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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1765

04/11/2013 Authored by Nelson

The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries

04/16/2013 Adoption of Report: Pass and re-referred to the Committee on Rules and Legislative Administration

04/17/2013 Adoption of Report: Pass and re-referred to the Committee on Government Operations

04/18/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Commerce and Consumer Protection Finance and Policy

04/25/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to commerce; requiring labor peace agreements on certain qualifying  
1.3 projects; defining terms.  
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **LABOR PEACE AGREEMENTS.**

1.6 (a) The state recognizes the need to protect public investments made in certain  
1.7 capital projects which may involve hospitality operations such as hotels. The efficient and  
1.8 uninterrupted operation of these hospitality services, and the associated public investment,  
1.9 may be threatened by labor disputes. The state finds that labor peace agreements in which  
1.10 labor unions voluntarily agree not to engage in picketing, boycotts, work stoppages, or  
1.11 any other economic interference at a hospitality business are the most effective method of  
1.12 ensuring continuous operation of hospitality businesses receiving state or local government  
1.13 investment. It is the policy of the state that labor peace agreements are required as a  
1.14 prerequisite for receiving state or local government participation on any qualifying project  
1.15 in which the state or a local government has a proprietary interest, or acts as a market  
1.16 participant, if the project will result in the employment of hospitality workers.

1.17 (b) For the purposes of this section:

1.18 (1) the state or a local government has a proprietary interest in a project where  
1.19 it finances the project in whole or in part by any of the following: providing a grant,  
1.20 providing a loan, guaranteeing any payment under any loan, lease, or other obligation,  
1.21 providing tax increment financing, contributing revenue on general obligation bonds, or  
1.22 providing a tax abatement, reduction, deferral, or credit;

(2) the state or a local government acts as a market participant in a project when it is the owner of the project, is an equity investor in the project, or donates, sells, or leases real property, personal property, or infrastructure in support of the project;

(3) "qualifying project" means a project that is located in a county that contains a city of the first class as defined under Minnesota Statutes, section 410.01, and includes the construction or development of a hotel; a food and beverage operation that is integral to a hotel, a major league or minor league sports facility, a convention center, or a civic center; or a cultural venue with catering or cafeteria facilities;

(4) "hospitality workers" means all full-time or regular part-time employees of hotels and their integral food and beverage operations as well as all full-time or regular part-time employees providing food and beverage, concession, catering, cafeteria, or merchandise services at sports facilities, convention centers, civic centers, or cultural venues, excluding supervisors, managers, and guards;

(5) "employer of hospitality workers" means an employer of hospitality workers who will be employed as a result of a qualifying project, and includes a developer of a state or local government-owned facility that is all or part of a qualifying project and a developer of a facility benefiting from state or local government financial participation in a qualifying project;

(6) "labor peace agreement" means a valid contract that sets forth agreements by and between an employer of hospitality workers and any labor organization seeking to represent hospitality workers on the process the employer and union will follow as the hospitality workers who will be employed as a result of the project choose whether or not to organize as a unit for collective bargaining with the employer; and

(7) "local government" includes counties, cities, towns, and any development authority established under Minnesota Statutes, chapter 469.

(c) Any employer of hospitality workers on a qualifying project must have negotiated and executed a labor peace agreement with any interested labor organization prior to, and as a condition precedent of, the approval of financial assistance that causes the state or local government to hold a proprietary interest in the project. When the state or a local government acts as a market participant in the project, any employer of hospitality workers must have a signed labor peace agreement with any interested labor organization prior to, and as a condition precedent to, its contract with the state or local government.

(d) To fulfill the condition precedent to state or local government participation, a labor peace agreement must contain:

(1) a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppages, boycotts, or any other economic interference with the

employer's hospitality operations on the qualifying project for the duration of the state or local government's ongoing financial interest in the qualifying project or for five years, whichever is greater;

(2) a provision requiring that during the duration of the agreement all disputes relating to employment conditions or the negotiation thereof shall be submitted to final and binding arbitration; and

(3) a provision requiring the employer of hospitality workers to incorporate the terms of the labor peace agreement in any contract, subcontract, lease, sublease, operating agreement, concessionaire agreement, franchise agreement, or other agreement or instrument giving a right to any other employer of hospitality workers to own or operate the project or activities within the project.

(e) If an employer of hospitality workers has valid collective bargaining agreements with recognized unions that cover, or will cover, the hospitality workers that will be employed as a result of the qualifying project, those agreements satisfy the requirements of this section.

(f) This section shall not apply to projects that receive less than \$1,000,000 dollars of the total cost of the project from state and local government sources.

(g) Nothing in this section requires an employer to recognize a particular labor organization. This section is not intended to enact or express any generally applicable policy regarding labor management relations or to regulate those relations in any way. This section is not intended to favor any particular outcome in the determination of employee preference regarding union representation.

(h) Nothing in this section denies any financial assistance approved prior to August 1, 2013.