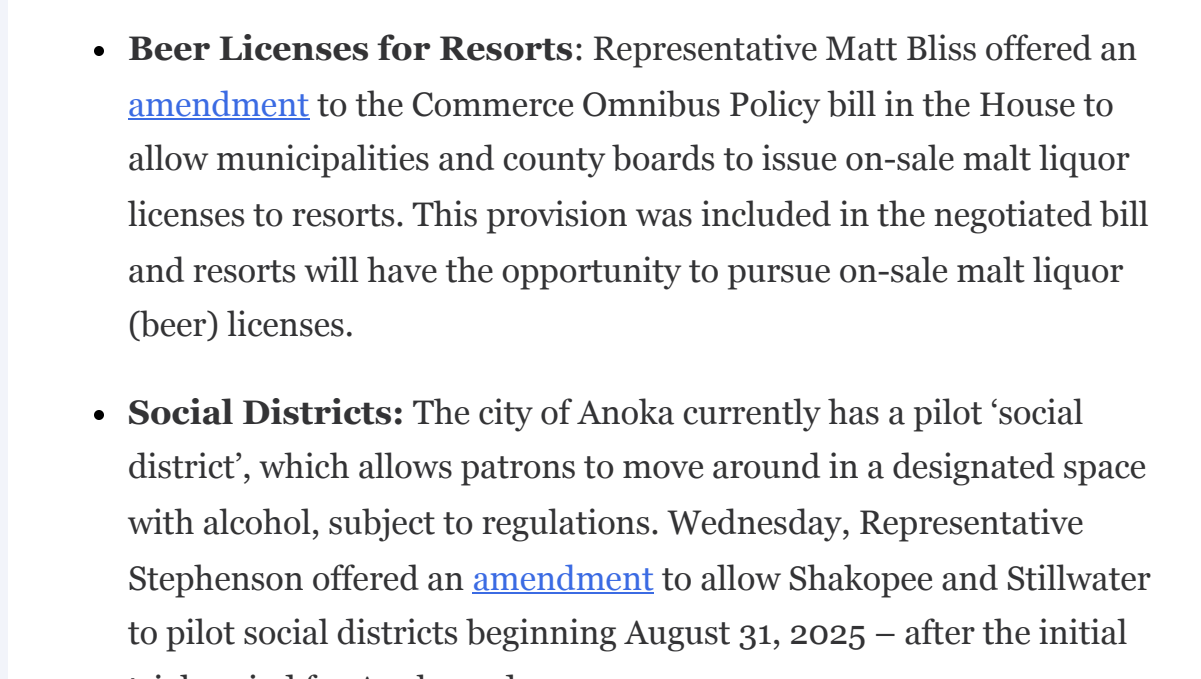
Why it matters: Health and wellness fees, services charges, resort fees, amenity fees, and more are set to go away based on the intent of the legislation.

- Legislators have called for "all-in pricing" across the economy to avoid hidden fees.
- They argue it will save the average Minnesota family of four \$3,000 annually.

- Credit card fees, mandatory gratuities (i.e. 18% on party of 6 or more or 'no tip' model restaurants) and government taxes/fees are not included in this legislation.

What's next: The HF3438 Conference Report will be signed by negotiators and then it will head back to the House and Senate floors next week for a final vote. After the report passes each Chamber, it will head to the Governor's desk to be signed into law.

Hospitality Secures Liquor Wins in Commerce Policy Bill



On Thursday, the Commerce Omnibus Policy Bill, [SF4097](#), met to adopt policy provisions, which included several liquor provisions.

Why it matters: Newly adopted liquor provisions within [SF4097](#) could provide substantial benefits and growth opportunities for the hospitality industry.

Here are broader liquor provisions that made it into the final bill:

- **Liquor Licenses for Boutique Hotels:** Hospitality Minnesota worked in partnership with Greater Mankato Growth to adjust the outdated room requirements for on-sale liquor licensing in hotels through [SF4820](#), authored by Senator Nick Frentz. The bill accommodates boutique hotels in cities with populations of 20,000 – 100,000 by only requiring 15 rooms or a dining room that can accommodate 30.
- **Beer Licenses for Resorts:** Representative Matt Bliss offered an [amendment](#) to the Commerce Omnibus Policy bill in the House to allow municipalities and county boards to issue on-sale malt liquor licenses to resorts. This provision was included in the negotiated bill and resorts will have the opportunity to pursue on-sale malt liquor (beer) licenses.

- **Social Districts:** The city of Anoka currently has a pilot 'social district', which allows patrons to move around in a designated space with alcohol, subject to regulations. Wednesday, Representative Stephenson offered an [amendment](#) to allow Shakopee and Stillwater to pilot social districts beginning August 31, 2025 – after the initial trial period for Anoka ends.

What's next: Once the conference report is signed by negotiators, it will head to the House and Senate floor for a final vote. After the report passes each Chamber, it will head to the Governor's desk to be signed into law.

Legislative Lunch Celebrating Hospitality and Tourism is Great Success



Various leaders in travel and tourism pose alongside legislators and the DEED Commissioner, Matt Varilek.

What happened: Hospitality Minnesota and the Minnesota Association of Convention and Visitors Bureaus hosted the second annual legislative lunch celebrating National Travel and Tourism Week.

- **Leading with hospitality:** The lunch saw great success, as we fed over 300 people at the Capitol including around 100 legislators and DEED Commissioner Matt Varilek.
- **Why it matters:** As members and staff work tirelessly, the Capitol buzzed with gratitude for an opportunity to come together over lunch and celebrate our industry.

Thank you to HM staff and MACVB members who came to work and support the event!

Rideshare Update: The Fight Drums On



This week legislative leaders and Minneapolis Council members announced an agreement on rideshare, agreeing on a rate of \$1.27 per minute and \$0.49 per mile. This signaled movement towards passing a statewide framework, and the House Labor and Senate Judiciary committees held hearings this week on [HF4746](#) and [SF4780](#) respectively. The bills passed each committee and will move on to their respective final committee stops before heading to the floor.

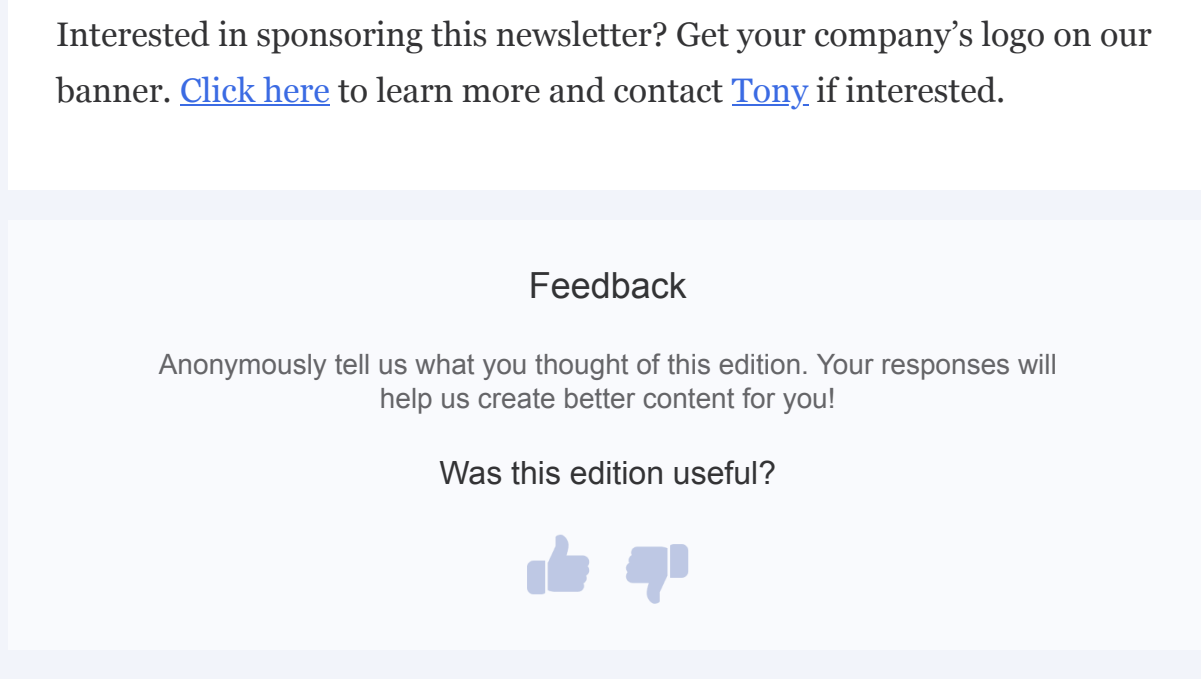
- **The problem? Rideshare was not at the table.** While elected officials may have struck their own agreement, the rideshare companies were not at the table. Testimony this week not only the rideshare companies but Department of Labor Commissioner Nicole Blissenbach has reiterated to utilize the [state supported study](#) for the framework of legislation.

Hospitality Minnesota will continue to weigh in, encouraging elected officials to ensure we have reliable, affordable, and safe rideshare available not only in Minneapolis, but across Minnesota. Read our letter to the House Labor Committee [here](#) and our letter to the House Ways and Means Committee [here](#).

What's next: Over the final 10 days, elected officials will have to stay at the negotiating table to come up with an agreement on rideshare.

The bottom line: We hope to see a statewide solution that keeps our existing rideshare partners operating, and we welcome any new companies who can operate at the same level of capacity, affordability and safety.

The Final Days of Session: What Hospitality Needs



While the calendar says 10 days to go, there are only 5 legislative days. We're closely monitoring and weighing in on various bills – including the environment omnibus bills, cannabis omnibus bill, labor omnibus bills, rideshare, securing business relief for those impacted by lack of snow and ice, and the tax omnibus bills.

Our biggest focus is to ensure the 5 hour rule repeal is able to get across the finish line for cannabis and secure some wins on the tax front.

- **What's next:** If we see significant progress early next week, expect a midweek update from us detailing the final days.
- **Questions?** Feel free to [email Jill](#) and ask away!

Beyond the Headlines: Minnesota's Political Landscape

- [Minnesota legislators want to compensate tourism industry for warm winter](#)
- [Senate ethics committee delays action on complaint against DFL Sen. Nicole Mitchell](#)
- [Possible pot reclassification has local hemp shops pining for cannabis sales](#)
- [Trump to make 1st campaign stop in Minnesota of latest presidential run](#)

Have a great weekend!

Interested in sponsoring this newsletter? Get your company's logo on our banner. [Click here](#) to learn more and contact [Tony](#) if interested.

Feedback

Anonymously tell us what you thought of this edition. Your responses will help us create better content for you!

Was this edition useful?

[Unsubscribe](#)

This newsletter is powered by

Like this email style and format?

It's called Smart Brevity®. Hundreds of orgs use it — in a tool called [Axios HQ](#) — to drive productivity with clearer workplace communications.