



By Jill • Mar 15, 2024

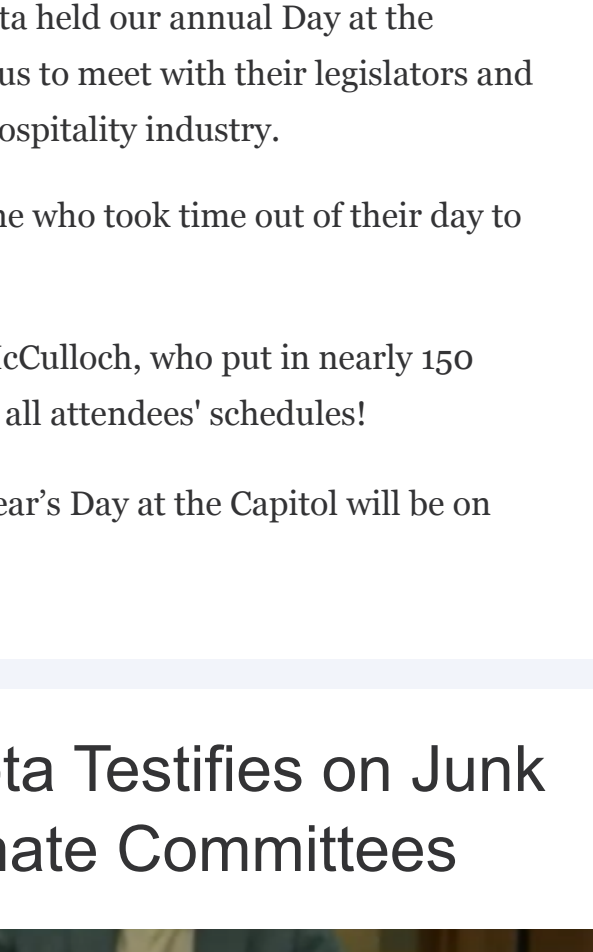
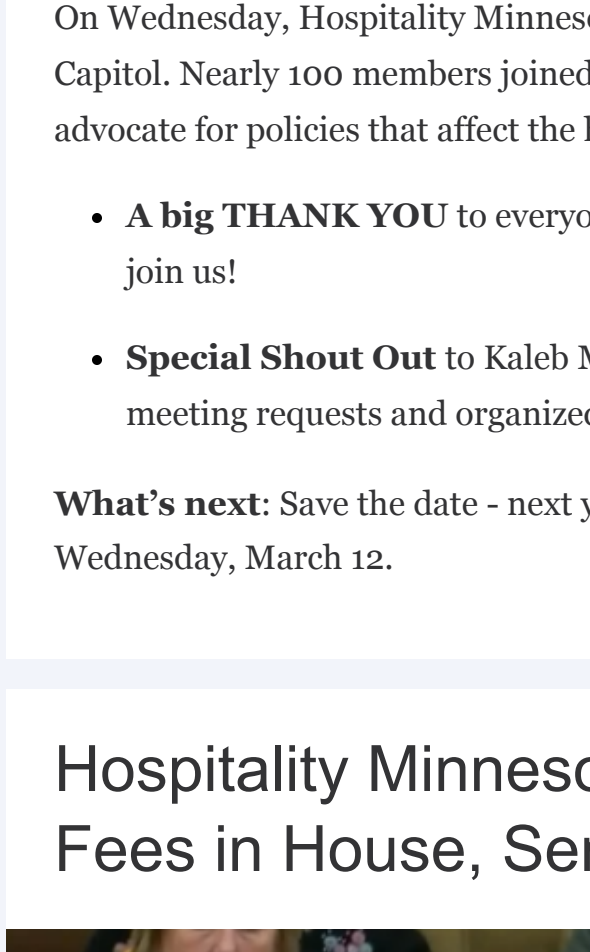
Smart Brevity® count: 4.5 mins...1193 words

From the Desk of Jill Sims: One week to go until the first and second committee deadlines, meaning we should see a slowing of bills at the legislature.

We've hit nearly 10,000 bills for the biennium (2023-2024), so as you can imagine our team has been busy constantly reading through bills. We had an incredibly successful Day at the Capitol this week and members came back to testify.

Read on to learn more about junk fees, credit card processing fees, Uber/Lyft leaving, and employer-sponsored supplemental healthcare benefits at MSP.

Hospitality Minnesota's 2024 Day at the Capitol

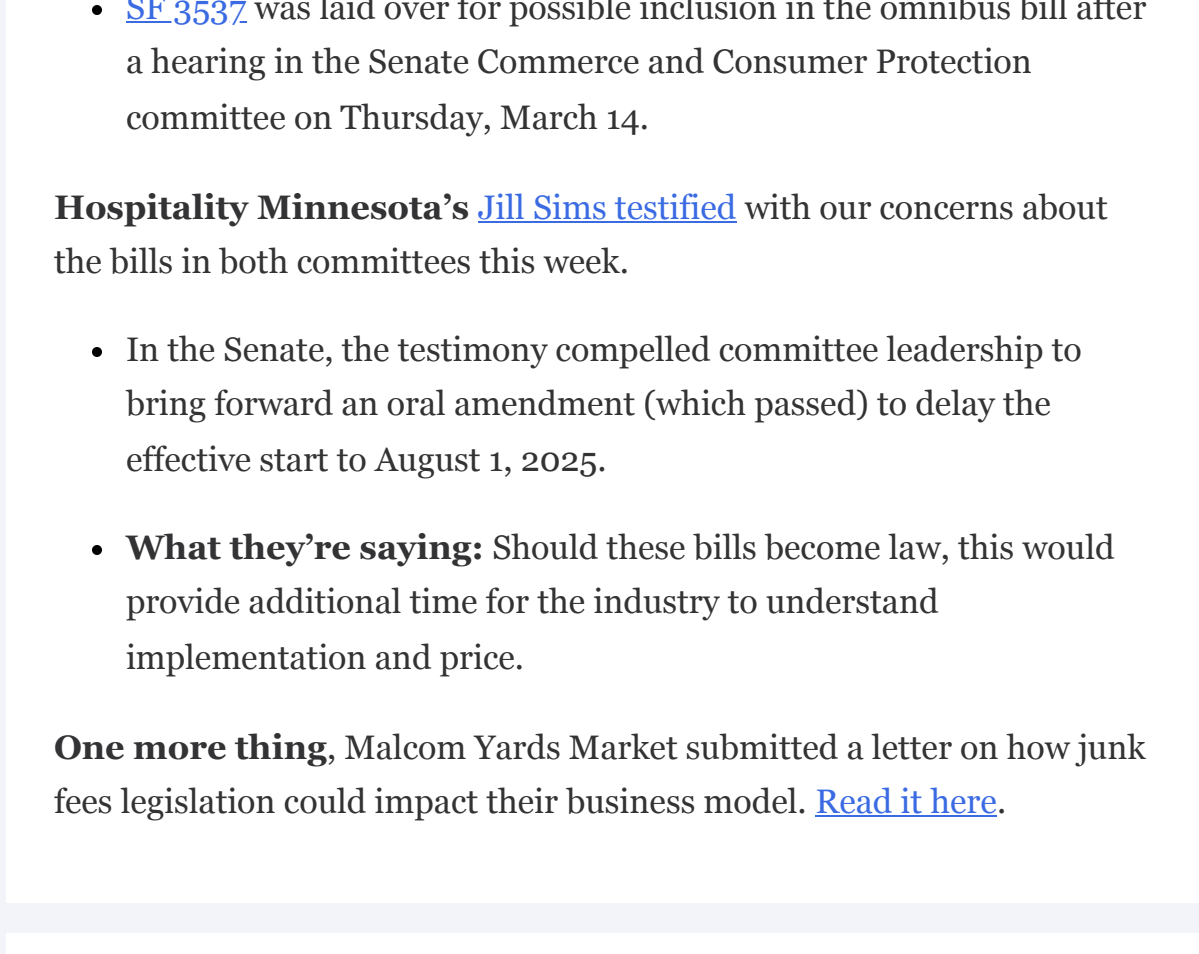


On Wednesday, Hospitality Minnesota held our annual Day at the Capitol. Nearly 100 members joined us to meet with their legislators and advocate for policies that affect the hospitality industry.

- **A big THANK YOU** to everyone who took time out of their day to join us!
- **Special Shout Out** to Kaleb McCulloch, who put in nearly 150 meeting requests and organized all attendees' schedules!

What's next: Save the date - next year's Day at the Capitol will be on Wednesday, March 12.

Hospitality Minnesota Testifies on Junk Fees in House, Senate Committees



Jill Sims testifies regarding SF 3537 in the Committee of Commerce and Consumer Protection on March 14, 2024.

This week the junk fee legislation we wrote about last week, [HF 3438/SF 3537](#), were heard in both House and Senate Commerce committees.**Some background:** These bills would prohibit pricing that does not include all mandatory fees or surcharges. This would include service fees, health and wellness fees, convenience fees, etc.**What happened this week?**

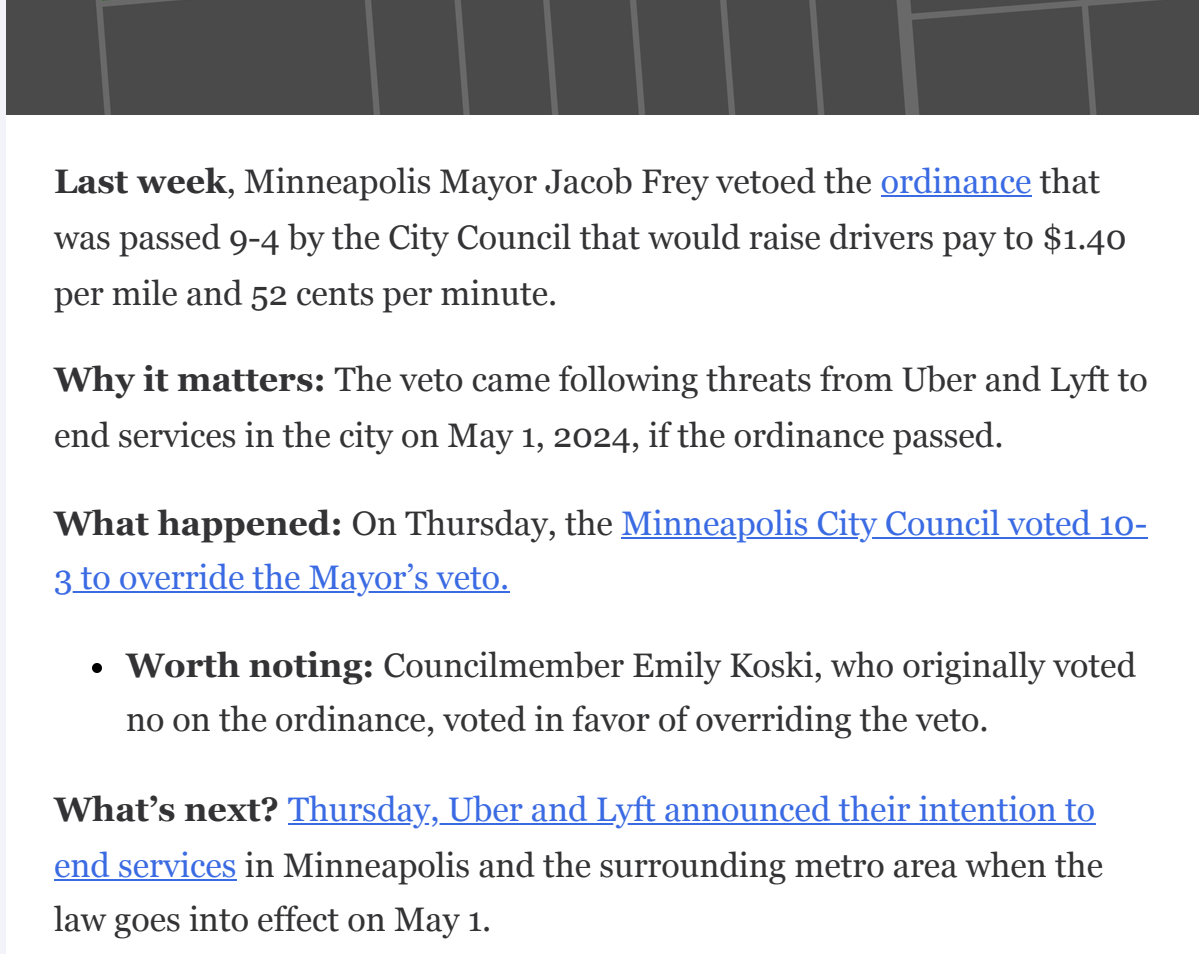
- [HF 3438](#) was placed on the General Register after a hearing in the House Commerce Finance and Policy committee on Monday, March 11.
- [SE 3537](#) was laid over for possible inclusion in the omnibus bill after a hearing in the Senate Commerce and Consumer Protection committee on Thursday, March 14.

Hospitality Minnesota's Jill Sims testified with our concerns about the bills in both committees this week.

- In the Senate, the testimony compelled committee leadership to bring forward an oral amendment (which passed) to delay the effective start to August 1, 2025.
- **What they're saying:** Should these bills become law, this would provide additional time for the industry to understand implementation and price.

One more thing, Malcom Yards Market submitted a letter on how junk fees legislation could impact their business model. [Read it here.](#)

Hospitality Minnesota Member Testifies on Credit Card Processing Fee Legislation



Troy Reding of Ally Restaurant testifies in opposition of SF 4709 on March 14, 2024.

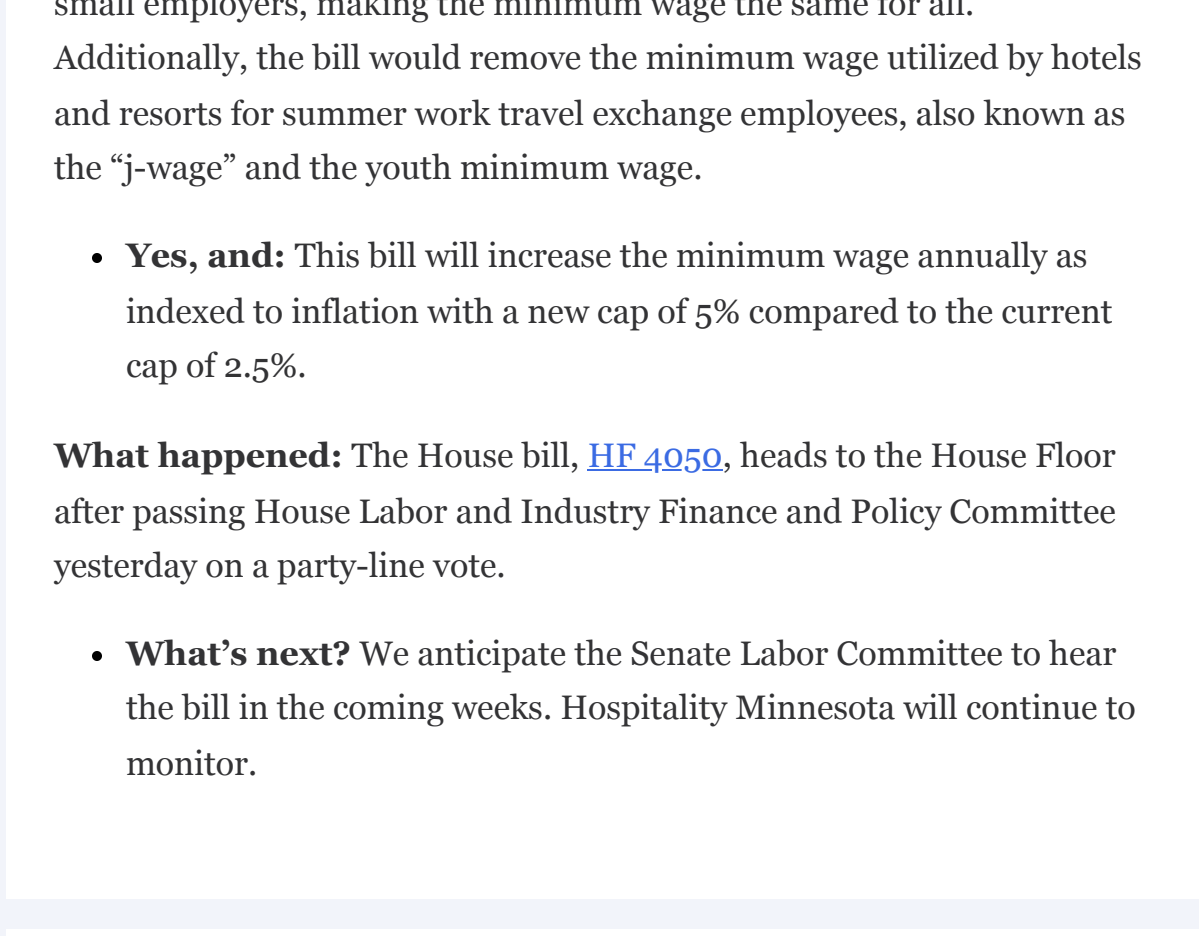
Some background: [HF4787/SF4709](#) would require all businesses, particularly restaurant operators, to pay the full amount of a tip included in a credit card or electronic payment.

- **Why it matters:** Essentially, it prohibits any business from deducting the credit card processing fee from the employee's tip. Additionally, it requires the tip to be credited in the same pay period and paid out no later than the next pay period.

What happened? [SE4709](#) was laid over for possible inclusion in an omnibus bill after a hearing in the Senate Labor Committee on Thursday, March 14. [HE4787](#) has been introduced and referred to the House Labor Finance and Labor Committee but does not yet have a hearing date, but we anticipate it to be scheduled soon.**Hospitality Minnesota Board Member** Troy Reding of Ally Restaurants [testified in opposition](#) to the bill in the Senate Labor Committee on Thursday. He highlighted the financial burden this would create for restaurants, along with the intermediary role the industry serves between the customer and the server.**One more thing,** Hospitality Minnesota [submitted a joint letter](#) with Minnesota Licensed Beverage Association (MLBA) on the impact credit card processing fees have on the industry.

- The letter also encouraged flexibility for operators. [Read more here.](#)

Uber/Lyft Veto Override

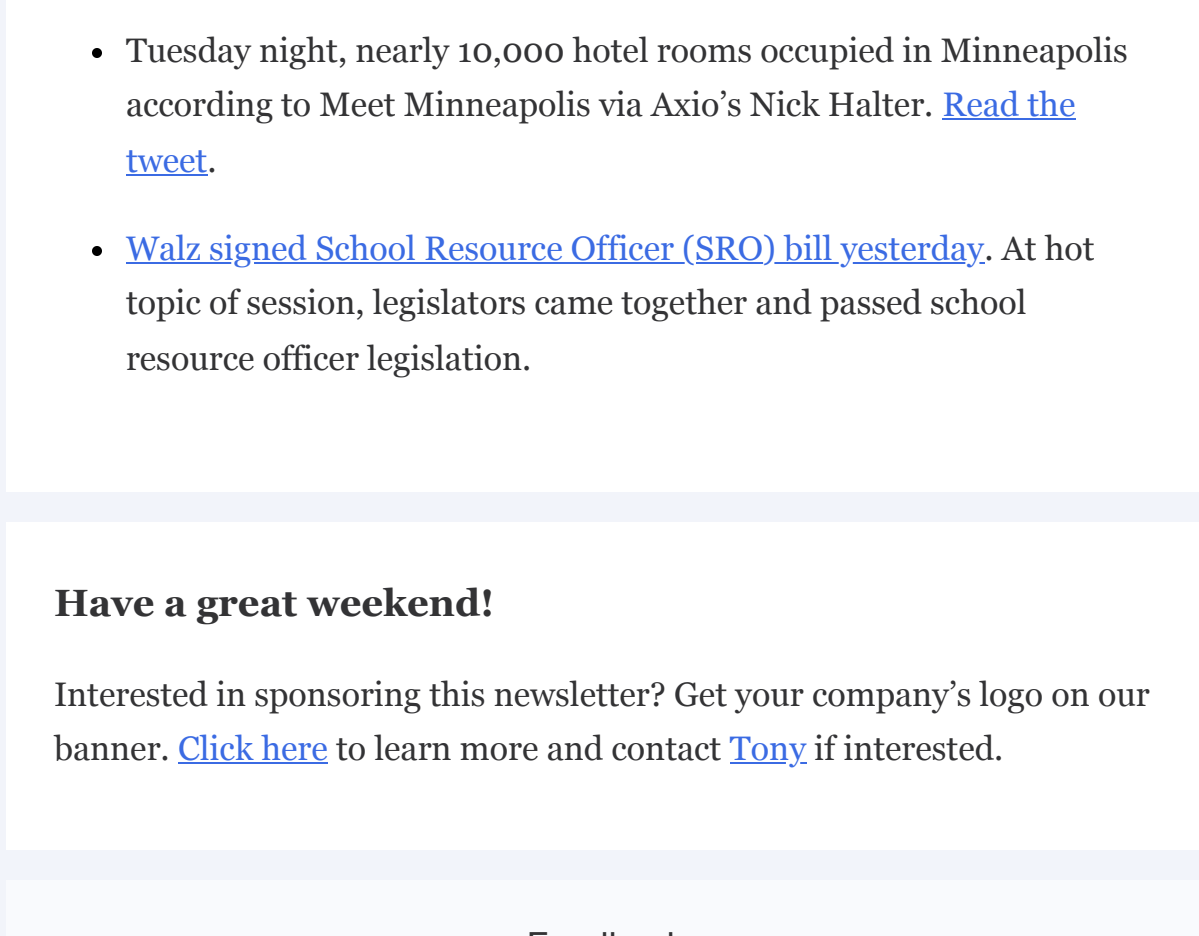
**Last week,** Minneapolis Mayor Jacob Frey vetoed the [ordinance](#) that was passed 9-4 by the City Council that would raise drivers pay to \$1.40 per mile and 52 cents per minute.**Why it matters:** The veto came following threats from Uber and Lyft to end services in the city on May 1, 2024, if the ordinance passed.**What happened:** On Thursday, the [Minneapolis City Council voted 10-3 to override the Mayor's veto.](#)

- **Worth noting:** Councilmember Emily Koski, who originally voted no on the ordinance, voted in favor of overriding the veto.

What's next? [Thursday, Uber and Lyft announced their intention to end services](#) in Minneapolis and the surrounding metro area when the law goes into effect on May 1.

- **Yes, and:** Governor Walz was quoted saying this has him "rethinking preemption". Expect an effort at the Legislature to set prices that would prevent the ordinance in Minneapolis.

Labor Pushes Employer Health Benefit Supplement at MSP

**What happened:** This past week a pair of bills, [HF 4818/SF 4708](#), were introduced and aimed at providing health and welfare benefits to any employee on property owned by the Metropolitan Airports Commission (MAC) at Minneapolis-St. Paul International Airport (MSP).**Why it matters:** If passed, this legislation would require every employer to provide an employee who enrolls in an employer benefit plan with an hourly supplement at an health and benefits rate of \$4.98 per hour toward the cost of minimum essential coverage.

- **What's next:** Hospitality Minnesota is working with airport-based partners to meet with legislators, administration officials and closely monitor the bills' progress.

Changes to Minimum Wages Heads to House Floor

The legislature has introduced a pair of bills, [HF 4950/SF 3947](#), that make adjustments to the minimum wage provisions in state statute.**Why it matters:** The bill would remove distinctions between large and small employers, making the minimum wage the same for all. Additionally, the bill would remove the minimum wage utilized by hotels and resorts for summer work travel exchange employees, also known as the "j-wage" and the youth minimum wage.

- **Yes, and:** This bill will increase the minimum wage annually as indexed to inflation with a new cap of 5% compared to the current cap of 2.5%.

What happened: The House bill, [HF 4950](#), heads to the House Floor after passing House Labor and Industry Finance and Policy Committee yesterday on a party-line vote.

- **What's next?** We anticipate the Senate Labor Committee to hear the bill in the coming weeks. Hospitality Minnesota will continue to monitor.

Joint Employer Rule

What happened: The Federal Court in the Eastern District of Texas issued a judgment last Friday that rescinded the 2023 Joint Employer Rule and reinstated the 2020 Joint Employer Rule.

- **Why it matters:** Reverting to the 2020 Final Rule means long-established "direct and immediate" joint employer standards are now back in place along with clear and stable guidance for foodservice employers and employees.

What's next? The decision is expected to be appealed. This means Senate action is still needed to block this rule and provide lasting certainty to operators.

Beyond the Headlines: Minnesota's Political Landscape

- **Vice President Kamala Harris was in town yesterday, visiting Planned Parenthood** in St. Paul with Governor Walz.
- Tuesday night, nearly 10,000 hotel rooms occupied in Minneapolis according to Meet Minneapolis via Axio's Nick Halter. [Read the tweet.](#)
- **Walz signed School Resource Officer (SRO) bill yesterday.** At hot topic of session, legislators came together and passed school resource officer legislation.

Have a great weekend!

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