



GOVERNMENT RELATIONS UPDATE ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

By Jill Sims • Feb 23, 2024

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From the Desk of Jill Sims: Week 2 of session is complete and there's no sign of slowing down. We are hovering just below 1500 bill introductions, with a significant number of bills in the labor and environment space. Read more on that below.

• One quick highlight – hotels, motels, and lodging were initially included in a landlord-tenant bill, <u>SF 3492</u>. Thanks to swift action on behalf of Hospitality Minnesota's GR team, an amendment removing the hotel and lodging industry from being subject to landlord-tenant provisions was adopted.

Please join us at <u>Day at the Capitol</u>, we have many issues facing our industry this year and we need to share our collective voice. <u>Register by</u> <u>next Friday</u>!

Modifications to Earned Sick and Safe Time Bill



Modifying ESST: <u>HF 3882/SF 3787</u> are bills introduced last week that make technical changes to the Earned Sick and Safe Time bill that was passed last year.

Why it matters: Changes in the bills are mostly technical, but there are several substantive changes, including:

- Employers would be held liable to all employees who were not provided or allowed to use sick and safe time for an amount equal to all time that should have been provided.
- Employers would be liable for an amount equal to 48 hours of earned sick and safe time for each year if an employer does not possess sufficient records of an employee's banked earned sick and safe time.
- Employees would be allowed to use Earned Sick and Safe time to make arrangements or attend funeral services, along with addressing financial or legal matters that arise after the death of a family member.
- Employers would have the choice to display an employee's current amount of Earned Sick and Safe Time on a pay stub or on an electronic system that employees can access on an employer-owned computer during regular working hours.

What's happened: <u>HF 3882</u> was heard in the House Labor and Industry Finance and Policy Committee yesterday, Thursday, February 22.

What's next: <u>HF 3882</u> was passed and now heads for the House floor. Though expected, <u>SF 3787</u> has not been scheduled for a Senate committee hearing yet.

Hospitality Minnesota testifies in Opposition of Bottle Bill



Jill Sims, Director of Government Relations, testifying in opposition of HF3200 to the House Environment Committee on February 22nd, 2024.

What's happened: On Wednesday, <u>Hospitality Minnesota testified in</u> <u>opposition</u> of <u>HF 3200</u> / <u>SF 3260</u>, which would establish a program for beverage container recycling refunds.

Why it matters: This bill would require a nominal deposit from the consumer for each bottle or can purchased. Consumers would get their money back when the container is returned. The business that sold the can or bottle would be responsible for processing these deposits, along with storing the cans or bottles at their facility.

How it impacts hospitality: All beverage makers would need to remake their labels, which is a significant operating cost.

- Additionally, any self-distributing farm winery or brewery will have a financial burden to join an organization that funds receptacle collections.
- Any retailer selling bottles will not be required but is encouraged to have collection receptacles for bottles.
- Bottom line: this is costly for hospitality.

What's next: After <u>HF 3200</u> was heard in the House Environment and Natural Resources Finance and Policy Committee on Wednesday, the bill was laid over for possible inclusion in the omnibus bill.

• The bill's companion - <u>SF 3260</u> - has not been scheduled for a committee hearing yet.

Environment and Natural Resources Finance and Policy Committee Update



Get caught up: It was a busy week in the Environment and Natural Resources Finance and Policy Committee for both the Senate and House. We paid attention to two bills in particular:

- Extended Producer Responsibility Bill (<u>HF3577/SF3561</u>)
- Digital Image Permission as Proof of Possession of Game and Fish Licenses Bill (<u>HF 3376/SF3400</u>)

The Extended Producer Responsibility Bill (<u>HF3577/SF3561</u>) would create a statewide program financed by producers that aims to reduce waste generation through reduction, reuse, recycling, and composting.

- Why it matters: By March 1, 2028, the producer responsibility organization would submit a stewardship plan with performance targets and collection methods. By 2032, all packaging would have to be reusable, recyclable, compostable or part of an approved collection system.
- What's next? The bill was passed out of both House and Senate Environment Committees and re-referred to the House and Senate respective Commerce Committees.

The Digital Image Permission as Proof of Possession of Game and Fish Licenses Bill (<u>HF 3376/SF3400</u>) would allow for hunters and anglers to use a photocopy of their fishing or hunting license instead of a paper copy. Hospitality Minnesota submitted a letter of support, which you can read <u>here</u>.

- Why it matters: The Minnesota Department of Natural Resources (DNR) is moving towards an online-only purchasing system in the next few years. A practice solution for hunters and anglers is to take a photo of their license to provide to enforcement officers if requested.
- What's next? The Senate bill was passed out of the committee and will next go to the Senate floor. As a reminder, the House bill was laid over for possible inclusion in a larger bill last week.

House Passes Standard Deduction Remedy, Sends Bill to Senate



What happened: On Monday, the House passed a correction to an error in the 2023 tax law by a 128-2 vote. On Thursday, the Senate passed the bill by a 66-0 vote.

• **Some background:** Last summer, the Department of Revenue found an error in the 2023 tax law. This error inadvertently shrunk the amount of the individual income tax standard deduction to 2019 levels, omitting four years of inflation adjustments.

What's next: The bill will head to the Governor's desk to be signed.

• **Dig deeper:** If the bill passes the Senate, the standard deduction for tax year 2023 would be \$27,650 for married joint or surviving spouse filers, \$20,800 for head of household filers, and \$13,825 for all other filers.

2023 Joint Employer Rules Goes into Effect February 26



What's happening? The National Labor Relations Board's Joint Employer Rule will go into effect next week on February 26, 2024.

• **Be informed:** The National Restaurant Association (NRA) has put together <u>this fact sheet</u> on how this will impact franchises and small businesses.

Go deeper: In Congress, the NRA has been advocating for legislative efforts to block the rule. The House of Representatives has passed a measure to block the change, leaving the Senate to vote.

- **Legal perspective:** The Restaurant Law Center is also challenging the rule in court, along with a coalition of business groups.
- **Bipartisan perspective:** Last week, Senator Manchin (D-WV) and Braun (R-IN) released a joint letter to the National Labor Relations Board that urged the board to delay implementation of the rule.

Share your voice: <u>Reach out to your Senator</u> and tell them to stand with small businesses.

Beyond the Headlines: Minnesota's Political Landscape

High-profile visit: Presidential Candidate <u>Nikki Haley to stop in</u> <u>Bloomington Monday</u>.

Hornstein retirement heats up HD61A: House Transportation Chair and legislative titan <u>Frank Hornstein announced retirement</u>.

• **Go deeper:** A few familiar faces at and around the Capitol have <u>thrown their hat in the ring</u> to be his successor.

Worker Misclassification Woes: Minnesota is <u>mulling changes to</u> <u>worker misclassification</u>.

Have a great weekend!

REMINDER: Join us in advocating for hospitality and <u>register</u> <u>today</u> for our 2024 Day at the Capitol on Wednesday, March 13!

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