

**GOVERNMENT RELATIONS UPDATE**

ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

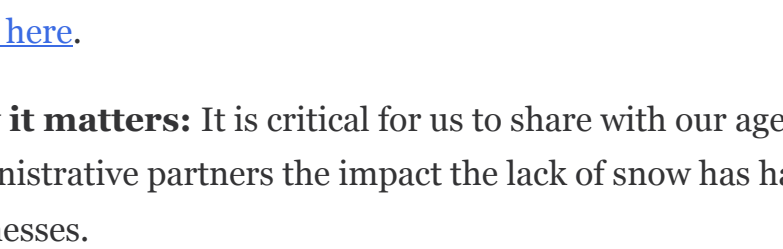
By Jill Sims • Mar 08, 2024

Smart Brevity® count: 5 mins...1283 words

From the Desk of Jill Sims: A big week for Hospitality Minnesota. I spent the beginning of the week speaking to our Club Management Association of America partners at their world conference in Las Vegas. Kaleb had his first opportunity to testify for Hospitality Minnesota and did great!

Read on to see more of what's happening at the legislature and we are excited to see many of you at [Day at the Capitol](#) next Wednesday.

No Snow EIDL Relief; EMT Surveys Impacted Businesses



Share your voice, Explore Minnesota Tourism is conducting a [Winter Season Impact Survey](#) to help better understand the impacts of the low snow winter.

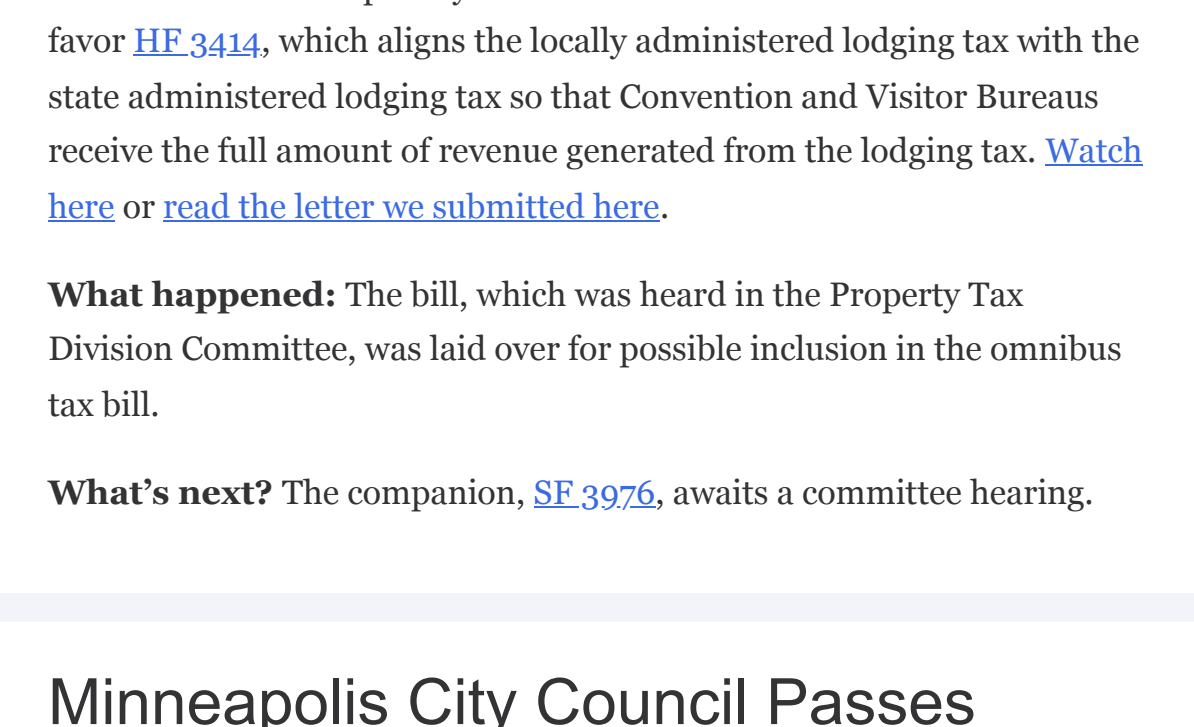
- **Please fill out the survey** by end of the day Monday if your business is impacted by the lack of snow.

Some background: Yesterday, [Governor Walz announced](#) Economic Injury Disaster Loans (EIDL) will be available to Minnesota's business owners to remedy the hardships brought on by this year's mild winter. Hospitality Minnesota applauds the Governor for this move, [read our statement here](#).

- **Why it matters:** It is critical for us to share with our agency and administrative partners the impact the lack of snow has had on our businesses.

What's next? Hospitality Minnesota will continue to work with legislators, like Senator Hauschild, to secure any possible relief funding

Hospitality Minnesota Testifies in Support of Closing Lodging Tax Loophole



House File 3414
Local lodging tax provisions modified, and authority clarified for political subdivisions to impose and collect local lodging taxes.

Kaleb McCulloch, Government Relations Manager at Hospitality Minnesota, testifies in favor of House File 3414. (Timestamp 1:05:55)

Some background: In cities with a locally administered lodging tax, online travel agencies currently do not have to pay the lodging tax on the portion of the sale they keep between what they pay a hotel for the room and what they sell the room to the consumer.

- In cities with a state-administered lodging tax, they do pay on that difference.

- There are 7 cities and 2 counties with a state-administered lodging tax and over 120 cities with a locally-administered lodging tax.

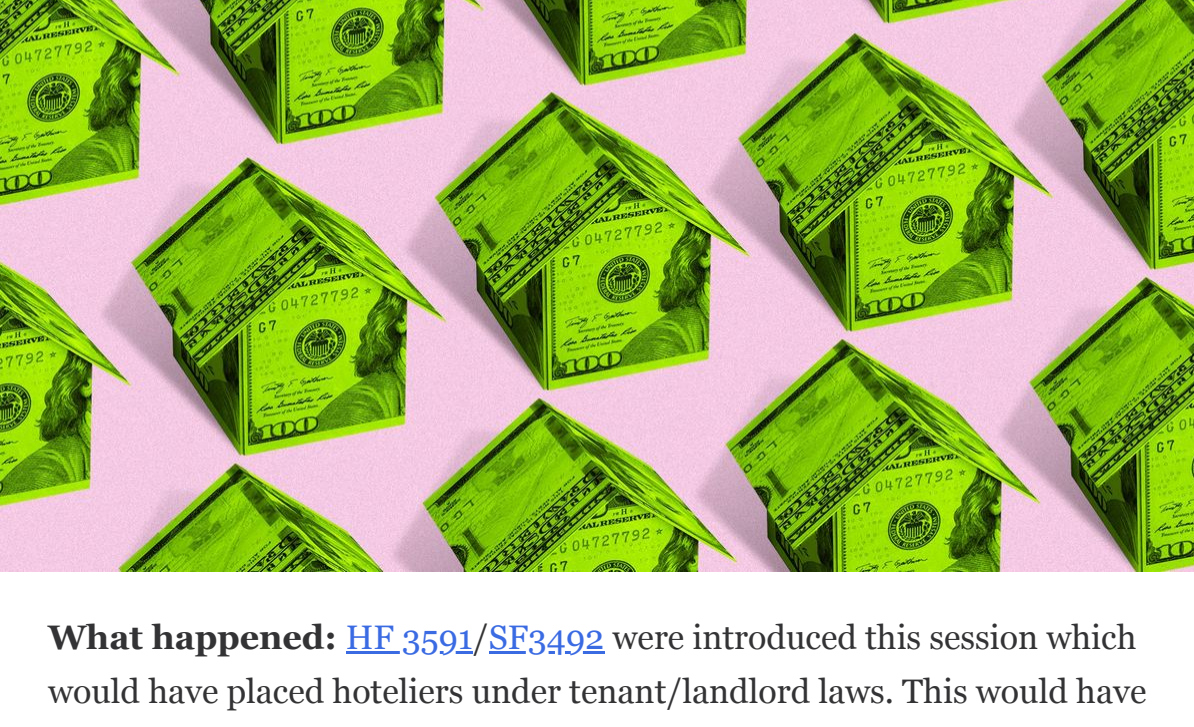
- 95% of the revenue generated from a lodging tax must be used by Convention and Visitor Bureaus for marketing and promotion.

What we said: Hospitality Minnesota's Kaleb McCulloch testified in favor [HF 3414](#), which aligns the locally administered lodging tax with the state administered lodging tax so that Convention and Visitor Bureaus receive the full amount of revenue generated from the lodging tax. [Watch here](#) or [read the letter we submitted here](#).

What happened: The bill, which was heard in the Property Tax Division Committee, was laid over for possible inclusion in the omnibus tax bill.

What's next? The companion, [SF 3976](#), awaits a committee hearing.

Minneapolis City Council Passes Rideshare Ordinance



Background: Yesterday, Minneapolis City Council passed an ordinance that would pay rideshare drivers \$1.50 per mile and \$0.51 per minute, one of the highest rates in the country. After much discussion, the ordinance passed 9 – 4.

What's next? Thursday evening, Mayor Frey announced he would veto the ordinance, just as he previously vetoed the same ordinance last summer.

And then? Minneapolis City Council will likely take up overturning the veto later in March.

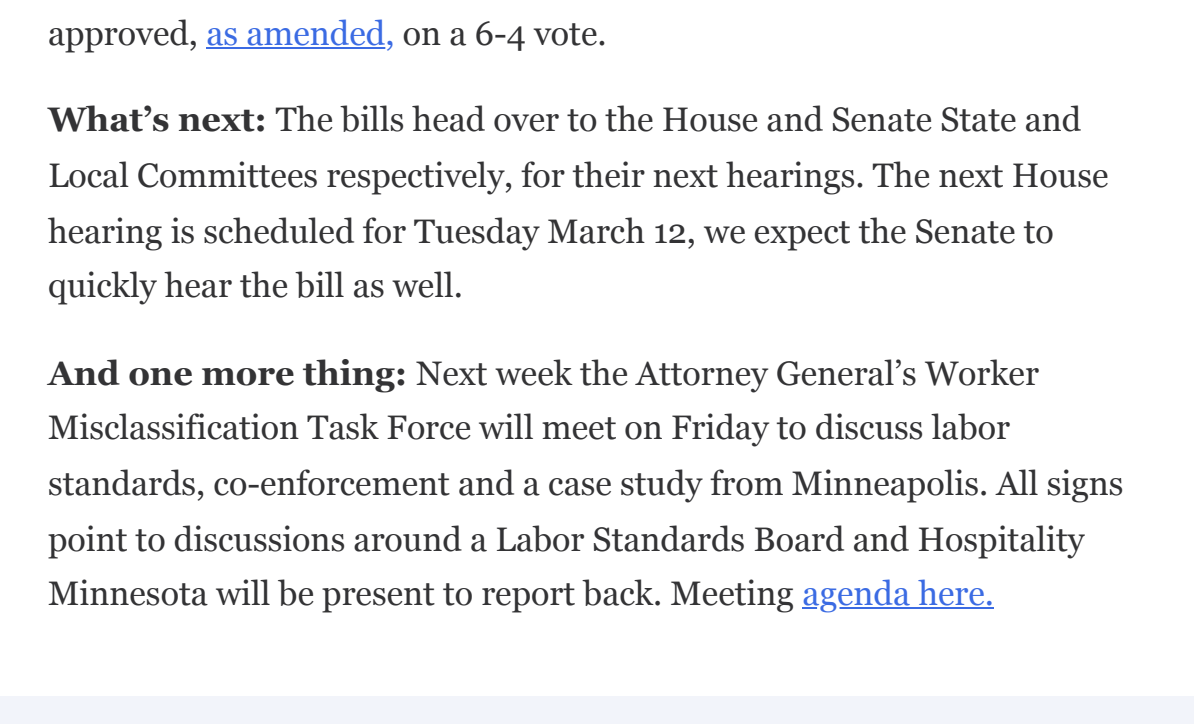
- The clock is ticking as Uber and Lyft have indicated they will not operate in Minneapolis once the ordinance goes into effect on April 1.

- This ordinance could also have serious implications for rideshare services across Minnesota.

Where does Hospitality Minnesota stand? Hospitality Minnesota has continually positioned itself that losing rideshare service will be detrimental to the hospitality industry. Our workers, patrons and tourists heavily rely on rideshare and a workable solution for all must be reached.

- **Go deeper:** [Read our letter to Minneapolis City Council here](#).

Hotels Removed from Landlord Tenant Bills in Both Bodies

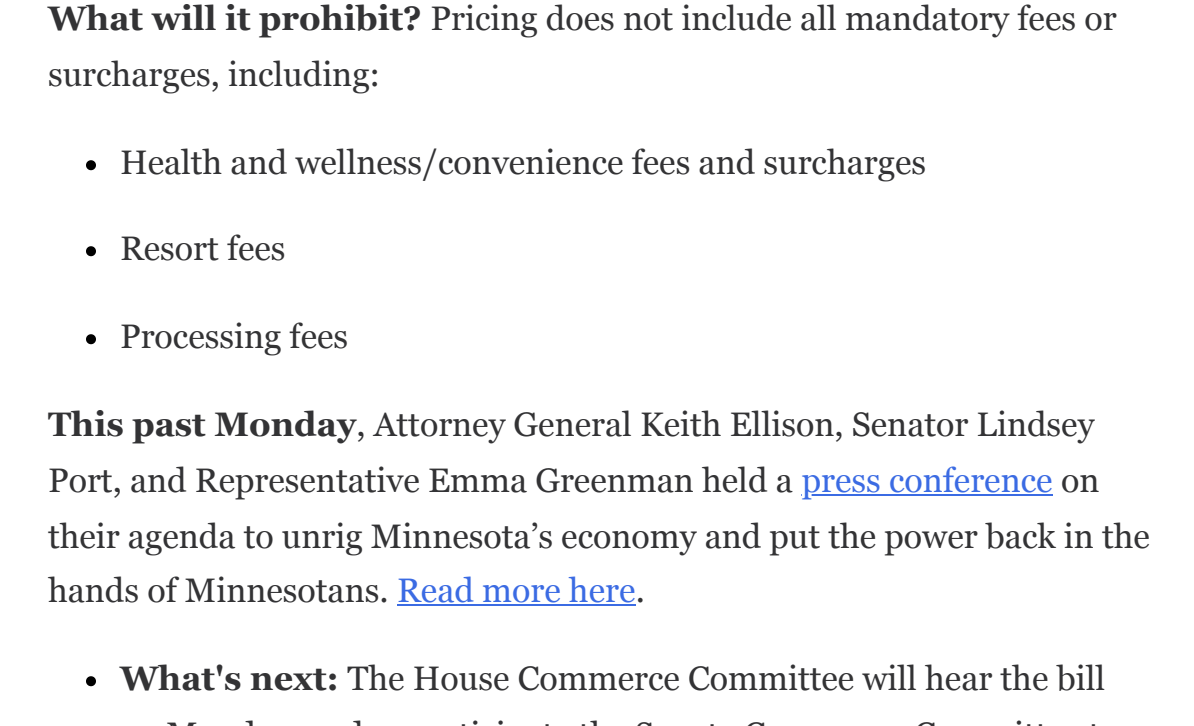


What happened: [HF 3591/SF 3492](#) were introduced this session which would have placed hoteliers under tenant/landlord laws. This would have meant that guests who refused to leave the property would have had to be formally evicted before a significant could remove them. This would also have subjected hoteliers to significant regulations of landlord/tenant laws.

- **Yes, and:** Since the bills were first introduced, hotels were removed from this language thanks to strong advocacy by Hospitality Minnesota.

What's next: Both bills have since been amended in committee to remove hotels and are moving forward with no language that would bring hoteliers under Tenant/Landlord laws.

Legislature Takes Up Worker Misclassification Bills



Some background: Minnesota has spent a lot of time focusing on the classification of workers through an [Advisory Task Force on Worker Misclassification](#) by Attorney General Ellison.

- This session, [HF 4444/SF 4483](#) were introduced to ensure a business does not classify, represent, treat, report, disclose, document, or enter into an agreement with an employee, or require employees to agree to be misclassified or treated as something other than an employee — like an independent contractor.

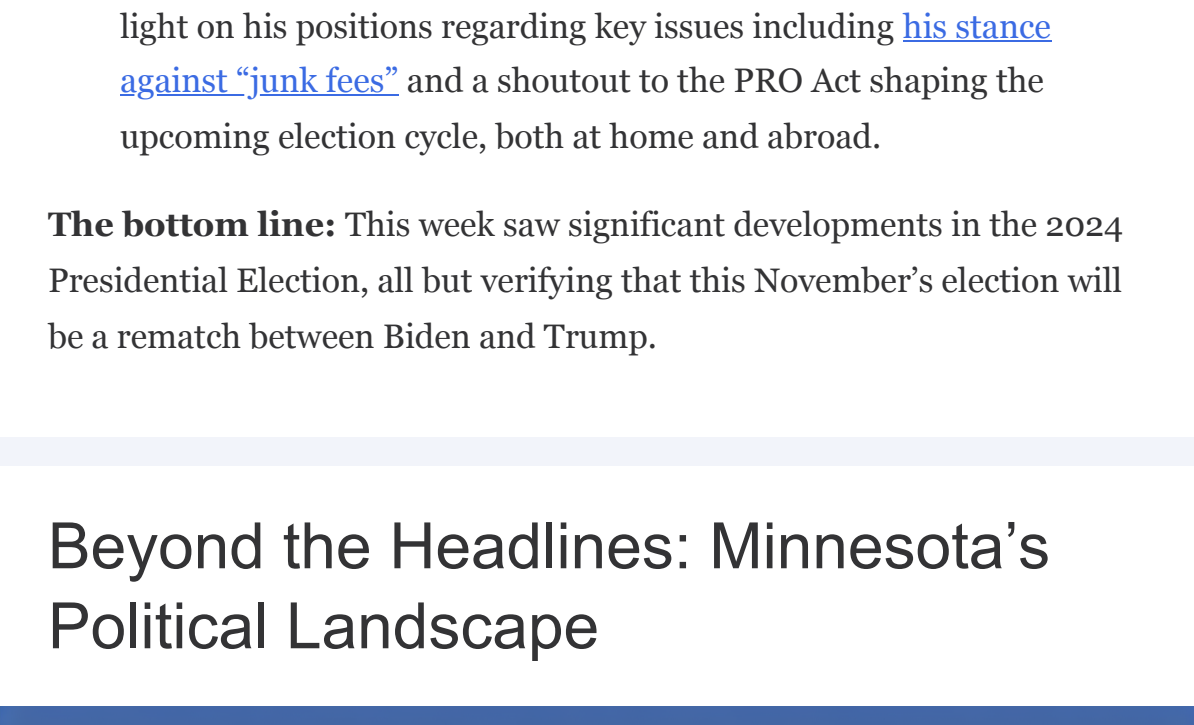
- The Department of Labor and Industry could penalize a business up to \$10,000 per violation.

What happened: Both bodies held hearings this week on the worker misclassification bills introduced last week. The House bill was approved, [as amended](#), Tuesday on an 8-4 vote. The Senate bill was approved, [as amended](#), on a 6-4 vote.

What's next: The bills head over to the House and Senate State and Local Committees respectively, for their next hearings. The next House hearing is scheduled for Tuesday March 12, we expect the Senate to quickly hear the bill as well.

And one more thing: Next week the Attorney General's Worker Misclassification Task Force will meet on Friday to discuss labor standards, co-enforcement and a case study from Minneapolis. All signs point to discussions around a Labor Standards Board and Hospitality Minnesota will be present to report back. Meeting [agenda here](#).

Press Conference on "Unrigging Minnesota Economy" Hits on Junk Fees



As we previously shared, [HF 3438/SF 3537](#) tackling deceptive "junk" fees has been introduced and scheduled for a House Commerce hearing on Monday, March 11.

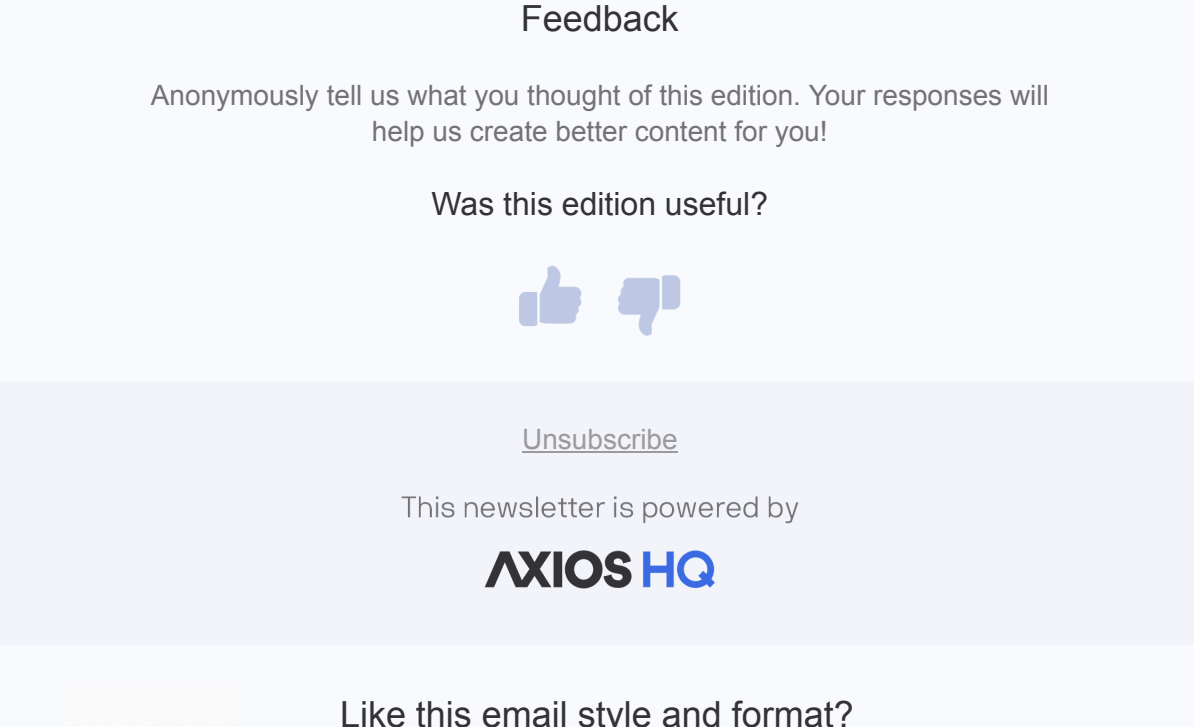
What will it prohibit? Pricing not include all mandatory fees or surcharges, including:

- Health and wellness/convenience fees and surcharges
- Resort fees
- Processing fees

This past Monday, Attorney General Keith Ellison, Senator Lindsey Port, and Representative Emma Greenman held a [press conference](#) on their agenda to unrig Minnesota's economy and put the power back in the hands of Minnesotans. [Read more here](#).

- **What's next:** The House Commerce Committee will hear the bill on Monday, and we anticipate the Senate Commerce Committee to quickly follow suit. Hospitality Minnesota will continue to work with authors and weigh in on how banning "junk fees", which include standard services charges, will impact hospitality.

Presidential Politics - State of the Union & Super Tuesday



A week in review: This week was a major week for the 2024 Presidential Election.

- **After a Super Tuesday blowout,** Representative Dean Phillips and Former Governor Nikki Haley both suspended their campaigns, eliminating any question as to whether or not President Biden and Former President Trump will become the nominees for their respective parties.

- **President Biden's State of the Union Address** last night shed light on his positions regarding key issues including [his stance against "junk fees"](#) and a shoutout to the PRO Act shaping the upcoming election cycle, both at home and abroad.

The bottom line: This week saw significant developments in the 2024 Presidential Election, all but verifying that this November's election will be a rematch between Biden and Trump.

Beyond the Headlines: Minnesota's Political Landscape

- **Sportsbetting odds uncertain this year - [Scaled back sports betting bill odds might be no better in legislature](#)** | MinnPost

- **Minnesota Office of Cannabis Management proposes changes: [Legislation would create temporary licenses for cannabis businesses in Minnesota](#)** | MPR News

- **MN SOTU Guests: [Who did Minnesota's representatives and senators bring to the State of the Union address?](#)** | Star Tribune

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