

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 5278

(SENATE AUTHORS: MCEWEN and Dibble)

DATE
05/11/2026

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Introduction and first reading
Referred to Labor

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to employment; requiring covered employers to provide commuter benefits
1.3 to covered employees; proposing coding for new law in Minnesota Statutes, chapter
1.4 181.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [181.9449] COMMUTER BENEFITS.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Covered employee" means any person who performs an average of at least 35 hours
1.10 of work per week, on a full-time basis, for compensation by a covered employer.

1.11 (c) "Covered employer" means any individual, partnership, association, corporation,
1.12 limited liability company, nonprofit organization, business trust, state, county, town, city,
1.13 school district, or other political subdivision that directly or indirectly, or through an agent
1.14 or any other person, employs or exercises control over wages, hours, or working conditions
1.15 of an employee and that:

1.16 (1) is located in a city of the first class; and

1.17 (2) employs 50 or more employees in a geographic area specified in clause (1) at an
1.18 address that is located within one mile of a regular route transit service.

1.19 (d) "Public transit" or "transit" has the meaning given in section 174.22, subdivision 7.

1.20 (e) "Regular route transit" has the meaning given in section 174.22, subdivision 8.

2.1 (f) "Transit pass" means any pass, token, fare card, voucher, or similar item entitling a
2.2 person to transportation on public transit.

2.3 Subd. 2. **Commuter benefit program.** (a) A covered employer must provide a pretax
2.4 commuter benefit to covered employees. The pretax commuter benefit must allow employees
2.5 to use pretax dollars for the purchase of a transit pass via payroll deduction, so that the costs
2.6 for the purchase are excluded from the employee's taxable wages and compensation up to
2.7 the maximum amount permitted by federal tax law, consistent with United States Code,
2.8 title 26, section 132(f), and any corresponding rules and regulations. A covered employer
2.9 may comply with this subdivision by participating in a program offered by the Metropolitan
2.10 Council, a replacement service provider under section 473.388, or other transit authority or
2.11 responsible governing body in a city of the first class, as applicable.

2.12 (b) All covered employers may also provide employer-sponsored transit programs or
2.13 subsidies for qualified transportation expenses, including but not limited to reimbursements
2.14 for walking, biking, and carpooling or vanpooling.

2.15 (c) This benefit must be offered to all employees beginning with the employee's first
2.16 full pay period after 120 days of employment. All transit authorities and metropolitan
2.17 planning organizations must market the existence of this program and the requirements
2.18 under this section to riders to inform affected employees and employers.

2.19 Subd. 3. **Covered employers map.** The Metropolitan Council and other transit authority
2.20 or responsible governing body in a city of the first class, as applicable, must make publicly
2.21 available a searchable map of addresses that are located within one mile of regular route
2.22 transit.

2.23 Subd. 4. **Application.** Nothing in this section shall be deemed to interfere with, impede,
2.24 or in any way diminish the right of employees to bargain collectively with their employers
2.25 through representatives of their own choosing in order to establish wages or other conditions
2.26 of work in excess of the applicable minimum standards provided in this section. Nothing
2.27 in this section shall be deemed to affect the validity or change the terms of a bona fide
2.28 collective bargaining agreement in force on the effective date of this section. After the
2.29 effective date of this section, the requirements under this section may be waived in a bona
2.30 fide collective bargaining agreement, but only if the waiver is set forth explicitly in the
2.31 agreement in clear and unambiguous terms.

2.32 **EFFECTIVE DATE.** This section is effective