



# 2013 State Legislative Recap

E-Fairness passed and signed into law;  
Clothing and sports memorabilia taxes defeated.

the  
**RETAILERS**edge  
Minnesota Retailers Association

# A Message From Leadership

## To Our Members

The 2013 legislative session came with new opportunities and challenges as the DFL took full control of the legislature and executive office. We would like to thank the Minnesota Retailers Association (MnRA) Legislative Policy Committee for their work in setting forth our session priorities and policy positions this past year.



MnRA would not have had the success it did without the solid grassroots work of our members, whose stories made an impact at the State Capitol. Our second annual *I Am Retail Day at the Capitol* drew over 100 retailers from across the state to meet with elected officials to discuss how legislation would impact their businesses.

We are happy to announce:

- Two of our three proactive legislative priorities, e-fairness and the gasoline pre-pay pre-emption, were passed by the Legislature and signed by the Governor.
- The “Ban the Box” legislation that was passed does not include a private civil right of action.
- Minimum wage did not pass this year.
- The state sales tax will not be extended to clothing.
- There will be no additional state-level tax on sports memorabilia.

MnRA also supported proposed changes to Minnesota’s pharmacy statute that ultimately did not pass, and got involved in several product safety and stewardship bills that could have had a deep impact on retailers.

While we were disappointed in legislation increasing the excise tax on tobacco by \$1.60 per pack—putting our convenience store retailers at a significant disadvantage to neighboring states—many other tax reform provisions that would have impacted consumer spending were left out of the final tax bill.

This recap of the session is designed to give you an overview of the legislation that MnRA worked on. We look forward to working with members in the next legislative session to ensure that Minnesota is a competitive place for retailers to do business.

Sincerely,

Lisa McCalpine-Wittenmyer,  
2013 Chair of the Board,  
Senior Regional Manager of  
Government Relations, Walgreens



Mike Hiltner,  
2013 Legislative Policy Committee Chair,  
Director of Government Relations,  
Best Buy Company



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## TAXES

### **E-Fairness (Main Street Tax Collection Fairness)**

*MnRA supported e-fairness legislation as one of our top three proactive legislative issues.*

E-Fairness was passed as part of the Omnibus Tax Bill, H.F. 677, and was signed into law. E-Fairness takes effect July 1, 2013.

### **Sales Tax on Clothing**

*MnRA opposed expanding Minnesota's sale tax to clothing.* This tax provision was not included in the Omnibus Tax Bill and was not passed.

### **Tobacco Excise Tax**

*MnRA opposed increasing the excise tax on tobacco, especially to a level making Minnesota uncompetitive with neighboring states.* This provision was included in the Omnibus Tax Bill, and significantly increases the excise tax on tobacco to \$1.60 per pack, as well as increases taxes on other tobacco products. The new tax rate goes into effect on July 1, 2013.

### **Tax on Retail Services**

*MnRA opposed the expansion of the sales tax to retail services item such as haircuts.* These provisions were not included in the Omnibus Tax Bill and did not pass.

### **Business to Business Tax**

*MnRA opposed taxing business to business sales and services such as advertising and accounting.* This tax initiative was not included in the Omnibus Tax Bill and did not pass.

### **Snack Tax**

*MnRA opposed the expansion of sales tax to food items based on nutritional content and convenience.* This bill was heard in the House Tax Committee but was not included in the House Tax Bill. As such it did not pass.

### **Street Utility Improvement Fee**

*MnRA opposed a new street utility fee local authority as an additional tax on property.* This provision was removed from the Omnibus Tax bills and did not pass.

### **Upfront Capital Equipment Sales Tax Exemption**

*MnRA supported moving this exemption to an upfront exemption based on the purchase of capital equipment.* The provision was included in the Omnibus Tax Bill and was signed in to law, however it does not go into effect until April, 2014.

### **Sports Memorabilia Tax**

*MnRA opposed a wholesale tax on licensed sports memorabilia.* The provision was not included in the final Omnibus Tax Bills and did not pass.

### **Storage and Warehouse Tax**

*MnRA opposed this new business to business tax.* This tax passed as part of the Omnibus Tax Bill, however does not go in to effect until April, 2014, in order to allow the Legislature to take a look at it next session.

## CONVENIENCE RETAIL

### **Gasoline Pre-Pay Preemption**

*MnRA supported this legislation as one of our top three proactive issues.* This legislation passed the House and Senate and was signed by the Governor.

### **Bio-Fuel Mandates**

*MnRA monitored this legislation to ensure its workability for gas retailers.* This bill did not pass.

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## PRODUCT SAFETY & PRODUCER RESPONSIBILITY

### **Bisphenol –A Ban from Children's Products**

*MnRA opposed additional restrictions on products that retailers sell.* This bill was amended to narrow the scope of products and to shift liability from retailers to manufacturers. The provision was passed and goes into effect May 17, 2013.

### **Formaldehyde Ban from Children's Products**

*MnRA opposed this bill as an additional restriction on retailers.* This bill was passed with effective date of section 1 and 2 on May 14, 2013, and effective date of section 3 on August 1, 2013.

### **Known Chemical Ban in Children's Products**

*MnRA opposed this bill as an additional restriction on retailers.* This bill was did not pass.

### **Product Stewardship: Paint, Carpet, Batteries**

*MnRA opposed this bill as an additional burden on retailers.* This bill was passed as part of the Environment and Energy Omnibus Bill however was amended to remove carpet and batteries. As such, only paint was included.

### **Consumer Protection; Making a Private Right of Action for Consumer Fraud**

*MnRA opposed this bill.* This bill failed to meet committee deadline and did not pass.

### **Interior Design Licensing**

*MnRA opposed this bill.* This bill failed to meet committee deadline and did not pass.

## RETAIL PHARMACY

### **Board of Pharmacy Updates and Compounding**

*MnRA supported this bill as amended.* This bill passed the House but was not heard on the Senate floor, and as such did not pass.

### **Over-the-counter Medicine Tax**

*MnRA opposed expanding taxes on over-the-counter medicines.* This tax provision was not included in the final Omnibus Tax Bill and did not pass.

## EMPLOYMENT ISSUES

### **State Health Insurance Exchange**

*MnRA supported a state-based exchange but had several concerns over the final version of the exchange legislation.* This bill was passed with an exchange rollout date of October 1, 2013.

### **Minimum Wage**

*MnRA opposed increasing the state minimum wage above the federal level and also opposed an annual automatic wage increase provision indexed to inflation.* This bill was held in conference committee and did not pass. It is expected this issue will be taken up again next year.

### **Expanded Mandated Pregnancy Leave**

*MnRA opposed mandatory pregnancy leave above federal standards.* This bill did not pass.

### **"Ban the Box"**

*MnRA opposed restricting the rights of employers to inquire about an applicant's criminal history.* This bill was passed as amended so that there is no private right of action against companies who fail to comply with this legislation. This law will be regulated through the Minnesota Department of Human Rights and goes in to effect on January 1, 2014.

*For more information or if you have questions on any of MnRA's legislative policies and grassroots action contact Rochelle Westlund at (651) 227-6631 or [rochelle@mnretail.org](mailto:rochelle@mnretail.org).*