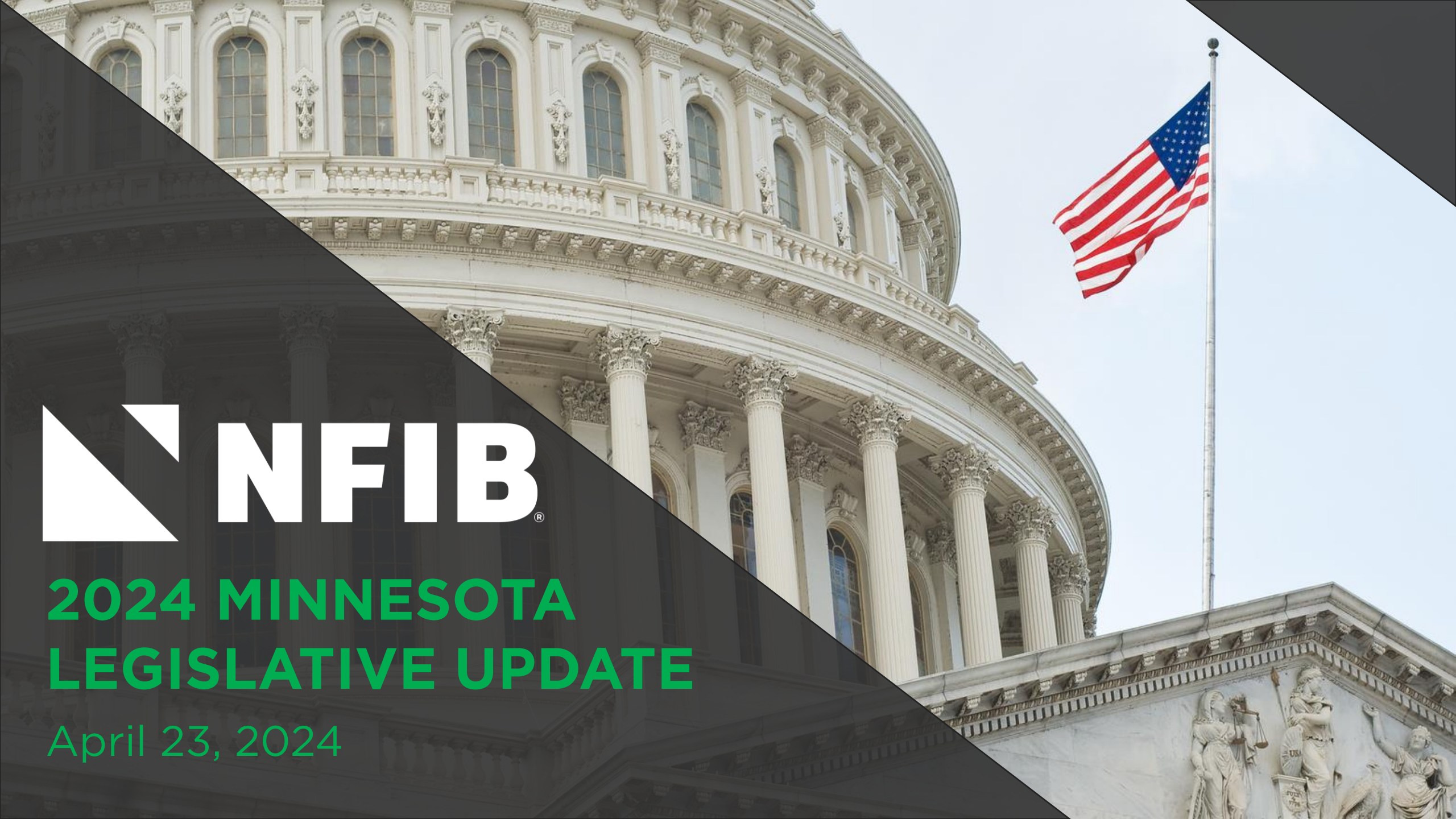




2024 MINNESOTA LEGISLATIVE UPDATE

April 23, 2024



2024 MINNESOTA SESSION UPDATE

Governor Walz (DFL)

Minnesota House: 70 DFL – 64 GOP

Minnesota Senate: 34 DFL – 33 GOP

2024 MINNESOTA SESSION UPDATE

2014-15 Budget: \$40B

2024-25 Budget: \$72B

2024-25 Budget: \$66B

Budget Outlook

Minnesota entered the 2023 session with a roughly \$18 billion surplus.

2024-25: \$3.7 billion surplus (*proj.*)

2026-27: \$1.5 billion deficit (*proj.*)

2024 MINNESOTA SESSION UPDATE

MINIMUM WAGE

\$20/Hour Proposal – NOT MOVING

- Would hike statewide minimum wage to \$15/hour by Aug. 1, 2024
- 2025-2028: \$1.25 per year increase until \$20/hour
- Indexed to inflation thereafter

Inflator Cap & Subminimum Wage Proposal – ALIVE

- Increases cap on annual inflator from 2.5% to 5%
- Eliminate most subminimum wages (small business rate, youth employee, etc.)
- Retains 90-day training wage (under 20 years old): \$8.85/hour

2024 MINNESOTA SESSION UPDATE

CONTRACTOR & OCCUPATIONAL REGULATIONS

Worker Classification Regulations & Penalties – ALIVE

- Authorizes MN DLI to hold owners, partners, shareholders personally liable for worker misclassification violations (unprecedented)
- Establishes multi-agency task force on worker misclassification
- Substantive changes to construction worker independent contractor test
- Eliminates IRS Section 530 Safe Harbor at state level

Painter Licensing & Solvent-Based Paint Restrictions – NOT MOVING

- Require additional license for ANYONE engaged in ANY painting for hire
- Require painter's license to buy more than a gallon of solvent-based paint material

2024 MINNESOTA SESSION UPDATE

EMPLOYER MANDATES

Credit Card Processing Fees on Gratuities – **ALIVE**

- Prohibits an employer from deducting part of the credit card processing fee from an employee's gratuity

Pay Ranges in Job Postings – **ALIVE**

- Requires employers to include good faith pay range in all job posting
- Does not apply to businesses with fewer than 30 employees

Unemployment Checks for Striking Workers – **NOT MOVING**

- Would make Minnesota the only state to provide UI checks to striking workers from nearly day one of a labor dispute (and one of few to provide UI at all)

2024 MINNESOTA SESSION UPDATE

PAID FAMILY AND MEDICAL LEAVE

Starts: 1/1/2026

Time Off: up to 20 weeks per year

- 12 weeks for employee's own medical
- 12 weeks for parental or family caregiving
- expansive definition of family

Funding: 0.7% payroll tax (yr. 1)

- on wages up to FICA limit
- can increase to maximum of 1.2% per year

Run By New State Agency with 400 Employees

PFML Development Progress

- MN DEED issued RFP for IT Vendor in Jan. 2024
- Issuing RFIs for feedback on implementation
- Anticipate wage reporting beginning in Fall 2024
 - will utilize UI wage reporting system
- Rulemaking TBD

2024 MINNESOTA SESSION UPDATE

PAID FAMILY AND MEDICAL LEAVE

MN DEED Proposed Changes (2024):

- Modify Small Employer PFML Tax rate:
 - total small employer rate = 75% of full PFML Tax rate
 - qualifying employers pay 25% of this amount
 - can pay all/part of employee share voluntarily
- Make first week of PFML paid for *some* workers
 - employees w/less than 80 hours = full payment
 - employees w/80-120 hours = partial payment
 - significant impact on total program cost
- Weakens claim notification by state to employers

NFIB MN continues to push for BIG changes:

HF 3530 (Rep. Dave Baker)/SF 3874 (Sen. Julia Coleman):

- makes program voluntary for small businesses
- reduces annual leave from 20 weeks to 12 weeks
- permanently caps payroll tax at 0.7%
- exempts seasonal businesses
- exempts seasonal and part-time employees
- eliminates 'paid leave for anyone' loophole
- eliminates reinstatement requirements

2024 MINNESOTA SESSION UPDATE

EARNED SICK AND SAFE TIME

Effective: 1/1/2024

Time Off: up to 6 paid days per year

- employees receive 1 hour of ESST for every 30 hours worked, up to 48 hours per year
- employees can carry over unused time, up to 80 hours at any one time
- employer can avoid carryover by paying out unused ESST hours or frontloading 80 hours each year
- if existing paid time of policy meets or exceeds ESST, do not need to add ESST on top

Uses: employee and family sick time, domestic abuse, weather emergencies, public health emergencies

MN DLI/DFL Proposed Changes:

- Clarifies base wage rates for hourly, salaried, and commission-based workers
 - commission-based: highest applicable minimum wage rate
- Removes requirement for ESST hours used/available to be included on pay statement
 - must provide ESST used/available in writing or electronically at end of each pay period
- Allows ESST to be used to attend funeral or address financial matters arising from death of family member

2024 MINNESOTA SESSION UPDATE

EARNED SICK AND SAFE TIME

NFIB MN is Pushing for Bigger Changes

HF 4462 – Rep. Isaac Schultz/SF 5135 – Sen. Rich Draheim would:

- Reduce ESST hours pay to 50% of employee's regular pay for small employers (<25 employees)
- Exempt employees who are: minors, relatives of an owner, part-time, or seasonal
- Eliminate the 'time off for anyone' loophole
- Allow employers to withhold ESST payment when proper advance notice of an absence is not provided

2024 MINNESOTA SESSION UPDATE

HEALTHCARE

Government-Controlled Public Option:

- Expands MinnesotaCare to all income levels
 - income limited in 2028-29, open to all in 2030
- Would pay for 95% of covered medical expenses
- Very expensive:
 - Requires ~\$700 million/year in taxpayer subsidies
 - including \$350 million from state
 - Low payments to clinics and hospitals
 - shifts costs onto those with private insurance
 - Given budget deficit, likely requires new taxes to fund
- Gov. Walz wants further study of the public option
 - is not pushing the program this year
- Business groups, hospitals, insurers, trade unions all opposed to public option
- Few other states have tried a public option
 - most have struggled to attract enrollees
 - health providers hesitant to participate due to low reimbursement for services (50% of commercial)

2024 MINNESOTA SESSION UPDATE

HEALTHCARE

Health Insurance Coverage Mandates

- Scalp hair prosthetics for cancer patients
 - Gender-affirming care
 - Intermittent catheters
 - Abortion
 - Orthotic and prosthetic devices
 - Rapid whole genome sequencing
 - Infertility treatments
 - Amino acid-based infant formula
- Minnesota already has the most coverage mandates in the country
 - Each coverage mandate adds 1-2% to cost of health coverage

2024 MINNESOTA SESSION UPDATE

OTHER PROPOSALS

Full-Time Legislature Amendment

- Would remove time limits on legislative sessions:
 - Allow legislators to meet year round
 - Allow them to meet for unlimited number of days
- Empowers career politicians, harder for working people to serve in Legislature
- More time \neq better outcomes
- Other full-time states: NY, CA, MI, PA

Private/State Land Transfer Bills

- *To Red Lake Nation:* Upper Red Lake, Lakeshore Perimeter, Red Lake State Forest
- *To White Earth Nation:* White Earth State Forest
- Tribal Right of Refusal for Tax Forfeited Lands in Tribal Reservations

2024 MINNESOTA SESSION UPDATE

CONCLUSIONS

Fewer Centrists, Less Compromise

- Minneapolis/St. Paul ideology is expanding to suburbs and regional centers
- Fewer centrists in both parties
- Little common ground or relationship-building between DFL and GOP



Rep. Andy Smith

@AndySmithMN



New layer of nesting doll.

I think you are confusing the terms wages, income, and profit.

Wages and income are certainly necessary in our current economic system.

Profits are not.

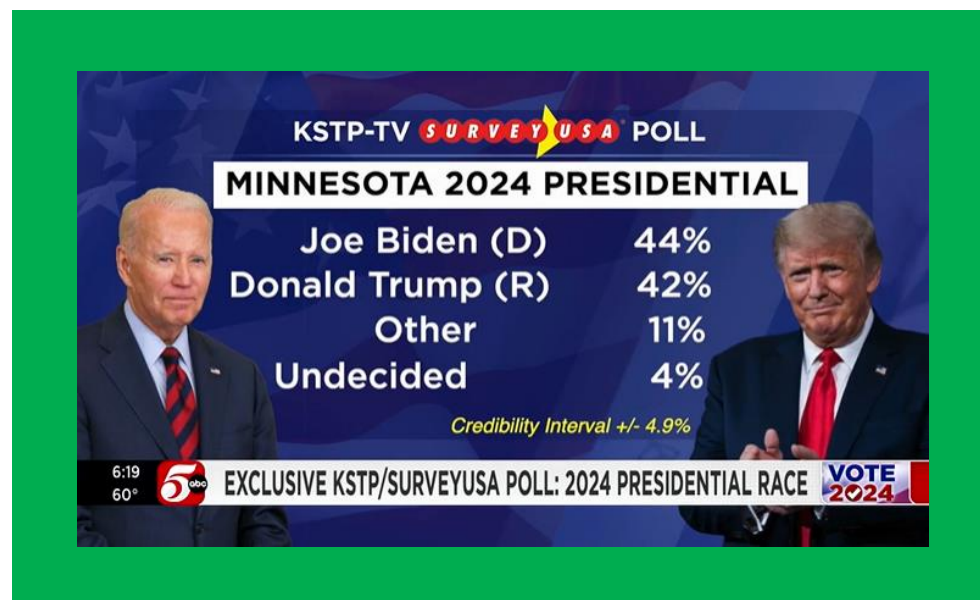
Excessive profits = wage theft.

2024 MINNESOTA SESSION UPDATE

POLITICAL OUTLOOK

Polls Show Minnesota Is Closely Divided

- KSTP released poll 4/8
- Minnesota House:
 - Republicans: 45%
 - Democrats: 44%
- U.S Senate:
 - Klobuchar (D): 51%
 - Fraser (R): 34%



	Age			
	18-34	35-49	50-64	65+
Donald Trump	54%	36%	43%	35%
Joe Biden	25%	49%	45%	54%
Other	17%	10%	10%	6%
Undecided	4%	4%	2%	4%
Total	100%	100%	100%	100%

2024 MINNESOTA SESSION UPDATE

LOOKING FORWARD

November 2024 Elections: Minnesota House

2022: 25 races decided by < 10 points

Democrats hold a 4-seat majority

2024 MINNESOTA SESSION UPDATE

18 RACES TO WATCH

Key Minnesota House Races – Greater Minnesota

- Winona (D-Open)
- St. Peter/North Mankato (D)
- St. Cloud/Waite Park (1 D, 1 R)
- Cloquet/Kettle River (R)
- Hermantown (R)
- Iron Range/Arrowhead (D)

Key Minnesota House Races – Twin Cities

- Shakopee (D)
- Savage/Burnsville (D)
- Chaska/Chanhassen (R)
- Excelsior/Mound (R)
- Rogers/Champlin (R)
- Blaine (D)
- Coon Rapids (2 D)
- Lino Lakes (R)
- Lake Elmo/Cottage Grove (R-Open)
- Hastings/Cottage Grove (R-Open)

2024 MINNESOTA SESSION UPDATE

LOOKING FORWARD

NFIB Minnesota PAC

- Help elect local candidates who will support small businesses priorities through sound public policy.
- 100% of your contribution goes to supporting Minnesota candidates and Minnesota political programs.

2022 NFIB MN PAC Recap

- 75% of NFIB MN PAC-endorsed candidates won
- 63% of candidate contributions went to candidates in competitive races decided by less than 10 points
- 67% of MN Senate contributions went to winning candidates
- 62% of MN House contributions went to winning candidates

www.nfib.com/nfib-give-minnesota-pac

THANK YOU!

WORKING FOR MAIN STREET

State Director: John Reynolds (651-293-1289)

Grassroots Manager: Ben Abrahamson (218-969-5121)

Learn more at [NFIB.com/Minnesota](https://www.nfib.com/Minnesota)

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