

By Tony Burton • Mar 01, 2024

Smart Brevity[®] count: 4 mins...1017 words

From the Desk of Jill Sims: March Madness has arrived. While it's not quite NCAA basketball playoff yet, the legislature is barreling full speed ahead to its first deadline, which is March 16.

Our GR team has been busy at Minneapolis City Hall and the Capitol this week – read on to learn more about the February forecast, key bills impacting hospitality, Uber/Lyft woes, and about the upcoming Presidential Primary.

Don't forget – <u>it's the last day to register for our March 13 Day at the</u> <u>Capitol</u> and if you have registered, <u>please fill out your survey</u>!



February Forecast Released

What happened: Yesterday, <u>the Minnesota Management and Budget</u> <u>Office released its February budget forecast</u>, which gives lawmakers and the public an updated look at the state of the state's finances.

• **The bottom line:** Yesterday's report indicated that Minnesota's budget and economic outlook have improved since November.

Why it matters: After historic spending in 2024, legislators will have to prioritize and weigh what policies they fund in the future.

What they're saying: The 2024-25 biennium is now projected to end with a surplus of \$3.715 billion, an increase of \$1.324 billion compared to November projections.

Yes, and: The near-term economic outlook has improved, with growth expected to persist through 2027. The higher revenue forecast throughout the FY 2024-27 planning horizon improves the structural budgetary balance, but spending is still projected to exceed revenue through FY 2027.

We're up now, why?

- Higher collections so far this fiscal year raise the current biennium forecast for all major tax types.
- Corporate tax revenue shows the largest change, driven by higherthan-expected corporate profits through the forecast horizon.
- Spending estimates are largely unchanged from November.

Deceptive "Junk" Fees Moving, Bill Considers Prohibiting Cashless Restaurants



As we previously shared, $\underline{\text{HF} 3438}/\underline{\text{SF} 3537}$ tackling deceptive "junk" fees has been introduced and is widely expected to have a hearing in the next week or two.

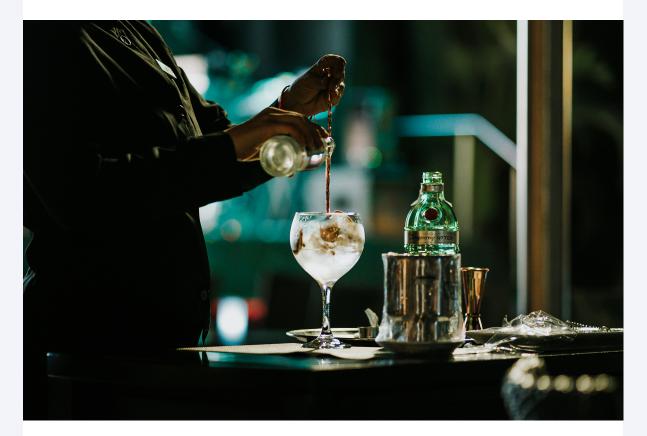
• What they're saying: On Monday, Attorney General Keith Ellison, Senator Lindsey Port and Representative Emma Greenman held a <u>press conference</u> to highlight the challenges with this bill.

What's next: We anticipate this to gain more attention and be a key issue for the legislatures Commerce committees.

• If you have any feedback on how Hospitality Minnesota should weigh in, please reach out to <u>Jill</u> or <u>Kaleb</u>. We are working with authors on the impacts to hospitality and offering technical advice.

One more thing, must take cash: This week <u>HF 4298/SF 4419</u> was introduced prohibiting retail and food establishments from operating as cashless entities. The bill is not yet scheduled for a hearing, but we're keeping our eye out as House Tax Chair Gomez and Senate Finance Chair Marty, two influential members, are carrying this legislation.

Cannabis Correction: 5 Hour Rule Fix Introduced



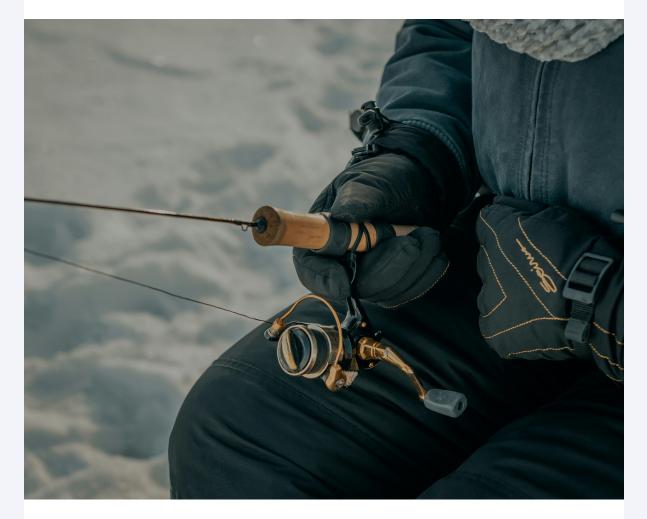
Oops: In last year's Omnibus Cannabis Bill (HF100), there is a clause that prevents serving alcohol and a THC beverage to the same customer within 5 hours. The clause would go into effect in 2025 but presents implementation and liability challenges for servers and businesses.

Problem Solvers: Hospitality Minnesota has partnered with Craft Brewers Guild and Minnesota Licensed Beverage Association to introduce legislation to fix this issue. <u>HF 4029/SF 4239</u> introduced by Representative Brad Tabke and Senator Rob Kupec would alleviate this

issue for the hospitality industry in a more thoughtful manner.

The Fix: <u>HF 4029</u>/<u>SF 4239</u> would remove the 5 hour rule and instead put language into statute that would prohibit serving individuals who are impaired – similar to existing intoxication statutes.

Communities Impacted by Trash and Waste on Ice Request Program and Appropriation



The problem: As the popularity of ice camping while ice fishing rises with larger and more functional wheelhouses, the risk to public waters through trash and human waste left behind has significantly increased.

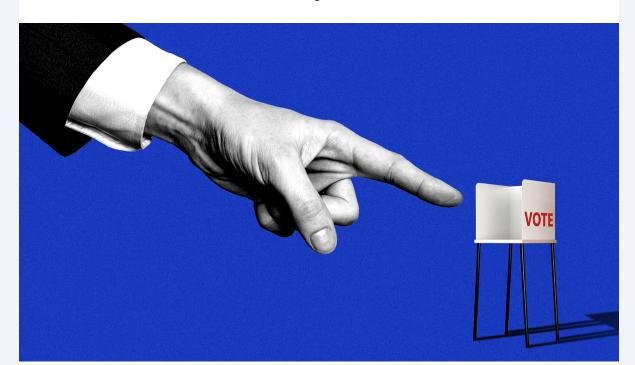
The solution: <u>HF 3362/SF 3957</u>, led by Representative Andrew Myers and Senator Aric Putnam, establishes a state-led framework for the Keep It Clean program to prevent human garage and waste from being left on the ice.

The details: The program would provide grant money to local units of governments and organizations to carry out Keep it Clean programs focused on prevention.

• It would also coordinate amongst stakeholders, establish a statewide education campaign, and coordinate media efforts.

What's next: Thursday the Senate Environment Committee heard the bill and laid it over for possible inclusion in an omnibus bill. Hospitality Minnesota submitted a letter of support for the hearing.

• We'll continue to monitor for a House hearing.



Presidential Primary Primer

What's happening: Tuesday, March 5, known as "Super Tuesday", is the day Minnesota will hold its Presidential Primary election.

• Registered voters will head to the polls to cast their ballot of the party of their choice. Major parties on the ballot in Minnesota include the Democrat Party, Legal Marijuana Now Party and Republican Party.

Are you registered to vote? Check out the Secretary of State's voter registration <u>status here</u>.

• Minnesota voters are allowed to register on Election day if able to show proof of required residence.

Where do I vote? Find your polling location for Tuesday here.

What time can I vote? Polls are open from 7:00AM – 8:00PM. The exception is town with less than 500 residents.

Remember - time off to vote: Voters have the right to take time off to work to vote without losing pay, personal leave or vacation time. Read more from the <u>Secretary of State about time off work to vote</u>.

Beyond the Headlines: Minnesota's Political Landscape

- Service-fees in the hot seat: Minnesota lawmaker pushes to ban "service fee" surcharges on restaurant bills <u>| Axios Twin Cities</u>
- MN 03 Sleeper Election: How a suburban Minnesota congressional race could impact Democrats' trifecta <u>Axios Twin</u>
 <u>Cities</u>
- McConnell Steps Down as Top Republican Leader: McConnell will step down as the Senate Republican leader after a record run in the job | <u>Star Tribune</u>

Have a great weekend!

REMINDER: Join us in advocating for hospitality and <u>register</u> <u>today</u> for our 2024 Day at the Capitol on Wednesday, March 13!

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