

**GOVERNMENT RELATIONS UPDATE**

ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

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By Ryan Hamilton • May 26, 2026

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**Welcome back.** The 2026 session produced real but limited progress. It should not be oversold. Minnesota's hospitality climate remains strained by labor costs, tax complexity, regulatory uncertainty, public safety concerns, high input costs, and fragile consumer demand.

Hospitality Minnesota's work now moves into the next phase: building on areas of progress, converting partial momentum into enacted reform, and continuing to make the case that Minnesota's hospitality industry needs policy that is transparent, administrable, competitive, and grounded in operational reality.

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## 2026 Legislative Session: A Session of Incremental Progress

THE LODGING, RESTAURANT, RESORT  
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# 2026 MINNESOTA LEGISLATIVE RECAP

END-OF-SESSION  
LEGISLATIVE REPORT  
FOR THE HOSPITALITY INDUSTRY

PREPARED BY HOSPITALITY MINNESOTA

**The dust has settled.** The 2026 Minnesota legislative session has adjourned, [delivering a mixed bag for the hospitality industry](#). While we didn't see sweeping reforms to the operating climate, the session moved the needle on several practical improvements and, crucially, blocked several new regulatory burdens that would have strained your bottom line.

- **Eyes ahead:** With every seat in the Legislature up for election this fall, our work now shifts to the campaign trail to ensure candidates understand the unique pressures facing restaurants, lodging, and tourism businesses.

**The bottom line:** The hospitality climate remains strained by high labor costs, tax complexity, and fragile consumer demand. However, this session is best defined by workable wins and mandates avoided.

### Quick hits:

- **Industry wins (what passed or was prevented):**
  - **Tax relief:** Preserved pass-through entity tax treatment for S-corps and LLCs.
  - **Liquor flexibility:** New licensing options for resorts, food halls, and seasonal venues.
  - **Cannabis clarity:** Clearer rules for on-site hemp beverage consumption and supply chains.
  - **Regulatory defense:** Successfully blocked broad AI wage-setting restrictions and new workplace
- **Industry battles (what failed to pass)**
  - **Junk fee reform:** Efforts to secure a hospitality-specific exemption remain a top priority.
  - **Seasonal alignment:** The push to align MN seasonal rules with the 180-day federal standard continues.
  - **Tip pooling:** Legislative recognition of tips as wages and pooling flexibility did not advance mandates.
  - **Swipe fees:** Payment-processing costs remain a structural pressure without state-level relief.

### Why it matters:

- **Operational Flexibility:** By preventing broad new workplace mandates, the Legislature preserved the flexibility needed to manage variable, seasonal, and tipped workforces.
- **Infrastructure & Safety:** New investments in outdoor recreation and Capitol Area public safety recognize that "public safety is economic infrastructure" for our members.
- **Workforce Challenges:** While we gained ground on the *understanding* of seasonal labor issues, implementation of Paid Family and Medical Leave remains a significant concern for 2027.

**View the full report:** For a comprehensive, section-by-section breakdown of how these new laws affect your specific business type, [click here](#) to read our detailed [2026 Minnesota Legislative Recap](#).

[Access the Recap](#)

## As the Interim Work Begins, You Can Count On Us

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AND CAMPGROUND ASSOCIATION

**Check back for future updates.** Additional communications will be provided as our advocacy gears up for campaign season.

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