



By Tony Burton • Jan 12, 2024

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Note from Jill: Happy New Year! The Government Relations team at Hospitality Minnesota is growing and we're spending this month preparing for our 2024 legislative session.

Our 2024 legislative agenda will be released soon, but in the meantime read up on our new hire, 2024 Day at the Capitol, FTC's rule to eliminate restaurant service fees, local taxes comment period, and more about rideshare issues.

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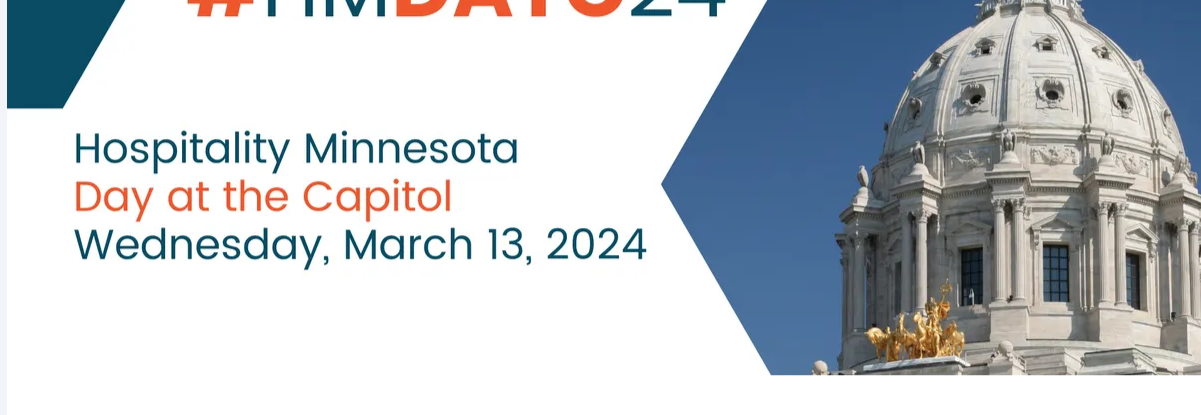
Government Relations Team Grows - Welcome Kaleb McCulloch!

What's new: We are excited to share our government relations team grew this week as we welcomed Kaleb McCulloch, our new Government Relations Manager.

- Kaleb comes to Hospitality Minnesota from Fredrikson & Byron, where he served in a business development and marketing role for the Government Relations team. Kaleb's prior experiences include the St. Paul Area Chamber and numerous campaigns.

Please join us in sending a warm welcome to Kaleb, he can be reached at kaleb@hospitalitymn.com.

2024 Day at the Capitol Registration Now Open



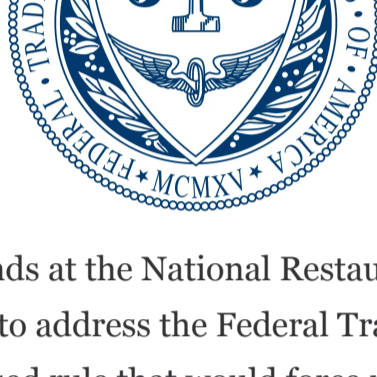
Hospitality Minnesota
Day at the Capitol
Wednesday, March 13, 2024

Hospitality Minnesota's annual Day at the Capitol will be hosted on Wednesday, March 13, 2024.

- Registration for this event is [now live](#).

Join us for a day of advocacy at the Capitol followed by a reception at Holman's Table. [Details available here](#).

FTC Considers Eliminating Restaurant Service Fees and Surcharges



What's new: Our friends at the National Restaurant Association have been working tirelessly to address the Federal Trade Commission (FTC) recently issued a proposed rule that would force restaurant operators to eliminate service fees and surcharges.

Why it matters: If this proposed rule is adopted as written, restaurant operators will have to rewrite their compensation models, increase their menu prices, and overhaul established business practices. It's expected to cost operators at least an estimated \$3.5B to carry out.

- **More info:** In its proposal, the FTC said it wanted to hear from restaurants about how this rule would impact them.

What's next: In response, the National Restaurant Association has launched a grassroots activation to help operators [submit their stories](#) to the FTC. Comments are due by February 7.

Key takeaway: The Association is working in Washington to challenge this proposal, but *the FTC needs to hear directly from you*. [Please take two minutes to share how this how this regulatory overreach would impact your business](#).

- **Dig deeper:** Check out the [National Restaurant Association's new fact sheet](#) breaking down this proposed rule or watch a recording of the recent explainer webinar [here](#).

Local Taxes Advisory Task Force Seeks Public Comment



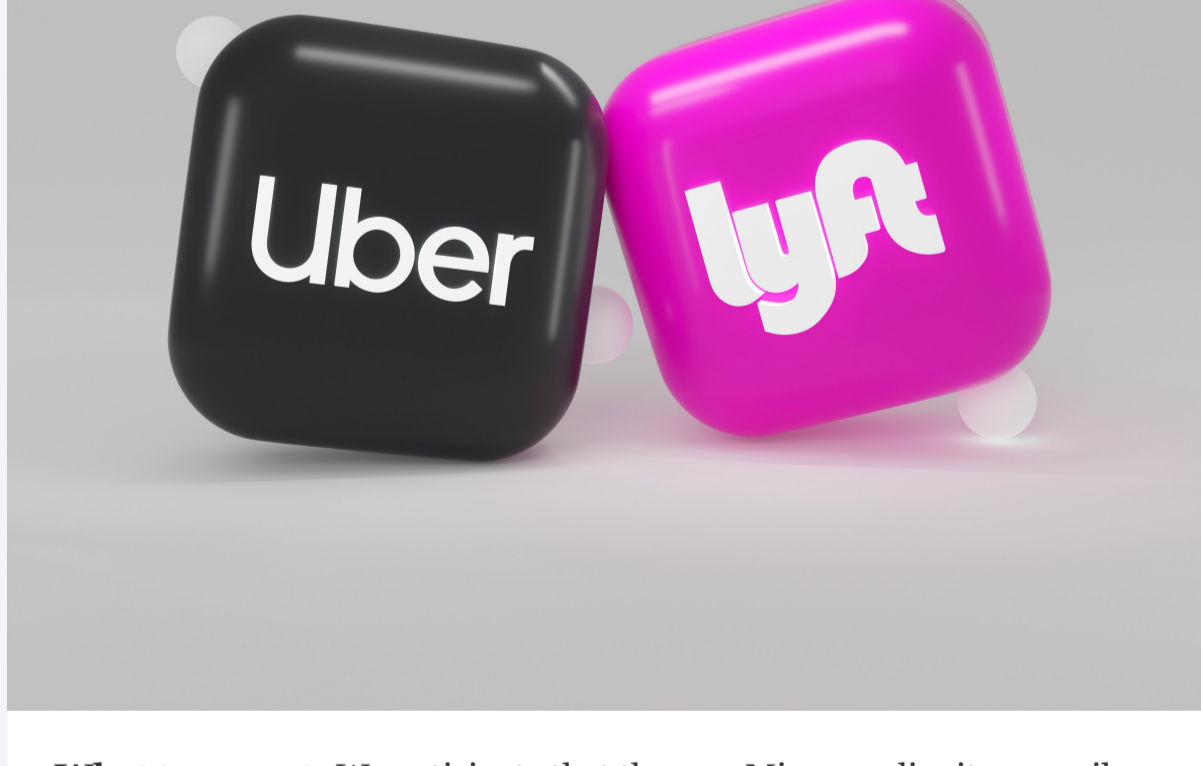
What's new: The Local Taxes Advisory Task Force is [requesting public comment](#) on its draft report that explores how Minnesota cities and counties use local taxes to fund projects and recommend possible improvements. Comments can be submitted online through Monday, January 15, at 11:59pm.

Why Does This Matter to Hospitality? The report includes the following recommendations impacting hospitality businesses:

- Allowance of cities/counties to pursue local sales tax for capital projects at convention centers with at least 50,000 square feet of meeting/exhibit space.
- No change to the lodging tax, which would continue to require any city to seek legislative approval for use beyond statutory requirements.
- Prior to seeking legislative approval for food and beverage, amusement, admission taxes as well as lodging taxes outside of statute, a local government is required to provide notice to all business subject to administering the tax and hold a public hearing.
- Consideration for administrative support to businesses through vendor collection allowance or certified service providers.

Dig Deeper: Read more about the [task force here](#).

Uber/Lyft Driver Wage and Protection Issues Continue



What to expect: We anticipate that the new Minneapolis city council, along with the legislature, will try to pass higher wages and driver protection issues once again.

- **Reminder:** A task force was convened last year following the veto from Governor Walz, [which recently concluded without making recommendations](#).

What's next: Elected officials are expected to once again seek higher minimum wages, reclassify drivers from independent contractors to non-exempt employees, provide strong protections against drivers being delisted from the platforms, and push for paid sick leave and short-term disability benefits.

- One of the main priorities at the negotiating table, a \$5 minimum per ride payment to drivers, was [recently resolved](#) when Lyft followed Uber's suit by instituting this policy.

What's happened so far: Both Governor Walz and Mayor Frey vetoed this legislation in 2023 following Uber and Lyft's decision to pull a majority of their services if passed.

The bottom line: The departure of Lyft and Uber from Minneapolis would have enormous repercussions for folks who rely on these services for their transportation along with operators who rely on them for food delivery services.

Hospitality Minnesota will continue to monitor closely and weigh in.

Beyond the Headlines: Minnesota's Political Landscape

- **We're 1 month** away from the start of the 2024 legislative session begins (February 12).
- **Legislative retirements are stacking up** – 10 State Representatives announced retirement so far, tracked by the [Legislative Reference Library](#).
- **Former House Speaker**, [Representative Kurt Daudt](#), [announced his resignation](#) effective February 11, 2024, which will trigger a special elected in 27B.
- **In-person early voting for the Minnesota Presidential Primary** begins next week, on Friday, January 19.

Feedback

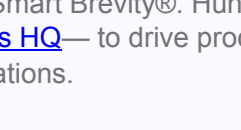
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