



2025 MINNESOTA LEGISLATIVE RECAP

END-OF-SESSION
LEGISLATIVE REPORT
FOR THE HOSPITALITY INDUSTRY

PREPARED BY HOSPITALITY MINNESOTA

Introduction



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Minnesota had yet another historic legislative session in 2025. The session had it all: a DFL boycott, three special elections, and the most closely divided legislature in the state's history. Being the first year in the legislative biennium, legislators were focused on passing a state budget in a tied House and a one-seat DFL majority Senate. This close division led to difficult decisions being made about budget cuts, and few policy changes being heard or adopted.

Hospitality Minnesota spent the session advocating for policies that support the growth and vitality of our members' businesses. Our legislative agenda prioritized four issue areas:

- Workforce Development and Education
- Business Regulation and Mandates
- Travel and Tourism Investments
- Alcohol and Cannabis Regulation

We shared our members' stories on how proposed policies in these areas would affect their business and advocated for a balanced approach that recognizes the diverse needs of our industry.

The disconnect between policymakers and our industry underscores the importance of effective advocacy and collaboration. We have worked tirelessly to bridge this gap, emphasizing the need for policymakers to better understand and address the unique dynamics of hospitality businesses.

We remain committed to championing the interests of Minnesota's hospitality industry. As we navigate the evolving legislative landscape and its impact on our members, we are dedicated to building partnerships, advancing advocacy initiatives, and promoting policies that enable our industry to rebound, grow, and prosper.

Looking back at the work done at the Capitol this year, Hospitality Minnesota:

- Testified and submitted written comments over 20 times between staff and association members,
- Hosted over 80 industry attendees for our annual Day at the Capitol, and facilitated over 100 meetings with legislators, and
- Hosted over 80 legislators during our National Travel and Tourism Luncheon.

Business Regulations and Mandates*

Break Law Modifications

- Requires employers to allow each employee a rest break of at least 15 minutes for every four hours worked, and a rest break of at least 30 minutes for every six hours worked.

Earned Sick and Safe Time (ESST) Modifications

- Allows employers to request documentation from an employee taking more than 2 consecutive days of leave; allows employees to voluntarily trade shifts to cover time they will be using ESST.

Paid Leave Premium Cap Reduction

- Reduces the paid leave premium rate cap to 1.1% from 1.2%.

Prohibition on Key Manufacturing Delayed

- Delays the 2024 law prohibiting the manufacturing of keys containing lead and cadmium until July 1, 2028 to allow more time to develop alternative metals.

Licensing Fee Increases

- Increases licensing fees for hospitality businesses, boating and other watercraft, and food handlers. You can view the full list of licensing fee increases impacting the hospitality industry [on our website here](#).

Travel and Tourism Investments*

Pre-Labor Day School Start Authorization

- Authorizes school districts to begin the school year no earlier than September 1 for the 2026-27 and 2027-28 school years.



Board member Joe Henry of the Lake of Woods Tourism testified against the Pre-Labor Day School Start Authorization.

Workforce Development and Education*

ProStart Funding

- Secures \$500,000 for Hospitality Minnesota Education Foundation's ProStart program for the next two years.

Task Force on Workforce Development Program Funding Reform

- New task force to review Minnesota's workforce development programs, funding systems, and evaluation metrics to modernize workforce development efforts funded by the state.

*Hospitality Minnesota **supported the bills highlighted green** and **opposed the bills highlighted red**.

Bills That **Did Not** Pass

Below is a list of bills that **did not** pass during Minnesota's 2025 legislative session.

Alcohol and Cannabis Regulation*

Full-Strength Beer in Grocery and Convenience Stores

- *Would have removed the current 3.2 beer law and allowed grocery and convenience stores to sell full strength beer.*

Business Regulation and Mandates*

Consumer Grocery Pricing Fairness Act

- *Would have created supply chain issues by forcing suppliers to disclose pricing contracts and discouraging suppliers from offering regional and volume-based deals.*

Local Bag Ban Prohibition Repeal

- *Would have repealed the ban on municipal bag bans that was put in place in 2017. If repealed, this likely would result in plastic bag bans.*

Sports Betting

- *Would have created the framework and allowed for legalized sports betting in Minnesota.*

Holiday Pay Increase

- *Would have required employers to pay employees time and a half for all work performed on a holiday as recognized by state and federal law.*

Prohibiting Non-Gratuity Surcharges at Restaurants

- *Would have prohibited restaurants from using service fees, hospitality fees, or other surcharges in business operations. These fees are used to provide benefits to employees and offset business costs without raising menu prices.*

Price Transparency Law Modifications

- *Would have aligned Minnesota's "junk fee" law with the Federal Trade Commission's ruling and exempted restaurants and banquet and catering from this law.*



Hospitality Minnesota member Sandra Weise of the Finnish Bistro testified against Prohibiting Non-Gratuity Surcharges at Restaurants.

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Taxes*

Tax Tier Limits Increase for Homestead Resorts

- Would have increased the tier limits for homestead resorts to help maintain the property tax relief that the legislature intended to help family-owned resorts remain viable options.

Vendor Collection Allowance

- Would have established a vendor collection allowance to reimburse businesses a percentage of sales and use tax collected and remitted to the state.

Lodging Tax Alignment for Online Travel Agencies

- Would have closed the loophole for online travel agencies requiring full remittance of the local lodging tax. This change would align the locally administered lodging taxes with state administered lodging taxes.

Restaurant Equipment Sales Tax Exemption

- Would have exempted capital equipment purchases by a restaurant from state sales tax. This exemption was previously in state law but was removed due to budget constraints, and would classify restaurants as manufacturers of food.



Hospitality Minnesota Director of Government Relations Hanna Zinn testified in support of the Restaurant Equipment Sales Tax Exemption.

Travel and Tourism Investments*

Keep It Clean Program

- Would have established a state-led framework for a program to prevent human waste and garbage from being left on the ice.

Billboard Moratorium

- Would have established a statewide moratorium on new billboards and require the decommission of existing billboards. Billboards are a valuable resource in tourism marketing.

Statewide Social Districts

- Would have allowed social districts to be created across the state, not just in Anoka, Shakopee, and Stillwater.

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