



frontline

The Official Monthly Publication of the Minnesota Grocers Association

June 2023

2023-A Whirlwind Session

The 2023 legislative session has concluded and will undoubtedly go down as one of the most prolific sessions in the history of the state. The volume of consequential legislation signed into law by Governor Walz is unparalleled and will have lasting impacts on the state and on industry. Democratic lawmakers and the governor have taken full advantage of their legislative trifecta by passing nearly all of their priority policies. Many of these policies are items they have been clamoring for since they last had full control of state government a decade ago.

At the beginning of session, in January, there was thought that the single vote majority (34 DFL- 33 GOP) in the Senate would prevent, or at least slow, passage of some of the most contentious items. However, Senate DFL leadership was able to hold all of its members together and have been able to enact major reforms. Paid Family Medical Leave, Earned Sick and Safe Time, legalization of marijuana, driver's licenses for undocumented residents, price gouging regulations, numerous new mandates and requirements for employers, and increased environmental regulations which will have permanent ramifications. See insert for additional industry-specific policies adopted this session.

Despite a record budget surplus of over \$17.5 billion dollars, DFL lawmakers and the governor have increased taxes and fees by \$10 billion over the next 4 years. The new two-year budget will weigh in at over \$72 billion dollars. This is more than a 38% increase over the previous biennium. That includes adding over 2,000 new full-time state employees. Republicans have decried this spending as irresponsible and unsustainable. They argue that the increasingly difficult business climate in Minnesota will force businesses to move out of the state and cause many local companies to close.

In order to fund the unprecedented growth in the size of state government, this year's tax bill contains increased business and personal taxes. There are also increased fees on driver's licenses, fishing and boat licenses, a gas tax increase, a new fee on home deliveries, and more. There were small direct rebates (\$260/person) and tax credits included in this year's tax bill, as well. These were largely targeted at low-and-middle-income families.

The MGA has worked diligently on behalf of industry, both on our own and among coalitions of business organizations, in an attempt to make changes to regulations that were proposed and advanced this session. It was clear early in the year that stopping passage of DFL priority bills was not feasible. We engaged collaboratively with elected officials and key legislators to make improvements to proposals wherever possible and ensured that the voice of industry was heard.

There are several "wins" that the MGA is proud to have helped secure for industry this session. These include continued funding for the Minnesota Grocers Association Foundation's Carts to Careers Program, increased funding for the Good Food Access Program, expanded enforcement of the crime of Organized Retail Theft, and preventing any increases to Food Handler License fees.

As the dust settles on this whirlwind session, watch for Regulatory Registers and MGA webinars that will go into more detail regarding new laws and mandates that industry is now facing. We would like to thank our 2023 Legislative Sponsors for their support and for members who responded to calls to action during this unprecedented session. **SB**

Thank You MGA Legislative Sponsors



Thank you Legislative Sponsors for your 2023 investment. Your commitment supports the efforts of the MGA's Government Affairs Team. **SB**

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Capitol Check Out ✓

The MGA Government Relations Team invites you to join our 2023 Session Recap Webinar on **Thursday, June 8 at 10:00 a.m.** The MGA team will go into greater detail on what laws were passed by the legislature and their impact on industry. In addition, be sure to register for the MGA Annual Conference as we will have additional programming related to the numerous new regulations that will be taking effect as a result of this legislative session. **SB**

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Thank You MGAF Golf Event Participants and Sponsors

It was fantastic to see everyone at this year's Minnesota Grocers Association Foundation (MGAF) Golf Event and Scholarship Fundraiser brought to you in partnership with the MGAF and Vendor Leadership Committee, which was held on May 30 at The Refuge Golf Club. Many thanks to our participants and generous sponsors for their support of this event – the silent auction was an outstanding success. Proceeds from the golf event and the silent auction allow the Foundation to provide scholarships for MGA member employees and their dependents. See insert and watch for scholarship winners in the summer issue of the *Minnesota Grocer* magazine. **ST**



Minnesota Grown Retailer of the Year Contest Webinar

Join the MGA and the Department of Agriculture for an informational webinar on **Wednesday, June 21 at 10:00 am** on how to become a Minnesota Grown Retailer of the Year! The Minnesota Grown Retailer of the Year Contest is based on promotional activities during a one-week showcase period between **August 1 – September 29**. Whether you are a Minnesota Grown Program veteran or interested in learning more, this webinar is for you! We will explore program structure, regional awards, execution strategies, and successful case studies designed to showcase your innovative marketing. **ST**



Congrats Carts to Careers Graduates

Join the MGA Foundation in congratulating Alexandria Technical College's graduating class. These students are employees of MGA member stores from around the state and participated in the Retail Management Certificate business program. We are excited to also announce that the Carts to Careers program has received continued funding through a State of Minnesota appropriation (just signed into law). Encourage your team members to consider enrolling in the fall semester (starts 8/21/23). In the coming months, you will see expanded educational opportunities for meat cutter training and Commercial Driver's License support. See insert for more information. **RH**



General Meeting

The Annual Meeting of the Minnesota Grocers Association will be held at Madden's Resort in Brainerd, MN at **7:00 pm on Sunday, July 30** in the Town Hall Conference Center in conjunction with the Annual Conference. Members will be asked to approve slated positions for the MGA Board of Directors. **JP**

Together We Can Bag Hunger

Sign up today for the 2023 Bag Hunger Campaign and join the members of the Minnesota Grocers Association who've committed to Bag Hunger in their neighborhoods! The Bag Hunger Campaign promotes sponsors' products and drives retail sales while producing tangible results in the fight to end hunger in our communities.



Participation in this program is an excellent way to reinforce the role grocers and our vendor partners play in local communities and demonstrate how our industry works together to produce a tremendous positive impact on a crucial social issue. Visit www.mngrocers.com to sign up. **KA**

HR Corner

City of Minneapolis Minimum Wage Increase Effective July 1, 2023

Effective July 1, the City of Minneapolis's minimum wage rates will be increased for small employers (less than 100 employees). The new wage is \$14.50 (previous \$13.50) an hour. The next city increase for small employers will occur on July 1, 2024. Compliance and posting requirements can be found at <http://minimumwage.minneapolismn.gov>.

City of St. Paul Minimum Wage Increase Effective July 1, 2023

On July 1, the city of St. Paul will have a minimum wage increase. Large businesses (101-10,000 employees) minimum wage will be \$15.00 (previously \$13.50) an hour, small businesses (6-100 employees) will be \$13.00 (previously \$12.00) an hour and micro-businesses (5 employees or fewer) will be \$11.50 (previously \$10.75) an hour. Employers must count all employees whether employed full-time, part-time, jointly with another employer, or temporarily, including employees not located in Saint Paul. Franchises and joint ventures have different ways to count the number of employees. The next city increase will be for small and micro-businesses on July 1, 2024. Compliance and posting requirements can be found at www.stpaul.gov.

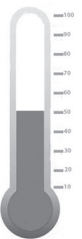
Food PAC of MN Needs Your Support

Get your 2023 Food PAC of MN investment in today! These funds are used to engage with legislative officials and candidates for office. The 2024 election cycle is right around the corner, and it's critical that the MGA has the resources to continue its role in advocating for the food industry. To ensure we can support candidates, we need your investment today! We have set a big goal and we need your support to achieve it. Thank you to those who have already donated and for your continuing support of our efforts! **SB**

The Food PAC of MN needs you in

The Food PAC of MN has raised 51% of its election goal! Thank you for your support!

Invest in Your Business
Donate today!



Sales & Use Tax Updates

The following are new local sales and use tax changes. On June 30, 2023, Detroit Lakes 0.5% Sales and Use Tax is ending. Beginning July 1, 2023, Litchfield Sales & Use Tax will be increasing by 0.5%. Be sure to make the required changes to local tax rates if they apply. **SB**

Save the Date for the MGA Annual Best Bagger Contest

Mark your calendars! This year the MGA will be hosting its Annual Best Bagger Contest on **August 26, 2023**. We will be again holding the event outdoors at the MGA office. This is a great opportunity to showcase your company's best. The winner will receive \$500 and a trip to the National Best Bagger Championship. **ST**



WASHINGTON NEWS

Debt Ceiling Showdown

Leaders from Congress and the White House are trying to forge an agreement to lift the federal debt ceiling. If a deal isn't reached by early June the Treasury Department may no longer be able to avert an unprecedented U.S. default. If they fail, and the government can't meet its payment obligations, economists and financial experts predict major impacts to those who receive government benefits, stock markets, and worldwide economy.

In exchange for avoiding the economic instability of a default, the White House would need to agree to at least some of the GOP demands to set new limits on spending, while also rescinding unused COVID funding and, potentially, approving a permitting deal to encourage energy production. An emerging deal with Congress could extend the debt ceiling by two years—which would get them past the 2024 presidential election—while also potentially setting the government's total spending through then.

SNAP Spending Down, Work Requirements Considered

Unsurprisingly, with the ending of the COVID emergency allotments for SNAP recipients, SNAP spending is down by billions of dollars in 2023. House Republicans also included a cut to SNAP in their proposal by changing work requirements. The Republican's plan would reduce direct spending on SNAP by an additional \$11 billion and the Congressional Budget Office estimates that approximately 275,000 people would lose benefits each month and 19,000 people would receive reduced monthly benefits.

More States Address PFAS

Minnesota, Oregon, and Maine have become the most recent states to add regulations regarding the use of perfluoroalkyl or polyfluoroalkyl substances (PFAS) in their states. Many states are moving towards enacting policies that restrict or outright ban the use of these "forever chemicals".

Impactfully for industry, new laws that disallow the sale or distribution of polystyrene foodware containers and foodware containing intentionally added (PFAS) are advancing. "Foodware" is defined as including bowls, plates, cups, lids, clamshells or other containers or any other items used for serving or containing prepared food, including takeout food and leftovers from partially consumed meals prepared by food vendors.

Some states, including Minnesota, are also implementing reporting and use requirements. A recently passed bill requires reporting the amount of the total organic fluorine if the amount of each PFAS compound and allows the amount of PFAS to be reported based on info provided by a supplier. The notification rules would require a manufacturer of a product to provide a brief description of the product and include an estimated annual sales volume in units at the state or national level.

Promote Your Company

There is limited space available for the upcoming *Minnesota Grocer* magazine. Offering a unique perspective, this publication features authoritative insights and opinions covering all facets of the state's grocery business. Our magazine has an overall circulation of 6,000 per issue (with digital access) and reaches the top Minnesota grocery retail decision-makers. Reserve your advertising spot today. **KA**



WIC Allows Canned Fruits & Veggies

Beginning June 1, 2023, canned fruit and vegetables are WIC eligible. Federal regulations and Minnesota requirements determine what canned fruits and vegetables will be WIC allowed. Canned fruit with no sugar or artificial sweeteners will be added along with organic and individual cups. Canned vegetables and tomatoes with no oils, vinegar, or brine will be added. Herbs and spices are allowed in canned vegetables. No fruit or vegetable pouches will be allowed.

Participants and stores can identify which products are allowed by using the My Minnesota WIC app. Scan the barcode of a product in the Food Finder to see if a canned fruit or vegetable is WIC allowed. If a product is not on the Approved Product List (APL), visit <https://www.health.state.mn.us/people/wic/vendor/index.html> and click on "Submit UPC to Minnesota WIC Program" under the Food Distributors and Manufacturers heading to request the addition. **JP**



MGA 2023 Annual Conference

July 30 – August 1

Start Your Engine – You're in the Driver's Seat!

We are at the starting line and this year's race looks better than ever. There is still plenty of time to sponsor this year's conference. Show your peers you mean business by participating in the only state-wide/industry-wide event. Gain exposure and connect face-to-face with key industry leaders. **KA**

Thank You Sponsors

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June 8

MGA Capitol Check Out Session
Recap Webinar
MGA Program

June 21

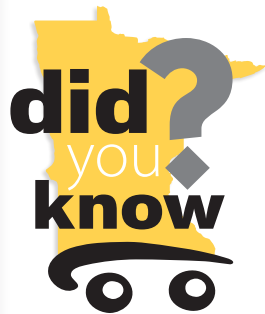
MGA Minnesota Grown
Retailer of the Year Webinar
MGA Partnership

July 30 – August 1

MGA Annual Conference
Madden's Resort
Brainerd, MN
MGA Program

August 26

Best Bagger Contest
MGA Office
St. Paul, MN
MGA Program



The Midwest Association of State Departments of Agriculture (MASDA) is holding its regional conference in Minneapolis this summer. MASDA enhances American food and agricultural communities through policy, partnerships, and public engagement. Minnesota Department of Agriculture Commissioner Thom Petersen is the current Chair. This conference will include discussions on national policies on food safety, land use, conservation, agricultural business, animal health, and international market issues.



You Asked it

Q. Are ice cream cakes taxable?

A: : It depends on who is making it. If the ice cream cake is premade or prepacked they are not taxable. If the ice cream cake is made by the seller and they sell it, the ice cream cake is then taxable as a prepared food.



Questions? Call MGA 1-800-966-8352



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