



GOVERNMENT RELATIONS UPDATE

ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

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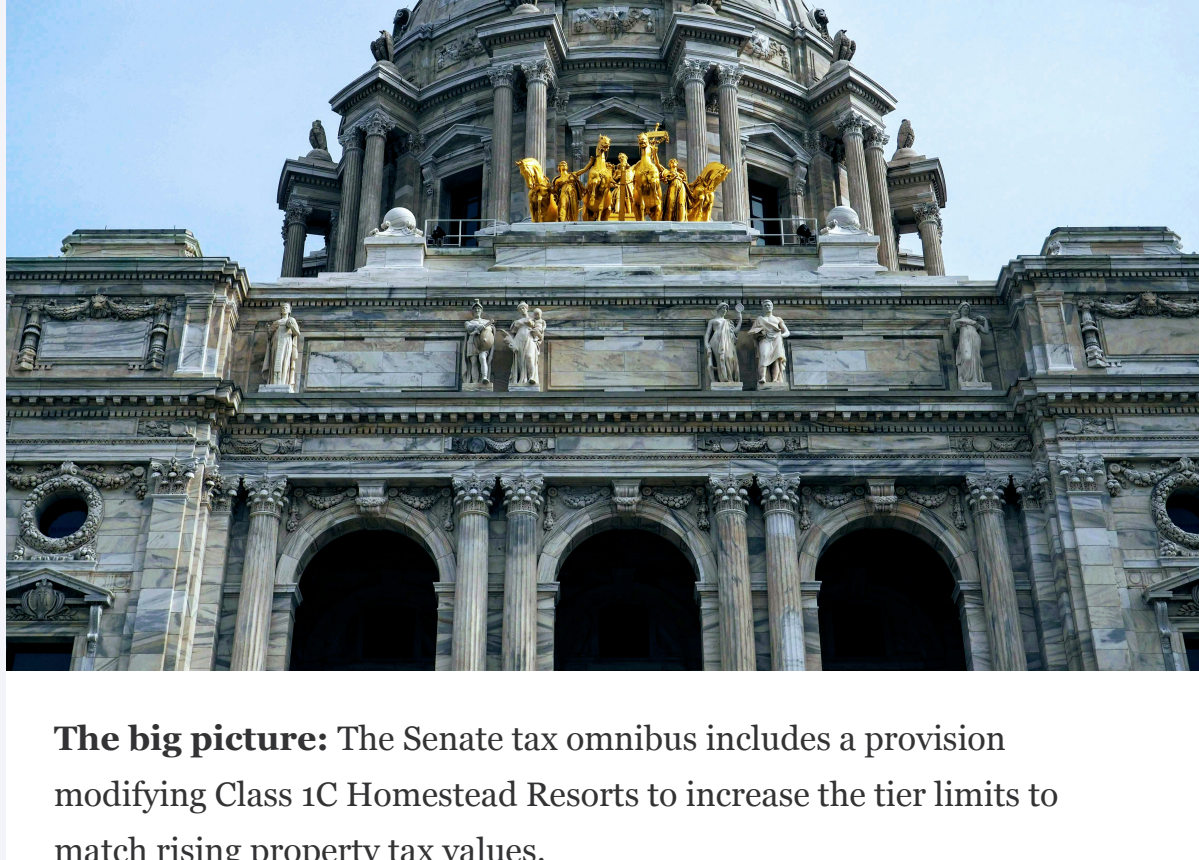
By Hanna Zinn • May 09, 2025

Smart Brevity® count: 3 mins...804 words

Happy Friday. We're in the final countdown of the legislative session, and with numerous items left on the agenda a special session seems likely. This week along with an update on omnibus bills and their progress (or lack thereof), I'm breaking down two key policies HM has been tracking through session.

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Session Snapshot



The big picture: The Senate tax omnibus includes a provision modifying Class 1C Homestead Resorts to increase the tier limits to match rising property tax values.

By the numbers: The provision would modify the classification rates for Class 1c homestead resorts as follows:

- First \$1,500,000 of market value is classified as tier 1 (increase from \$600,000)
- Next \$3,000,000 of market value is classified as tier 2 (increase from \$1,700,000)
- Anything higher than \$3M is tier 3

Go deeper: Class 1c Homestead Resorts are defined as:

- Commercial and personal property that abuts state waters or a state trail administered by the DNR
- Devoted to temporary and seasonal residential occupancy for recreation purposes
- NOT devoted to commercial purposes for more than 250 days
- Includes a portion used as a home by the owner
- Includes a dwelling occupied as a home by a shareholder of a corporation, a partner in a partnership, or a member of a LLC that owns the resort even if the title is held by the corresponding entity

Important note: Class 1c does not include the portion of a property operated as a...

- Restaurant
- Bar
- Giftshop
- Conference center or meeting room
- Other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes

Yes, and: Class 1c homestead resorts must:

- Provide recreation activities such as the rental of ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment
- Provide marina services, launch services, or guide services;
- Or sell bait and fishing tackle

Another big development: Earlier this week the Senate passed a bill modifying the Earned Sick and Safe Time law. The bill was authored by Sen. Seeberger (DFL – Afton) and received bipartisan support upon passage.

Go deeper: The bill, which would go into effect on Jan. 1, 2026, included the following provisions:

- Exempting businesses with 3 or fewer employees
- Allowing employers to require employees to give notice of leave
- Requiring documentation for employees taking more than two days of ESST leave
- Allowing employees to voluntarily seek or trade shifts with another worker to cover the hours the employee intends to take as ESST leave
- Clarifying employers can frontload an employee's ESST hours for the anticipated amount an employee will work for the remainder of the accrual year (if an employee starts at another time than the beginning of the year)

What's next: The bill now heads to the House where the path forward is unclear. With the tied makeup, and seemingly no move toward negotiations on the larger mandates passed in the last two years, more discussions are needed among legislators to pass these changes.

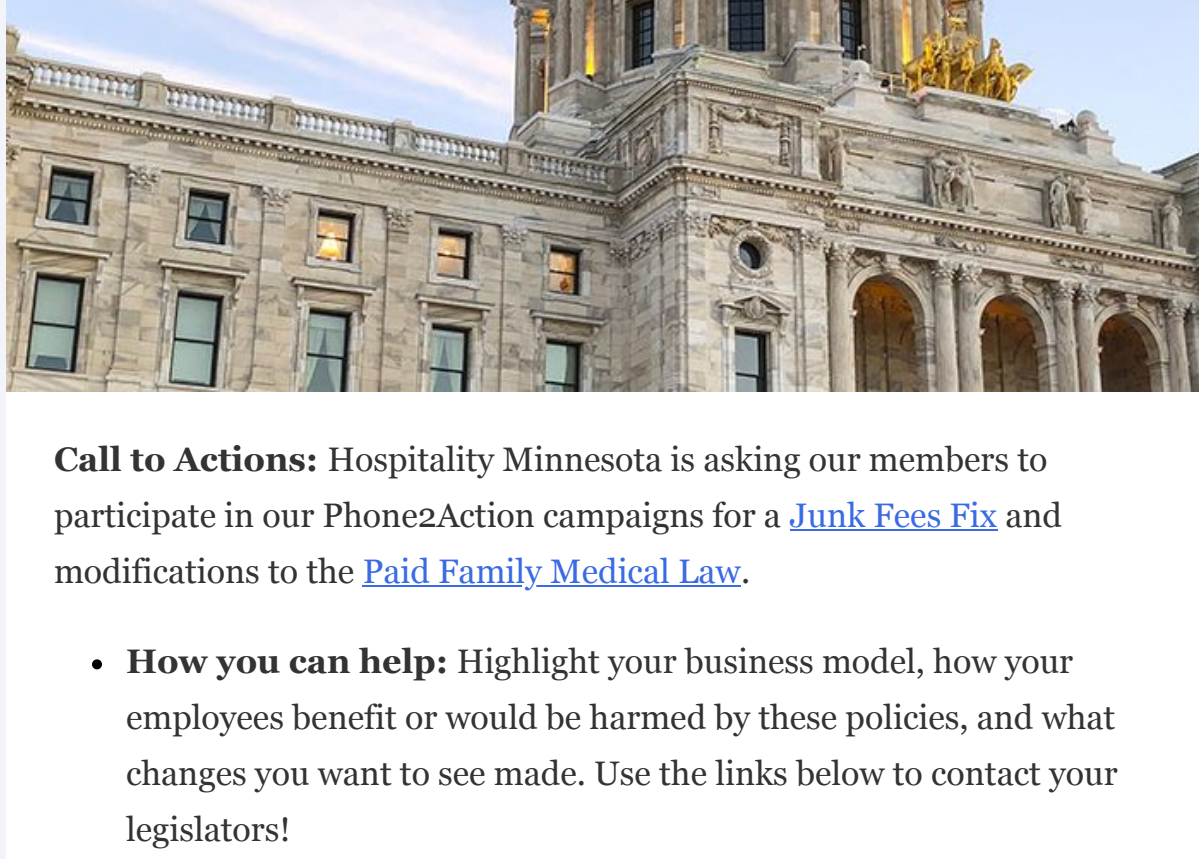
Dive in: Here's an updated version of all the omnibus bills currently moving through the legislature.

- **Senate** – awaiting floor vote:
 - [Health](#)
 - [Education Finance](#)
 - [Energy](#)
- **Senate** – passed to House:
 - [Jobs and Economic Development and Labor](#) - Includes ProStart funding
 - [Liquor](#) - Includes Statewide Social Districts policy
 - [Education Policy](#)
- **House** – awaiting floor vote:
 - [Education Policy](#)
 - [Labor and Industry Policy](#)
 - [Education Finance](#)
- **Bills awaiting conference committee appointments:**
 - [Legacy](#)
- **Bills moved to conference committee:**
 - [Veterans](#)
 - [Commerce and Consumer Protection](#)
 - [Housing and Homelessness Prevention](#)
 - [Judiciary and Public Safety](#)
 - [Agriculture and Broadband Development](#)
 - [Higher Education](#)
 - [Human Services](#)
 - [Transportation](#)
 - [State and Local Government](#)
 - [Cannabis](#)
 - [Environment and Natural Resources](#)

What's next: These bills need to be heard in both chambers before a conference committee can be established. Once a conference committee is created and members are assigned to it, more negotiations to align the Senate and House positions will take place to pass the budget. All bills heard on the House floor need to have bipartisan support for a bill to pass.

- **One fun thing:** For those interested in the legislative process, check out the Minnesota Legislature's website [here](#) for more information on how a bill becomes law. Based on that page, the MN Legislature is right in between “Conference” and “Floor”.

ACTION ALERT: Join Our Advocacy Work, Share Your Voice!



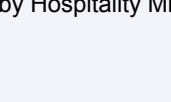
Call to Actions: Hospitality Minnesota is asking our members to participate in our Phone2Action campaigns for a [Junk Fees Fix](#) and modifications to the [Paid Family Medical Law](#).

- **How you can help:** Highlight your business model, how your employees benefit or would be harmed by these policies, and what changes you want to see made. Use the links below to contact your legislators!
 - [Junk Fees Fix](#)
 - [Paid Family Medical Leave modifications](#)

Thank you reading! Check out past [GR Updates](#) here.

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