



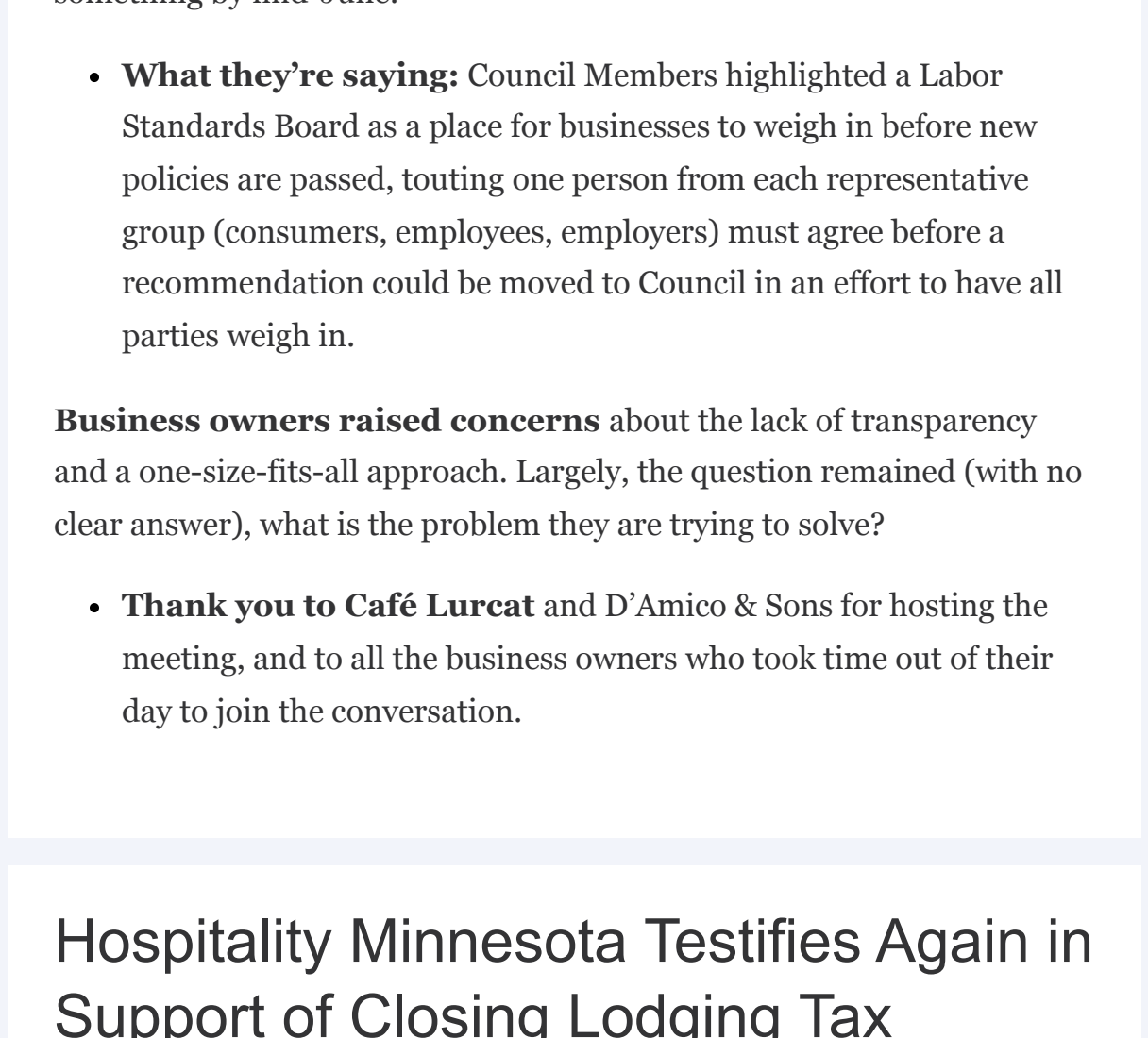
By Jill Sims • Apr 26, 2024

Smart Brevity® count: 4.5 mins...1210 words

From the Desk of Jill Sims: This week, the legislature had a shortened week due to Passover. With less than 30 days to go, work on conference committees for omnibus bills has begun. The legislature must adjourn no later than May 20, so negotiations will heat up quickly. However, recent news regarding the arrest of Senator Nicole Mitchell (Woodbury) has thrown the legislature off balance for the week, canceling committees and floor sessions with bills. We're watching closely for what happens next.

Read on to hear more about the Minneapolis Labor Standards Board Proposal listening session, the hearing on closing the lodging tax loophole, an update on paid family medical leave legislation, an amendment on houseboats gray water, Roseville's Green2Go ordinance and DOL's overtime rule.

Hospitality Industry Labor Standards Board Meeting with Minneapolis City Council Members



On Tuesday, 40 hospitality business owners met with Council Members Cashman, Chowdhury, Chughtai and Payne on Minneapolis' proposed Labor Standards Board (LSB).

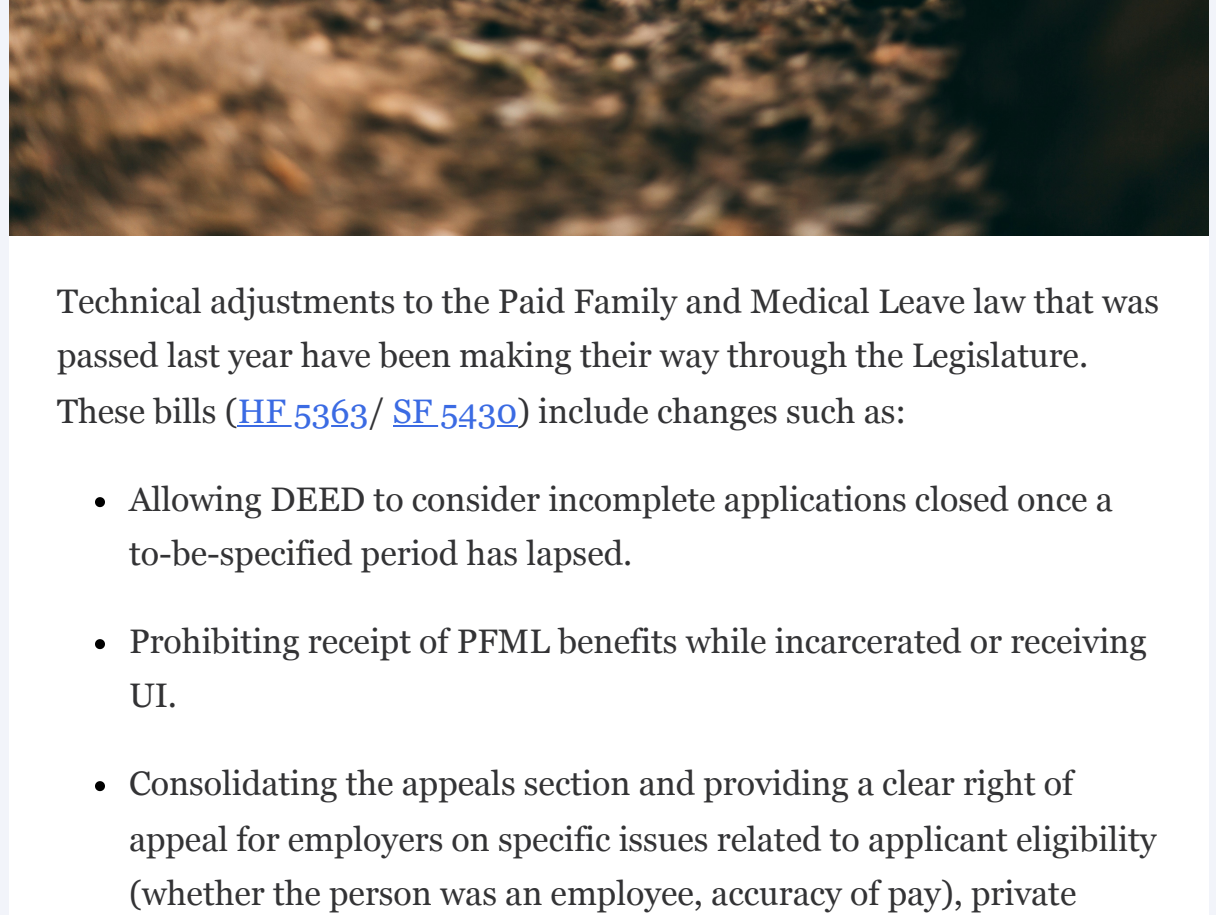
What happened: Council Members noted April and May are dedicated for listening to stakeholders around the topic, with a goal to pass something by mid-June.

- **What they're saying:** Council Members highlighted a Labor Standards Board as a place for businesses to weigh in before new policies are passed, touting one person from each representative group (consumers, employees, employers) must agree before a recommendation could be moved to Council in an effort to have all parties weigh in.

Business owners raised concerns about the lack of transparency and a one-size-fits-all approach. Largely, the question remained (with no clear answer), what is the problem they are trying to solve?

- **Thank you to Café Lurcat** and D'Amico & Sons for hosting the meeting, and to all the business owners who took time out of their day to join the conversation.

Hospitality Minnesota Testifies Again in Support of Closing Lodging Tax Loophole



Kaleb McCulloch, Government Relations Manager at Hospitality Minnesota, testifies in favor of Senate File 3976.

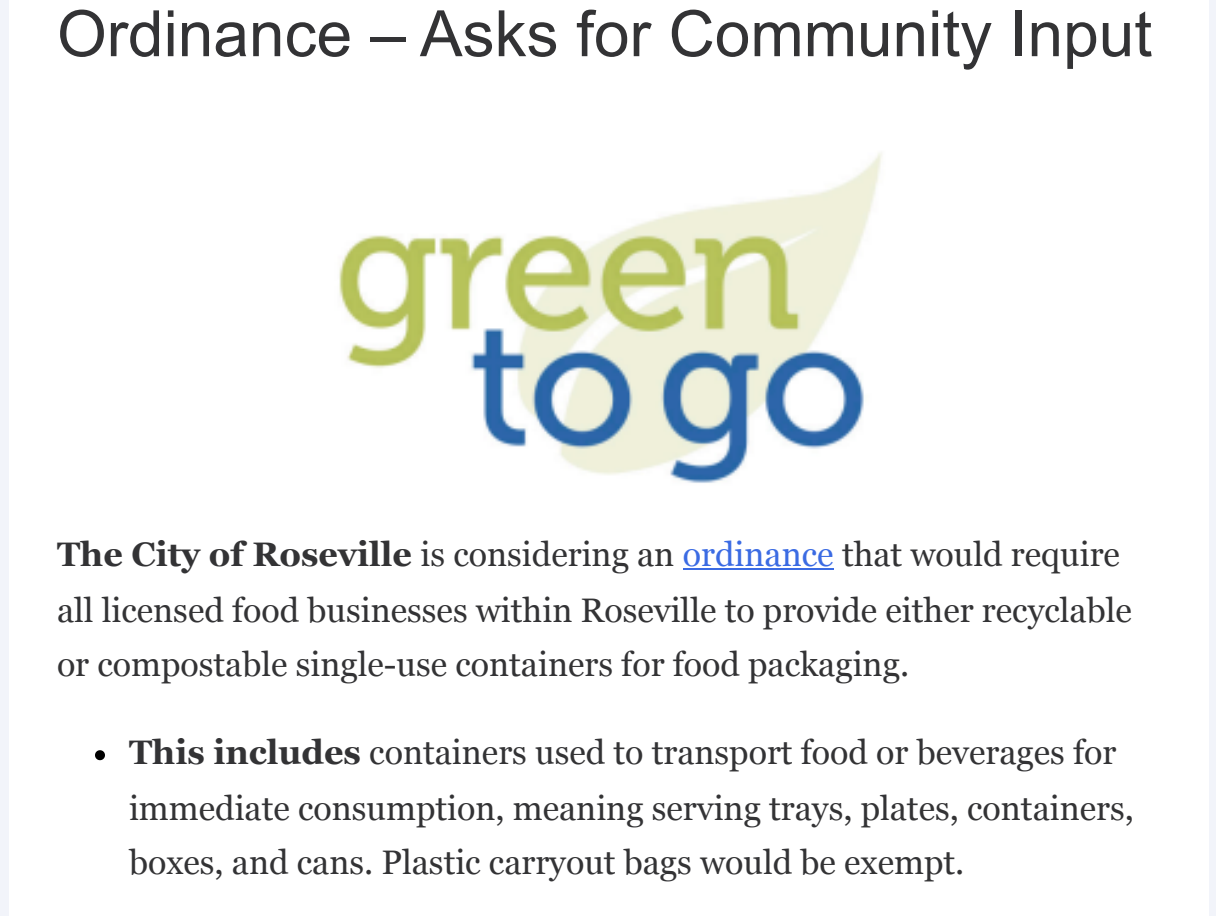
On Thursday, Hospitality Minnesota's Government Relations Manager Kaleb McCulloch and Shakopee Chamber and Visitors Bureau's Tim Zunker testified in favor [SF 3976](#), which aligns the locally administered lodging tax with the state-administered lodging tax so that convention and visitor bureaus receive the full amount of revenue generated from the lodging tax. Watch [here](#) or read the letter we submitted [here](#).

- **Yes, and:** Hospitality Minnesota also submitted [a coalition letter](#) that included support from convention and visitor bureaus across the state.

What happened: The bill was laid over for possible inclusion in the Senate omnibus tax bill.

- **What's next:** The companion, [HF 3414](#) has already been included in the House tax omnibus bill. We now wait to see if [SF 3976](#) gets included in the Senate tax omnibus bill before both bills head to a conference committee for negotiations.

Paid Family and Medical Leave Update



Technical adjustments to the Paid Family and Medical Leave law that was passed last year have been making their way through the Legislature. These bills ([HF 5363](#)/[SF 5439](#)) include changes such as:

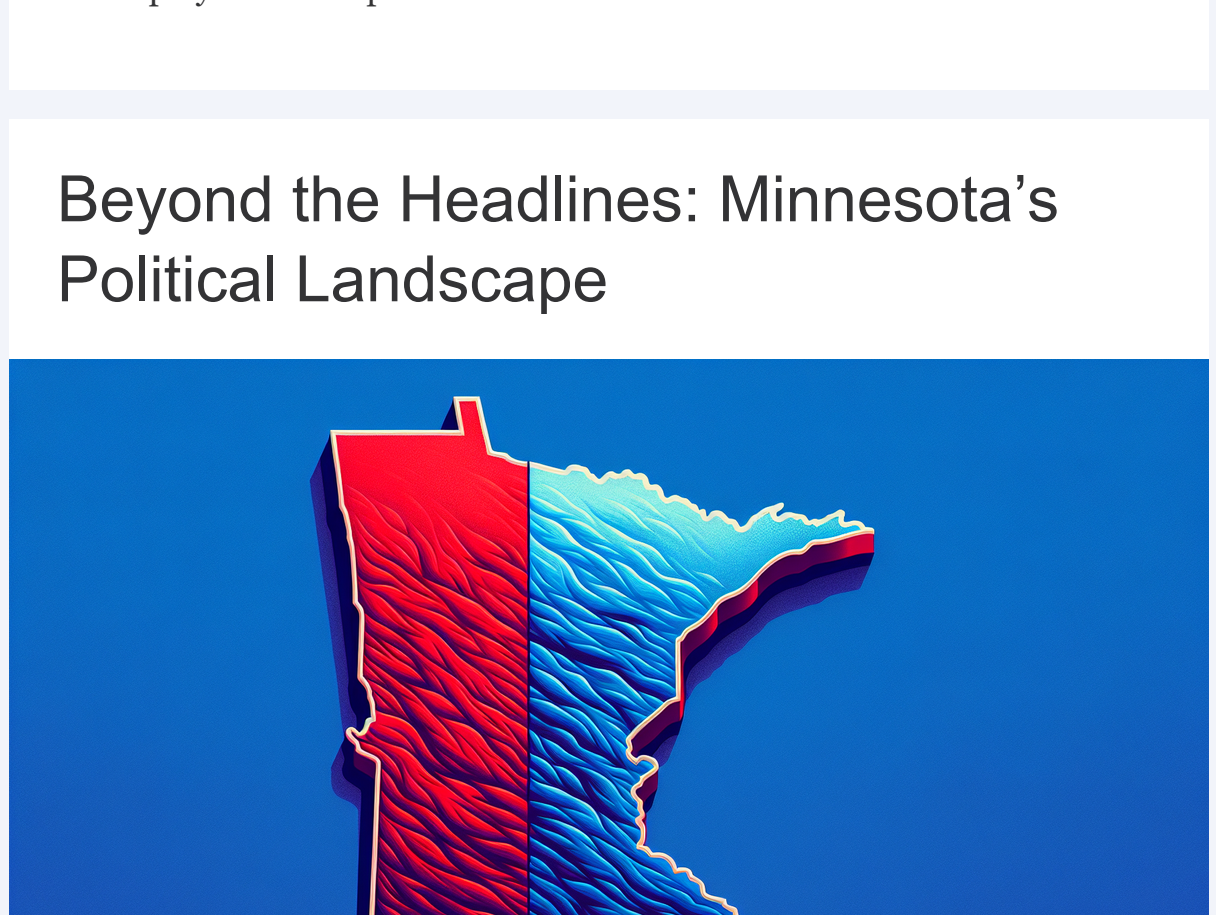
- Allowing DEED to consider incomplete applications closed once a to-be-specified period has lapsed.
- Prohibiting receipt of PFML benefits while incarcerated or receiving UI.
- Consolidating the appeals section and providing a clear right of appeal for employers on specific issues related to applicant eligibility (whether the person was an employee, accuracy of pay), private plans, penalties, etc.
- Removing the employer's right to limit intermittent leave to no more than 480 hours in 12 months.
- Replacing the original PFML tax rate annual redetermination formula (a 1.45x multiplier) with a requirement that DEED set the rate by November 15 using sound actuarial principles.

What's happened?

- Wednesday, the House Workforce Development Committee heard [HF 5363](#) and re-referred it to the Judiciary Committee where it is scheduled for next week.
- On the Senate side, [SF 5439](#) was scheduled for Senate Commerce, which was cancelled due to the challenges with Senator Mitchell's attendance. It has been rescheduled for next week in Senate Commerce.

What's next: Hospitality Minnesota expects this technical bill to pass and will continue monitoring.

Houseboat Amendment Added to Senate Environment Omnibus



Senator Grant Hauschild (Hermantown) offered an amendment to the Senate Environment Omnibus bill on the Senate floor.

What's included: The amendment prohibits the Pollution Control Agency from regulating the discharge of sewage that does not contain toilet wastes by commercial houseboat operators in Saint Louis, Koochichings, or Lake counties.

- Instead, those three counties would be responsible for regulating discharges in their respective counties.

What happened: The amendment was adopted and is now included in the Senate Environment Omnibus.

- **What's next:** The language from the amendment will head to a conference committee as part of the omnibus bill, where we will wait to see if it is included in the final negotiated bill.

Roseville Considering Green2Go Ordinance – Asks for Community Input

The City of Roseville is considering an [ordinance](#) that would require all licensed food businesses within Roseville to provide either recyclable or compostable single-use containers for food packaging.

- **This includes** containers used to transport food or beverages for immediate consumption, including carrying trays, plates, containers, boxes, and cans. Plastic carryout bags would be exempt.

What's next: Outreach to businesses is being conducted by the city and impacted businesses should have received a mailing in March. Read the informational flyer [here](#).

- **Share your voice:** [Please fill out the city survey](#) to share your thoughts. Additionally, you can join one of two community conversations that are scheduled for the below dates at the Cedarhold Community Center (2323 Hamline Ave N): May 6: 9:00 am – 10:00 am or June 24: 2:00 pm – 3:00 pm.

[Fill Out the Survey!](#)

DOL Announces 65% Increase to Overtime Rule

Some background: Our partners at the American Hotel and Lodging Association and the National Restaurant Association have been tracking the most recent updates on the changes to the Department of Labor (DOL) Overtime Rule.

What happened: The DOL has released its final overtime rule, significantly increasing the minimum annual salary threshold determining overtime pay eligibility under the Fair Labor Standards Act (FLSA) from \$35,568 to \$58,656.

- The rule will gradually come into effect, with an increase to \$43,888 on July 1, 2024, and an increase to \$58,656 effective January 1, 2025.

Why it matters: DOL sets a salary threshold to ensure eligible employees receive overtime pay for all hours worked over 40 in a workweek.

- **By the numbers:** Using 2023 data, the new salary threshold equals \$1,128 per week or \$58,656 annually for a full-year worker.

Who's included: Unless specifically exempted, an employee covered by the FLSA must receive pay for hours worked over 40 in a workweek at a rate not less than one and one-half their regular pay rate.

- Beginning on July 1, 2024, any employee earning under \$43,888 will be owed overtime pay.
- On January 1, 2025, any employee earning under \$58,656 will be owed overtime pay.

Go deeper: Use this [DOL fact sheet](#) for information on determining if an employee is exempt.

Beyond the Headlines: Minnesota's Political Landscape

- [Minnesota senator faces pressure to resign after burglary charge](#) | Axios Twin Cities
- [Minnesota lawmakers return from break to uncertainty after DFL lawmaker's arrest](#) | MPR News
- [Minneapolis approves \\$15 minimum for cigarette packs, highest in U.S.](#) | Star Tribune

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