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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

1.1 A bill for an act
1.2 relating to tax increment financing and other publicly financed projects;
1.3 modifying requirements for receipt of public funds.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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

1.6 (a) Any qualifying project financed in whole or in part by public funds, that will
1.7 result in the employment of covered workers, must have a labor peace agreement prior to
1.8 receipt of any public funds.

1.9 (b) For the purposes of this section, the following terms have the meanings given
1.10 to them:

1.11 (1) "covered worker" means a person employed in an industry under North American
1.12 Industry Classification System (NAICS) code 721100;

1.13 (2) "labor peace agreement" means an agreement between a developer of a facility
1.14 benefitting from the receipt of public funds and the labor organization that is most actively
1.15 engaged in representing and attempting to represent covered workers in the county in
1.16 which the project is located. The labor peace agreement must be an enforceable agreement
1.17 which meets industry standards on such agreements and which prohibits the labor
1.18 organization and its members from engaging in any boycott or other activity advising
1.19 customers not to patronize a business that is part of the project for at least the first five
1.20 years of the project's operations. The agreement must cover all operations at the business
1.21 that will be performed by covered workers;

1.22 (3) "public funds" means a state or local government agency grant, contribution of
1.23 personal property, real property, infrastructure, the principal amount of a loan at rates
1.24 below those commercially available to the recipient, any reduction or deferral of any tax

2.1 or any fee, any guarantee of any payment under any loan, lease, or other obligation, or
2.2 any preferential use of government facilities by a recipient. Public funds includes tax
2.3 increment financing under sections 469.174 to 469.179; and

2.4 (4) "qualifying project" means a project located in a county that contains a city of the
2.5 first class as defined under section 410.01 and that results in the construction of a hotel, a
2.6 food and beverage operation that is integral to or adjacent to a hotel, a sports facility, a
2.7 convention center, a civic center, or a cultural venue with catering or cafeteria facilities.

2.8 (c) Prior to the receipt of public funds, and as a condition precedent to receipt of
2.9 public funds, a recipient of public funds must:

2.10 (1) sign a labor peace agreement with the labor organization; and

2.11 (2) submit to the commissioner a copy of the labor peace agreement, executed
2.12 by all of the parties.