



February 26, 2025

Chair Davids and Members of the Committee:

On behalf of Minnesota Retailers and the 1,200 storefronts we represent across the state, we urge your support of the **retail delivery fee repeal** contained in HF 5. Retailers recognize the need to invest in Minnesota's roads and infrastructure—however, the delivery fee is an inefficient and burdensome mechanism that impacts both consumers and businesses.

For many Minnesotans, **delivery is not just a convenience but a necessity**—especially for seniors, individuals with disabilities, and those without reliable transportation. The \$100 exemption was meant to soften the impact, but in practice, it is arbitrary and confusing.

From an operational standpoint, **retailers—especially small businesses—have faced significant compliance challenges**. Many have had to build costly new systems to track, collect, and remit the fee, while others are absorbing the cost themselves, resulting in financial losses.

Additionally, transaction fees charged by payment processors mean businesses often receive less than the required 50-cent fee, yet they remain responsible for remitting the full amount to the state.

Consumers also face confusion. The fee appears on receipts as the "Road Improvement and Food Delivery Fee," despite food deliveries being exempt. This mislabeling frustrates customers, and retailers—who are simply following the law—bear the brunt of complaints.

Minnesota is only the second state in the nation to implement such a fee, following Colorado, which has already had to revisit and revise its approach due to the challenges it created. **Rather than making piecemeal fixes, repealing this underperforming fee and seeking better funding solutions is the right move.**

We urge your support of repealing the retail delivery fee to alleviate burdens on businesses and consumers.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce Nustad", with a stylized, flowing script.

Bruce Nustad
bruce@mnretail.org