

Minnesota Legislature reaches full strength as Keri Heintzeman joins Senate

For the first time in the 2025 session, the Minnesota Legislature will convene at full capacity with all seats filled. This milestone comes as Republican Keri Heintzeman is set to be sworn into the state Senate on Tuesday, following her decisive victory in the April 29 special election for Senate District 6. Heintzeman secured 60.3% of the vote, defeating DFL candidate Denise Slipy, and will represent a district encompassing parts of Cass, Crow Wing and Itasca counties. This development is particularly significant as the session approaches its May 19 adjournment deadline, with lawmakers facing critical decisions on budget allocations and policy initiatives.

ISSUES IMPACTING THE BUSINESS COMMUNITY

With two weeks of session remaining, here are where some of the Chamber's policy priorities stand.

Taxes

Last night, the co-chairs of the House Tax Committee released their proposed Tax Bill. The bill will be heard on Tuesday morning. The Senate Tax bill is expected to be released early this week as well.

Notable provisions include:

- Directing the Department of Revenue (DoR) to establish an online filing system for the state's Political Contribution Refund program
- Requiring DoR to build and implement a free direct filing system for individual tax returns
- Creating a \$400 "baby bonus" for children born in a filing year beginning in tax year 2028

- Establishing a vendor allowance for retailers with sales tax liabilities between \$20,000 and \$250,000. Those retailers would be permitted to retain 0.254% of their collected sales tax in Fiscal Years 2026/2027 and 0.159% of their collected sales tax in subsequent years
- Creating a land-value taxation district pilot program in Minneapolis and Saint Paul

There are dozens of other provisions contained within the bill. A full summary of the bill can be found [here](#).

Utilities and commerce

- Housing reform at the Capitol failed in a final opportunity during a May 1st hearing. A narrowly scoped, bipartisan bill failed to pass out of the Senate Committee on State and Local Government.
 - [Senators Port and Rasmusson gave pointed comments](#) as they closed the bill just prior to a final vote.
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Health care

- The Senate Health and Human Services Committee has put together its budget bill, inclusive of new, costly mandates, regulations, and taxes.
 - That bill has made its way through the Committee process in the Senate and is awaiting action on the Senate Floor.
- Leaders have yet to release their HHS budget bill.
 - The Chamber is hopeful that House negotiators will steer clear of the costly mandates and tax increases included in the Senate bill.
- A decision from the Governor as well as House and Senate leaders about how the state will maintain stability in the individual health insurance market if the

state's reinsurance program is allowed to expire at the end of this year remains unclear.

Transportation

- Both the Senate and House have passed Transportation budget bills of their respective chamber floors.
 - The Chamber is monitoring work by a House-Senate Conference Committee to resolve the differences between the two bills and compile a compromise version that can pass both chambers.
 - The Chamber is hopeful that the final version of the bill reflects some of the Chamber's priorities, including an increase in the amount electric vehicles owners pay to maintain our roads and bridges, an effort to increase transparency in the work that MnDOT does to maximize efficiencies in its programs, maintaining the phased in transfer of the auto parts sales tax receipts to transportation.
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Environment and permitting

- [The Chamber's Andrew Morley testified](#) in the Senate State and Local Government Committee in support of Section 6 of SF570, the permitting reform legislation. The bill needs to go through State and Local to satisfy a Senate rule.
 - The Chamber continues to advocate for permitting reform to become law as it moves through different vehicles and committees.
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Workplace mandates

Minnesota business leader shares concern with upcoming paid family and medical leave mandate

On last week's episode of the Minnesota Business Podcast, Ross Widmoyer, CEO of Faribault Mill, joined Minnesota Chamber President Doug Loon to talk about how Minnesota's new paid family and medical leave law could impact manufacturers like his.

Ross shared the real challenges small and midsize employers face under this mandate – from rising costs to workforce disruptions – and why reforms are urgently needed before the law takes effect in 2026.

[LISTEN HERE](#)

Details on possible paid leave improvements

Paid family and medical leave will take effect on January 1, 2026. The Governor and Democrat members of the Legislature have said they won't repeal the program.

But there is still time to make changes to paid leave before it launches and impacts your business and employees.

[Please email your legislator now](#) to ask for reasonable changes to this new program so that it works for you and your employees.

Businesses' top priorities include:

- [SF 3141 / HF 2962](#) (Sen. Frentz, Sen. Seeberger, Sen. Rasmusson, Rep. Baker)
 - **Paid Family and Medical Leave recommendations include:** program scoping modifications and program integrity (e.g. reduced total number of weeks; modified weekly benefit formula; tightened up definition of "family"; reduced premium cap); private plan viability and functionality issues (e.g. benefit equivalency standard); seasonal employee definition fix and to cover all industries; and a small business exemption.
- [SF 2300 / HF 2025 / HF 1325](#) (Sen. Seeberger, Sen. Frentz, Sen. Rest, Sen. Rasmusson, Sen. Dornink, Rep. Baker, Rep. Schultz)
 - **Sick and Safe Time recommendations include:** repeal the “more generous PTO” change; adjusting notice and documentation provisions and addressing SST misuse issues (employer workability concerns); frontloading fix; and a small business exemption.

[SHARE YOUR STORY](#)

DEED is hosting public events, hosted by local chambers of commerce, around the state to share updates about Minnesota's upcoming paid family and medical leave. Upcoming dates include:

Wednesday, May 7
Shoreview Community Center
Shoreview

Monday, May 12

St. Croix Event Center

Stillwater

Wednesday, May 14

Weitz Center for Creativity | Larson Family Meeting Room

Northfield

Monday, May 19

Crow River Golf Club

Hutchinson

Wednesday, May 21

St. James Hotel | Summit Room (5th floor)

Red Wing

[LEARN MORE AND REGISTER](#)

WEBINAR - Navigating Paid Family and Medical Leave
Thursday, June 5, 12:00 p.m. - 1:00 p.m.

Why you should attend: Starting January 1, 2026, Minnesota's Paid Family and Medical Leave (PFML) program will go into effect, impacting employers of all sizes. Join the Minnesota Chamber of Commerce and the Minnesota Department of Employment and Economic Development (DEED) for a timely webinar designed to help businesses understand what's coming, how to prepare and what

resources are available. Don't miss this opportunity to get your questions answered and ensure your business is ready.

[REGISTER](#)