



GOVERNMENT RELATIONS UPDATE

ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

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By Hanna Zinn • Dec 20, 2024

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Happy Holidays! I am coming to your inbox today with Hospitality Minnesota's final Government Relations Update of 2024! We received additional guidance from the Attorney General's office on the Junk Fees law going into effect Jan. 1, 2025. I am also including HM's legislative priorities for the upcoming session. Have a happy, safe holiday season and I look forward to working with you in the new year!

Junk Fees Update

The big picture: The AG's office informed HM this week of additional guidance around banquets and catering and delivery fees. They are updating their website and hope to have the guidance online updated soon.

Why it matters: Following a meeting between HM and the AG's office about their guidance, we submitted a list of questions asking for additional clarity. Here is the guidance the AG's office released to us about banquet and catering contracts and delivery fees:

Banquets and Catering:

- Yes, banquets and catering contracts fall under the new law. Banquet or catering event orders, invoices, or contracts with consumers that disclose the total price (inclusive of any mandatory fee) are compliant with the law.

- Examples of compliant and non-compliant banquet or catering event orders:

Compliant:

	Food	Liquor	Labor	Total
Subtotal	\$9,000	\$7,000	\$5,000	\$21,000
Service Charge	\$2,000	\$1,000	\$0	\$3,000
Total	\$11,000	\$8,000	\$5,000	\$24,000

Not Compliant:

	Food	Liquor	Labor	Total
Total	\$9,000	\$7,000	\$5,000	\$21,000

*Service Charge – An additional service charge will be added to all food and beverage sales. The service charge is not a gratuity and is used to cover the costs associated with employing staff.

- **Yes, and:** If certain charges cannot be determined because they will be based on customer selections or preferences, it is compliant to disclose those in a clear and conspicuous manner:
 - The factors that will determine the total price
 - Any mandatory fees associated with the transaction
 - Disclaimer that the total cost of the services may vary

Delivery Fees:

- The language of the law, paired with legislative history, supports that a “delivery platform” is a third-party delivery service provider who does not produce or set the price of the goods themselves.
 - Example: A pizza restaurant that also delivers its pizza is not a “delivery platform”
- Additionally, if a fee or surcharge is avoidable by consumers, it is not “mandatory” and thus, can be excluded from the total price advertised, displayed, or offered.

One side note: A recent [FTC ruling](#) was announced stating restaurants and bars are exempt from “Junk Fees” legislation. The Attorney General's office stated in their update today, “The FTC's rule does not have any impact on Minnesota's law.”

- **What's next:** HM will seek a legislative fix to this law as part of our legislative priorities. We are already having conversations with legislators about how to solve this issue quickly when session begins on January 14th, two weeks after the law goes into effect.

Hospitality Minnesota's 2025 Legislative Priorities



Speaking of conversations with legislators, Hospitality Minnesota is excited to announce our legislative priorities for the 2025 session! Read on to look at key issue areas our lobbying team will focus on this session.

Workforce Development and Education

- The hospitality industry is crucial to the economic vitality of Minnesota. In 2024, Hospitality Minnesota's Education Foundation funded [ProStart programs](#) across the state, supporting over seventy schools and 13,000 students. Our priority is securing sustainable funding and expanding these proven successful programs to support the next generation of hospitality professionals.

Business Regulation and Taxes

- Hospitality Minnesota remains committed to protecting Minnesota's hospitality industry by advancing tax policies that support capital equipment modernization and business investment, and opposing harmful business regulations that will force businesses to close, move out of state, and damage the state's economy.

Travel and Tourism Investments

- The travel and tourism industries are closely intertwined with the hospitality industry. Public safety at our state's campgrounds and RV parks, amending laws to standardize the 180-day seasonal employment definition, and modernizing lodging tax policy to reflect current market conditions.

Alcohol and Cannabis Regulation

- Alcohol and cannabis regulation continue to be areas of law vital to the success of our bars and restaurants. Hospitality Minnesota will support legislation to support the thoughtful development and implementation of social district policy, ensure small business interests are represented in policy decisions, and monitoring and responding to emerging regulatory changes.

In the News



- [The Star Tribune's 2024 Restaurants of the Year reflect an incredible year of dining](#)
- [Minnesota has two of top ten ski resorts in the Midwest](#)
- [New campground approved near Star Lake in Otter Tail County](#)

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