

**File Number:** H.F. 2107  
**Version:** As introduced

**Date:** March 8, 2017

**Authors:** Drazkowski

**Subject:** LGA reduction for cities imposing special labor regulations

**Analyst:** Pat Dalton

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

### Overview

Eliminates certified local government aid (LGA) payments to cities that impose special local labor regulations. Provides a mechanism for cities to certify their status under this provision with the state auditor, a method for a taxpayer to challenge a certification, and a process for amending a city's status. The state auditor will report to the commissioner of revenue twice a year on the cities that impose special labor regulations. Cities on the state auditor's list on June 1 will lose their July LGA payment and those on the list on November 1 will lose their December LGA payment.

Effective beginning with the second half LGA payments in CY 2017.

### Section

**1 Aid reductions of cities imposing local labor regulations.** Eliminates certified local government aid payments to cities that impose special local labor regulations.

**Subd. 1. Penalty.** Requires the state auditor to report to the commissioner of revenue a list of all cities imposing any of the local labor regulations listed in subdivision 4, paragraph (d), by June 1 and December 1 of each year. Any city on the list as of June 1 loses its first half LGA payment. Any city on the list as of November 1 loses its second half LGA payment.

**Subd. 2. Certification, state auditor's list.** Requires each city's mayor to certify with the state auditor whether the city is imposing a special local labor regulation by November 15, 2017 and with the annual fiscal reports filed with the state auditor after

## **Section**

January 1, 2018. A city that does not file is presumed to be imposing a special labor regulation. Provides for a city mayor to file an amended certification if city circumstances change. Requires the state auditor to report the list of cities imposing a special local labor regulation by June 1, and December 1 of each year.

**Subd. 3. Court challenge.** Gives standing to any taxpayer to challenge a mayor's certification in court. Allows the court to require a city to file an amended certification and notify the state auditor of the order.

**Subd. 4. Definitions.** Defines the special local labor regulations that would result in an LGA elimination as:

- ▶ requiring a private employer to pay a higher minimum wage than the state minimum wage;
- ▶ requiring a private employer to provide paid or unpaid leave time;
- ▶ regulating the hours or scheduling of work time that a private employer provides an employee; or
- ▶ requiring a private employer to provide a particular benefit, term of employment, or working condition.

Special local labor regulation does not apply to labor regulations related to the city's own employees or to contracts for work done for the city, or funded by the city when the requirement is an express condition of the funding.

Effective beginning with the second half LGA payments in CY 2017.