



**GOVERNMENT RELATIONS UPDATE**  
ADVOCATING FOR MINNESOTA'S HOSPITALITY INDUSTRY

By Hanna Zinn • Oct 11, 2024

Smart Brevity® count: 1.5 mins...398 words

**What happened:** Last night, the [Attorney General's Office](#) released their final guidance for [Junk Fees legislation](#) enacted by the Minnesota State Legislature last session. In the guidance, the legislation is referred to as Minnesota's New Price Transparency law.

**Stay informed:** For the Attorney General's full guidance, [click here](#).

**Important note:** I have already heard from some of you about issues with banquets, catering, food and beverage minimums, and private room fees. I have a request in to the AG's team for more guidance on these issues. We will continue to update you as we know more.

Get the need-to-know highlights below...

## Must-Knows of the Attorney General's Guidance on Junk Fees



**The big picture:** The new [Junk Fees law](#) going into effect on January 1, 2025 requires that if persons advertise, display, or offer a price, this must be the total price for a good or service, which includes all mandatory fees and surcharges.

**Yes, but:** Taxes imposed by a government entity on the transaction, such as sales tax, can be excluded from the total price advertised, displayed or offered.

- In addition, the total price does not need to include reasonable shipping costs that are actually incurred by the consumer.
- If a fee or surcharge is reasonably avoidable by consumers, it is excluded from the total price advertised, displayed, or offered.

**Examples of these reasonably avoidable surcharges include:**

1. Late fees for equipment rentals,
2. Charges for smoking in a hotel room, or
3. Credit card surcharges

**By the numbers:** The guidance includes examples of what compliant pricing would look like under the law:

<b>✓ Compliant</b>	<b>Advertised Price: \$20.00</b>
<b>✓ Compliant</b>	<b>Advertised Price: \$20.00</b> *Price includes \$2.00 service fee and \$3.00 surcharge.
<b>✗ Not Compliant</b>	<b>Advertised Price: \$15.00</b> Surcharge: \$3.00 Service Fee: \$2.00

**Yes, and:** The law allows for automatic and mandatory gratuities.

- These gratuities do not need to be included in the advertised total price, but instead, this law requires that these fees be disclosed clearly.

Here are a few more examples given by the guidance:

<b>✓ Compliant</b>	<p>Sandwich \$10.50 Salad \$7.88 Soup \$7.10</p> <p><i>All parties of 8 or more people will incur a 20% automatic gratuity.</i></p>
<b>✓ Compliant</b>	<p>Sandwich \$10.50 Salad \$7.88 Soup \$7.10</p> <p><i>All parties of 8 or more people will incur a 20% automatic gratuity.</i></p> <p><i>*All prices include a 5% health and wellness fee, which helps pay for health insurance for our employees.</i></p>
<b>✗ Not Compliant</b>	<p>Sandwich \$10.00 Salad \$7.50 Soup \$6.75</p> <p><i>All parties of 8 or more people will incur a 20% automatic gratuity.</i></p> <p><i>*All orders will incur a 5% health and wellness fee, which helps pay for health insurance for our employees.</i></p>

**What's next:** Hospitality Minnesota will continue to update our members on this important new law.

- We are busy planning various webinars, memos, and guidance sheets for you to use.
- Please reach out to Hanna Zinn, Director of Government Relations, at [hanna@hospitalitymn.com](mailto:hanna@hospitalitymn.com) with any questions or concerns.
- [Click here to view the full text of the official language of the law.](#)

That's all for today, stay tuned for next Friday's normal GR Update!

Interested in sponsoring this newsletter? Get your company's logo on our banner.

[Click here](#) to learn more and contact [Tony](#) if interested.

**Feedback**

Please share your thoughts on this edition.

Was this edition useful?



[Leave feedback](#)

Your responses are anonymous

[Unsubscribe](#)

Powered by

