

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 2157

(SENATE AUTHORS: CHAMBERLAIN)

DATE
03/16/2017

D-PG
1541 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to local government aid; establishing aid reductions for cities imposing
 1.3 labor regulations; proposing coding for new law in Minnesota Statutes, chapter
 1.4 477A.

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

1.6 Section 1. **[477A.0175] AID REDUCTIONS FOR CITIES IMPOSING LOCAL**
 1.7 **LABOR REGULATIONS.**

1.8 **Subdivision 1. Penalty for a city imposing special local labor regulations.**

1.9 Notwithstanding any other law to the contrary, a city may not receive an aid payment under
 1.10 sections 477A.011 to 477A.03 if the city imposes any special local labor regulations. The
 1.11 state auditor shall provide to the commissioner of revenue by June 1 and December 1 each
 1.12 year a list of all cities imposing local labor regulations as of that date. The commissioner
 1.13 of revenue will not make the first payment of aid under section 477A.015 to any city on the
 1.14 state auditor list on June 1 of that calendar year. The commissioner shall not make the second
 1.15 payment of aid under section 477A.015 to any city on the state auditor list on December 1
 1.16 of that calendar year.

1.17 **Subd. 2. Certification, state auditor's list.** (a) By November 15, 2017, the mayor of
 1.18 each city must file a certification with the state auditor stating whether the city is imposing
 1.19 a special local labor regulation as defined in subdivision 4. Beginning with financial reports
 1.20 filed after January 1, 2018, each city filing financial reports under section 477A.017 must
 1.21 include with the report a certification by the city mayor, stating whether the city is imposing
 1.22 any special local labor regulation as defined in subdivision 4. A city that fails to file a
 1.23 certification required under this subdivision is presumed to be imposing special local labor

2.1 regulations until the certification is received. A city may amend its certification as provided
2.2 in paragraph (b).

2.3 (b) By June 1 and December 1 of each year, the state auditor must compile a list of cities
2.4 that:

2.5 (1) filed a certification stating that the city imposes special local labor regulations; or

2.6 (2) failed to file the required certification.

2.7 (c) If a city's status as a city imposing special local labor regulations is altered by a
2.8 change in ordinance or policy or by court order, the city's mayor must file an amended
2.9 certification with the state auditor.

2.10 (d) The state auditor shall determine the form of the certification and amended
2.11 certification. A certification attesting that the city imposes local labor regulations must
2.12 require a statement of the basis for the city's status under subdivision 4. An amended
2.13 certification must require an explanation for the alteration in status under subdivision 4.

2.14 **Subd. 3. Court challenge to whether a city is imposing special local labor regulations.**

2.15 (a) Any taxpayer may challenge a city mayor's certification regarding whether a city is
2.16 imposing special local labor regulations by petitioning for a writ of mandamus or other
2.17 appropriate relief in the district court for the county where the city is located or in any other
2.18 court of competent jurisdiction.

2.19 (b) In an action under paragraph (a), a court may make a determination regarding a city's
2.20 status as a city imposing special local labor regulations under subdivision 4. If appropriate,
2.21 the court may order a city to file an amended certification. Within 30 days of issuing an
2.22 order requiring a city to file an amended certification, the court must transmit a copy of the
2.23 order to the state auditor. A city that fails to file an amended certification required by court
2.24 order is presumed to be imposing local labor regulations until the amended certification is
2.25 received.

2.26 **Subd. 4. Definitions.** (a) For purposes of this section, the following terms have the
2.27 meanings given.

2.28 (b) "City imposing special local labor regulations" means a statutory or home rule charter
2.29 city that has imposed a special local labor regulation on an employer or employers located
2.30 in or doing work in the city.

2.31 (c) "Employer" means a private person employing one or more employees in the state.

3.1 (d)(1)"Special local labor regulation" means an ordinance, local resolution, or local
3.2 policy enacted by the city:

3.3 (i) requiring an employer to pay an employee a wage higher than the applicable state
3.4 minimum wage rate provided in section 177.24;

3.5 (ii) requiring an employer to provide either paid or unpaid leave time;

3.6 (iii) regulating the hours or scheduling of work time that an employer provides to an
3.7 employee, not including an ordinance, local resolution, or local ordinance limiting the hours
3.8 a business may operate; or

3.9 (iv) requiring an employer to provide an employee a particular benefit, term of
3.10 employment, or working condition.

3.11 (2) The term "special local labor regulation" does not include hours, benefits, paid or
3.12 unpaid leave, attendance policies, or other terms of employment or working conditions that
3.13 a city:

3.14 (i) provides to its own employee;

3.15 (ii) requires an employer to provide to its employee to the extent that employer is
3.16 providing goods or services to the local government, and the requirement applies specifically
3.17 to work performed in providing goods or services to the local government; or

3.18 (iii) requires an employer to provide to its employee to the extent that employer is
3.19 receiving funding from the local government or is providing goods or services funded in
3.20 whole or in part by the local government, when the requirement is an express condition of
3.21 the funding.

3.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.23 applies beginning with the second aid payments under section 477A.015 in calendar year
3.24 2017.