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## Minnesota Chamber challenges Minneapolis minimum wage ordinance President Doug Loon highlights local ordinance as out of local jurisdiction

ST. PAUL – The Minnesota Chamber of Commerce today filed a lawsuit in Hennepin County District Court against the city of Minneapolis. The action challenges the Minneapolis minimum wage ordinance as unlawful on the grounds that it conflicts with existing state law. The action also asks the court to prevent Minneapolis from enforcing the ordinance.

“Employers know what they have to pay to compete for a talented workforce and to deliver goods and services at a competitive price,” said Doug Loon, Minnesota chamber president. “A patchwork of local laws creates burdensome and time-consuming regulations on employers. They make it increasingly difficult for businesses to have a compensation system that works for employees and employer alike and hinder the creation of jobs.”

The ordinance creates a new Minneapolis minimum wage for any employer with employees working in Minneapolis as few as two hours per week, regardless of whether their physical offices are located within or outside the Minneapolis city limits. The wage is increased to \$10 per hour effective Jan. 1, 2018, and is ratcheted up to \$15 in 2024 for small and large employers.

Loon emphasized that, from a practical standpoint, a patchwork of inconsistent local laws creates an administrative nightmare for employers, especially those with facilities in multiple locations.

“Businesses will spend more time understanding and complying with laws and less time innovating, growing and hiring new employees.” The Chamber’s concern with this ordinance is not unlike its issues with the Minneapolis paid sick and family leave ordinance, which it has also challenged in the courts. “Both ordinances undermine the market forces and creativity which are making Minnesota jobs among the most desirable in the nation,” he said.

The Minnesota Chamber is challenging the ordinance because Minnesota’s Legislature, through existing law, has set the minimum wage, Loon said. The statewide minimum wage now is \$9.50 per hour and increases annually by inflation beginning next year. Effective Jan. 1, the new rate will be \$9.65.

Joining the Minnesota Chamber as co-plaintiffs are Graco Inc., the Minnesota Recruiting and Staffing Association and the TwinWest Chamber of Commerce.

“The patchwork of municipal regulations ignores the practical realities of the growing short-term workforce and the needs of their employers,” said Kathy Harrell-Latham, vice president of the staffing association. “Staffing firms have a large mobile workforce and the costs of complying with the unreasonable administrative requirements imposed by this ordinance jeopardize the critical bridge to long-term employment provided by our members.”



The Minnesota Chamber also is challenging the city of Minneapolis on the legality of its paid sick and safe time ordinance, which went into effect July 1, 2017. The Minnesota Court of Appeals ruled in September that the city may not require employers located outside the city limits to provide employees with certain paid leave. The court also ruled that, for now, the city could impose that mandate on employers located within the city. The Minnesota Chamber is appealing the ruling to the Minnesota Supreme Court.

“The Minneapolis city government unfortunately has strayed into public policy that has always been left to federal and state authorities,” Loon said. “This and other wage and benefit mandates passed by Minneapolis – and passed and contemplated by other cities – threaten to open the floodgates to a whole new area of legislating for local governments. This overreach ought to be stopped, and municipal authorities should not stray in their authority.”