



March 22, 2023

Dear Members of the Senate Labor Committee:

On behalf of the Minnesota Chamber of Commerce representing more than 6,300 businesses and more than half a million employees throughout Minnesota, thank you for the opportunity to reiterate our concerns with Sections 28-30 (SF 1018; Sen. Maye Quade) of the A5 amendment to SF 1384, the Labor Policy Omnibus Bill.

Minnesota businesses don't have the luxury of considering tax and labor policies, state spending, and regulatory decisions separately, in a vacuum. Employers – particularly our state's small and mid-sized businesses – are at risk of a multitude of paid leave mandates, increased workplace regulations, and operational restrictions in addition to proposals that increase their tax bill under various proposals currently under consideration.

Sections 28-30 of the A5 amendment propose several concerning updates to expand the reach of these statutes by eliminating longstanding provisions which received bipartisan agreement in previous legislative sessions. This includes removing exemptions for small employers and striking language that prevents unduly disrupting operations. It also removes the 12-month waiting period before an employee can exercise certain privileges.

Further, the bill is set to take effect in the middle of the current calendar year on July 1, 2023. Employers would have just a few months to update policies, alter physical structures, notify employees, and obtain translation of documents they are required to provide. This is incredibly disruptive and costly, especially for the smallest employers who are newly subject to the requirements of this bill.

Cost, compliance and operational impacts of mandates such as the one being considered today put pressure on employers, especially small employers. Increased costs further limit resources available for employee compensation, job growth, and expansion in Minnesota.

The Chamber supports providing our smallest businesses with some relief from the financial and operational impacts of this mandate, including adjusting the effective date, reinstating undue hardship provisions and some employment attachment provisions, and maintaining reasonable small business exemptions. With these changes, the Chamber would be neutral on Sections 28-30; without these changes, the Chamber recommends deleting them.

Sincerely,

Lauryn Schothorst

Director, Workplace Management and Workforce Development Policy