



180 5th St. E. Ste. 260
St. Paul, MN 55101

651-293-1283
NFIB.com/MN
Twitter: @NFIB_MN

March 29, 2023

Senate File 34 (Pappas)

Dear Chair Marty and Members of the Senate Finance Committee,

The National Federation of Independent Business (NFIB) represents over 10,000 small businesses in every corner of Minnesota. Our average member employs ten Minnesotans, and we advocate for the best interests of Main Street.

Small businesses work hard to take care of their employees and contribute to their communities, often on increasingly thin margins and vanishing bottom lines. On a bipartisan basis, Minnesota lawmakers have long recognized that employment regulations place a heavier burden on small employers and avoided imposing on them the same obligations as our state's largest companies.

Senate File 34 presents unique challenges and poses serious penalties for small businesses at a time when many are struggling from inflation, supply disruptions, and rising labor costs. The bill requires small employers to provide up to 48 hours of paid sick and safe leave in the first year of employment and up to 80 hours of paid sick and safe leave in subsequent years.

Unlike local ordinances in Duluth, Minneapolis, and Bloomington, and paid sick laws in Arizona, Connecticut, Maryland, Massachusetts, New York, Oregon, Rhode Island, and elsewhere, it contains no exceptions for small businesses. It also departs from most state paid sick time laws by requiring both payout of unused paid sick at the end of a year *and* front loading of paid sick hours at the beginning of the next year to avoid accrual above the base paid sick hours.

For an employer with 10 employees earning an average hourly wage of \$20 who use half of the 48 hours, this mandate results in added costs of \$4,800 per year. If the employer wants to keep the maximum at 48 hours each year, the cost rises to \$9,600 per year.

We urge lawmakers to follow the lead of many other states and municipalities by reducing the burden of this mandate on Main Street businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'John L. Reynolds'.

John L. Reynolds
Minnesota State Director
National Federation of Independent Business
john.reynolds@nfib.org