



Tuesday, March 9, 2021

Dear Members of the House Judiciary Finance and Civil Law Committee,

On behalf of Americans for Prosperity activists across Minnesota, I am writing today to urge a “No” vote on HF7 and HF1200, which would impose different forms of paid leave mandates on Minnesota employers. AFP-MN believes the free market – not government mandate – is the best solution for creating compensation and benefit packages that meet the needs of both employers and employees.

HF1200 would create a new entitlement program funded by a payroll tax on all employees and employers across the state. The bill would in effect lead to a double-digit tax hike on the lowest income tax bracket, the very people who can least afford it. Punishing businesses and their employees with new taxes is bad enough, but this bill is even worse policy. Every employer and every worker at all income levels will be forced to pay this tax, which supports a benefit for only a small percentage of the state’s workforce. Research also shows that employees will effectively end up paying both their own and the employer’s share, as the non-partisan [Tax Foundation has laid out](#).

Fiscal notes show the program will cost hundreds of millions of dollars to start and to implement and hundreds of additional state workers to administer. Given the state’s terrible record in effectively administering new taxpayer-funded entitlements (MnSure), developing new IT/management systems (MNLARS), or providing adequate oversight for eligibility for existing government programs (see Legislative Auditor reports on Medicaid waste, fraud, and abuse), legislators should protect taxpayers, employers, and employees and their families by opposing this unworkable bill.

The paid sick and safe time provisions in HF7 would add additional mandates on top of similar yet different local ordinances in several of Minnesota’s largest cities. With no state pre-emption, this bill will add another layer of bureaucracy and reporting requirements on businesses operating in these cities, and further increase compliance costs as they are forced to navigate a patchwork of state and local regulations. All of these mandates, though certainly well-intentioned, actually make it more difficult for businesses to respond to their employees needs and tie up resources in duplicative compliance instead of investing in their current workforce or creating new job opportunities.

As industries and workers across the state seek to continue their recovery from the pandemic and corresponding shutdowns, businesses and their employees – not big government – should be free and have the flexibility to design compensation packages that work best for their company and their families.

Thank you for your time and attention on these important issues. Please don’t hesitate to reach out if you have any questions or would like to discuss these issues further.

Sincerely,

Jason Flohrs
State Director
Americans for Prosperity - Minnesota