



Minnesota RETAILERS

driving innovation, succeeding together

AGENDA

1 2025 SESSION

Review of the 2025 session.

2 IMPLEMENTATION TIMELINES

Implementation timeline for select, key 2024-2025 session laws impacting retailers & key partners.

3 2026 SESSION

Conversation on the upcoming 2026 legislative session.





- Historically split House (67-67) and closely divided DFL-controlled Senate (34-33) worked to pass a balanced two-year budget and address looming structural imbalance.
 - Special Session finished work on June 9.
- Laws passed in the 2025 include:
 - Negotiated a two-year, \$66 billion biennial budget for fiscal years 2026-2027, which was an 8% decrease from the previous cycle.
 - Approved a \$700 million capital investment (bonding) bill for infrastructure projects like roads, bridges, and water/sewer systems.
 - Increased gross receipts tax on cannabis from 10% to 15%
- Various policies passed with implementation timelines spanning from the day after enactment to 2028.

2025 SESSION





2024

- Earned Sick and Safe Time begins
- Warehouse Economics
- Gas Tax Indexing begins
- Pharmacy Reporting Requirements

- Hemp retail employee background check
- Lead, Cadmium, and PFAS in select products enforcement moratorium

- Worker Misclassification
- Restrictive employee covenants in service contracts prohibited
- Lower potency hemp retailer registration required
- Employee personnel records expansion

- Virtual Currency Kiosk Regulation
- Cell Phone Cases Resembling Guns Prohibition
- Deceptive Vapor Products Prohibition
- Flame retardants in tents and sleeping bags requirement removal

- Dispensing rate update under medical assistance

JANUARY

JUNE

JULY

AUGUST

OCTOBER

- Illegal empty cannabis packaging sale prohibition
- Package Fertilizer Label Change to include volume
- MN Health Records Act Changes

- Delivery Fee begins
- Digital Right to Repair
- Immunization & Testing Authorities for Pharmacists and Technicians
- Moist Snuff Taxation

- Prohibition On Wage Deductions when tipping
- Pharmacy Relocation and Change of Ownership Fees



2025

- Mercury Lighting Ban
- Automatic Renewal Regulation
- Mandatory Salary Disclosures for Job Posting
- Minimum Wage Modifications
- Mandatory Fee (Junk Fee) Disclosure
- Aerosol Duster Sales Restrictions

- Lead & Cadmium Exemptions
- Energy Benchmarking (100,000 sq. ft.)

- Delivery Fee Exemptions on liquid fuels and road construction materials
- Data Centers Electricity Sales Tax Exemption Repeal
- Consumer Data Privacy
- EV Public Charging Inspection & Fees
- Directed Pharmacy Dispensing Payment
- Cannabis Tax Increase To 15%
- SUN Bucks Summer EBT
- Electric lawn and snow removal grants

- Water Availability at Places of Entertainment
- PFAS Exemptions
- Lower-Potency Hemp Edible Labeling Changes
- Randomized Lower-Potency Hemp Edibles Delivery Repeal
- Disability Signage Update
- Prescription Drug Reporting On Mailed Medications

JANUARY

- Accessible Prescription Labeling Requirements
- PREP and PEP Pharmacist Authority
- Commercial Market Coverage for Pharmacy Services
- Extended Producer Responsibility

JUNE

- Prescription Rebates Taxed As Gross Revenue

JULY

- Pharmacy Intern \$25 Fee & License Changes
- Minors appearing in internet content creation regulation

AUGUST

- Food Handler and Food & Beverage Service Establishment Licensing Fees Increase
- Lottery Responsible Official Change



2026 & BEYOND

2026

JANUARY

JUNE

JULY

2027

JANUARY

MAY

JULY

2032

JANUARY

- Paid Family Medical Leave Begins
- Total Mercury Lighting Sale prohibition
- Carve Out Study
- Break (Rest & Meal) Modifications
- ESST Prorated Frontloading Allowed
- Health Plan Formulary Change Prohibition

- Energy Benchmarking (50,000 sq. ft.)

- Social Media Mental Health Warning Label
- Intentionally Added PFAS Reporting Begins (Delayed Enforcement Date from MPCA)

- Misclassification Fraud Impact Report
- State Single PBM

- June Accelerated Sales Tax Remittance

- EV Public Charging Tax

- Total PFAS Prohibition
- EV Charging Tax for Legacy Chargers



- Employees working more than 80 hours in a year in Minnesota qualify. Includes part-time, temporary, and seasonal workers.
- Employees accrue a minimum of 1 hour of leave for every 30 hours worked.
 - Maximum annual accrual: 48 hours.
 - Maximum account accrual: 80 hours.
- Can be used for:
 - Employee or employee's family members illness, treatment, or preventative care;
 - Absence due to domestic abuse, sexual assault or stalking of the employee or a family member;
 - Bereavement;
 - Closure of the employee's workplace due to weather or public emergency or closure of a family member's school or care facility due to weather or public emergency.

EARNED SICK AND SAFE TIME





- Makes largely technical changes to ESST, including:
- Changes effective July 1, 2025
 - Employers may require notice for unforeseeable absences as reasonably required, instead of "as soon as practicable."
 - Documentation can be requested after two consecutive days of ESST use (previously three).
 - While employers still cannot require employees to find shift coverage, employees may now voluntarily trade or seek replacements.
- Changes effective Jan. 1, 2026
 - Allows employers who frontload ESST to prorate accrued time for the anticipated work for the remaining portion of the year.

**EARNED SICK AND SAFE TIME
CHANGES**





- Employers are required to allow at least a paid 15 minute rest break or enough time to utilize the nearest convenient restroom, whichever is longer for each four consecutive hours of work.
- Additionally, employers are required to allow an unpaid break of at least 30 minutes for a meal break if an employee works more than 6 hours consecutively.
- Establishes liquid damages for failure to allow for breaks.
- Effective January 1, 2026.

REST & MEAL BREAK CHANGES





- On Jan. 1, 2026, Paid Family and Medical Leave Program begins BOTH benefits and payroll tax.
 - Current tax .88% (Cap reduced from 1.2% to 1.1% by Legislature in 2025)
- 2 types of leave:
 - **Family Leave** to care for a family member with a serious health condition, or if you're bonding with a new baby or child in your family;
 - **Medical Leave** when your own serious health condition prevents you from working.
- All part-time, full-time , and most seasonal employees of all employers with more than one employee in Minnesota are covered.
- Benefits are up to 12 weeks of one type of leave and up to 8 weeks additional weeks of another in one year.
- "By December 1, 2025, employers must inform their employees about their rights and benefits under this new program. Employers need to notify employees in their native language and hang a workplace poster in English and any language spoken by five or more employees."

Visit paidleave.mn.gov for more information.

PAID LEAVE





FEES

- Makes it illegal for someone to advertise, display, or offer a price for goods or services that does not include all mandatory fees or surcharges.
- Mandatory fees:
 - (1) must be paid in order to purchase the good or service;
 - (2) is not reasonably avoidable by the consumer; and
 - (3) a reasonable person would expect to be included in the purchase of the goods or services being advertised.
- Excludes:
 - Taxes or fees imposed by a government entity
 - “Reasonable” shipping costs
 - “Reasonably Avoidable” fees including:
 - Credit card surcharge
 - Late fees for rentals
 - Smoking fees for hotels
- Effective January 1, 2025, Minnesota’s Deceptive Trade Practices Act (“Junk Fees”)

JUNK FEES



✓ **Compliant**

Sandwich \$10.50
Salad \$7.88
Soup \$7.10

All parties of 8 or more people will incur a 20% automatic gratuity.

✓ **Compliant**

Sandwich \$10.50
Salad \$7.88
Soup \$7.10

All parties of 8 or more people will incur a 20% automatic gratuity.

*All prices include a 5% health and wellness fee, which helps pay for health insurance for our employees.

✗ **Not Compliant**

Sandwich \$10.00
Salad \$7.50
Soup \$6.75

All parties of 8 or more people will incur a 20% automatic gratuity.

*All orders will incur a 5% health and wellness fee, which helps pay for health insurance for our employees.

✓ **Compliant**

Advertised Price: \$20.00

✓ **Compliant**

Advertised Price: \$20.00

*Price includes \$2.00 service fee and \$3.00 surcharge.

✗ **Not Compliant**

Advertised Price: \$15.00

Surcharge: \$3.00

Service Fee: \$2.00

JUNK FEES





- Effective: July 31, 2025
- Does it Apply?
 - Thresholds: You target MN residents AND process data of 100K+ MN consumers (excl. payment-only) OR 25K+ MN consumers with 25%+ revenue from data sales.
 - Small Businesses: Generally exempt (uses United States Small Business Administration definition) but cannot sell sensitive data without consent.
- Your Role Matters
 - Controller: Determines why & how data is processed (e.g., your store's loyalty program). Has primary obligations.
 - Processor: Processes data on behalf of a Controller (e.g., your email vendor). Must follow Controller's instructions.
- Consumer Rights (What They Can Do)
 - Access, Correct, Delete, Port their data.
 - Opt-Out of data sale, targeted advertising, or profiling (honor Universal Opt-Outs).
 - Sensitive Data: Requires explicit consent to process.

**CONSUMER DATA
PRIVACY**





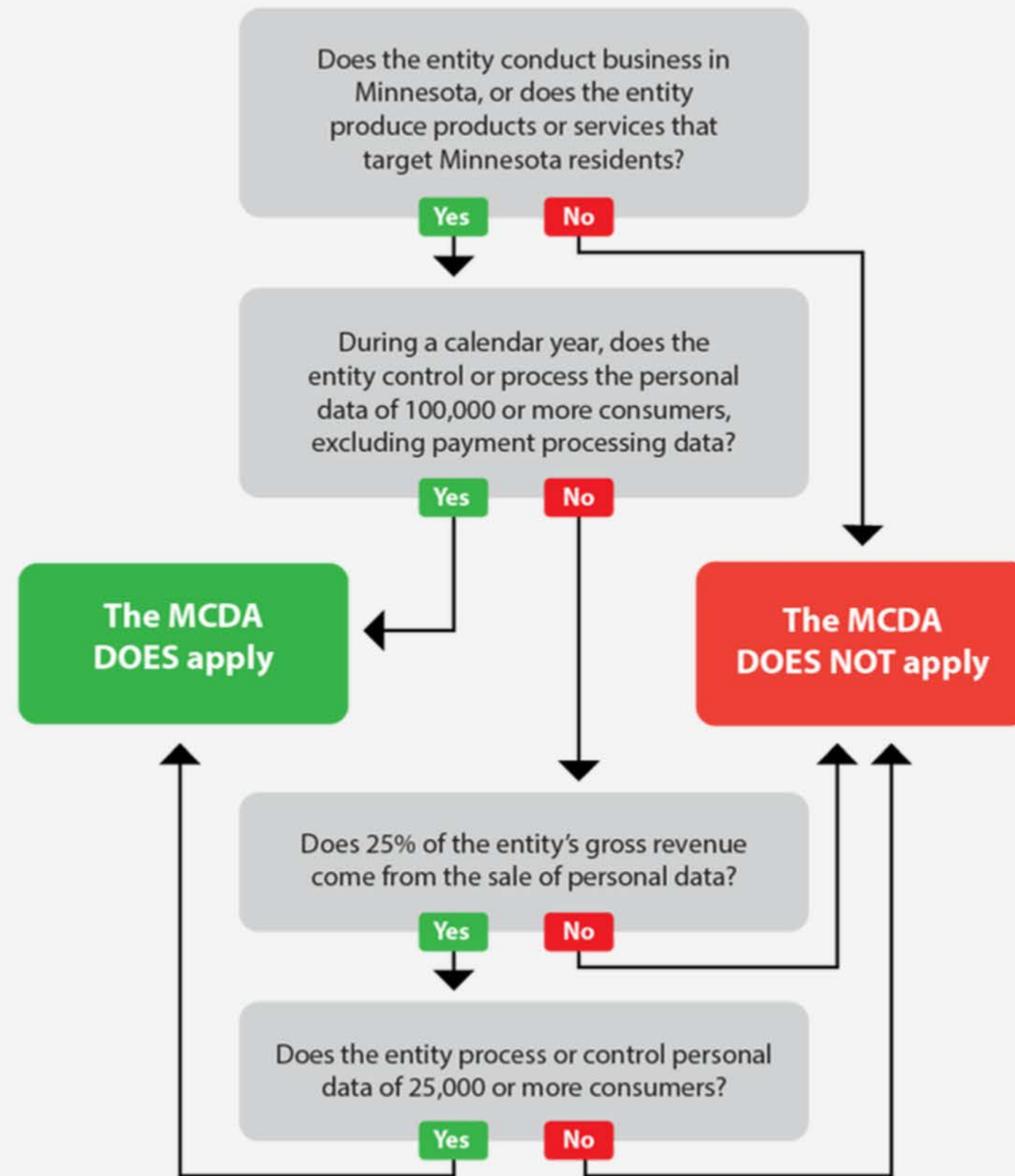
- Your Key Obligations (If a Controller)
 - Privacy Notice: Clear, accessible, explaining data practices and rights.
 - Respond to Requests: Within 45 days (plus 45-day extension possible).
 - Data Minimization & Security.
 - Data Inventory: Maintain a detailed log of personal data processed.
 - Data Protection Assessments (DPAs): For high-risk activities.

Enforcement

- - MN Attorney General Only. No private lawsuits.
 - Cure Period: Until Jan 31, 2026, 30 days to fix violations after notice. After that, penalties apply immediately.
 - Penalties: Up to \$7,500 per violation.

**CONSUMER DATA
PRIVACY**





CONSUMER DATA PRIVACY





- Allows for the creation of Producer Responsibility Organizations (PROs) that will create and fund recycling and reuse of specific types of packaging products.
- Point of sale fees are prohibited. Retailer take back and collections are not explicitly prohibited.
- Beverage container deposit not included.
- Timeline:
 - Jan. 1, 2025: Appoint producer responsibility organization and advisory board;
 - July 1, 2026: Producers register with PRO;
 - Dec. 31, 2026: Initial needs assessment due;
 - Oct. 1, 2028: PRO stewardship plan due;
 - Feb. 1, 2029: Producers cover at least 50% of net recycling costs;
 - Feb. 1, 2030: Producers cover at least 75% of net recycling costs;
 - Feb. 1, 2031: Producers cover at least 90% of net recycling costs.

EXTENDED PRODUCER RESPONSIBILITY





- 2025 Total PFAS prohibitions for:
 - Carpets or rugs;
 - Cleaning products;
 - Cookware;
 - Cosmetics;
 - Dental floss;
 - Fabric treatments;
 - Food packaging;
 - Juvenile products;
 - Menstruation products;
 - Textile furnishings;
 - Ski wax;
 - Upholstered furniture.
- Exemptions passed in 2025:
 - Children’s recreational vehicles and parts
 - Internal components and electronics
- Intentionally added PFAS products reporting begins July 1, 2026 (Delayed date from MPCA)
- 2032 Total ban on “avoidable uses” of PFAS.



- Product restrictions:
 - Mercury lightbulbs banned (2026);
 - Aerosol duster sales restrictions (2025);
- Lead & cadmium in children's products prohibition (2023).
 - Exemptions passed in 2025:
 - Lead & Cadmium In Professional Artist Materials, Pens & Mechanical Pencils
 - Lead In Keys Delay & Adoption of California Standard in 2028
 - Lead & Cadmium In Pots & Pans Exemption
 - Lead Solder Delay & Manufacturer Reporting



- PrEP & PEP authorities granted January 1, 2026
- Accessible prescription labeling requirements required by January 1, 2026, with reporting on capabilities prior.
- Directed pharmacy payment (upon approval)
- Single State PBM likely begins Jan. 1, 2027

RETAIL PHARMACY





- Three special elections will be held in Minnesota this fall:
 - House District 34B (Death of Speaker Emerita Melissa Hortman)
 - Primary: Aug. 12
 - Special Election: Sept. 16
 - Senate District 29 (Death of Bruce Anderson)
 - Primary: Aug. 26
 - Special Election: Nov. 4
 - Senate District 47 (Resignation of Nicole Mitchell)
 - Primary: Aug. 26
 - Special Election: Nov. 4
- The control of both chambers is up these elections:
 - House currently 67 GOP-66 DFL (1 open seat);
 - Senate currently 33 DFL-32 GOP (2 open seats).
- 2026 session begins February 16.

SPECIAL ELECTION & 2026 SESSION



Retail Policy+

LEGISLATOR MEET & GREET

RECEPTION

WHERE POLICY LEADERS AND RETAILERS DISCUSS
IDEAS TO BETTER OUR LOCAL & STATE ECONOMIES

AUGUST 20 | 3:00 - 5:00 P.M.

THE MARKET AT MALCOLM YARDS - MPLS

WWW.MNRETAIL.ORG/RECEPTION





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