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## Minneapolis Minimum Wage Upheld by Minnesota Supreme Court

The Minnesota Supreme Court handed down its opinion in *Graco, Inc. v. City of Minneapolis* on January 22, 2020. Writing for a

unanimous court, Chief Justice Lori Gildea commented that because employers who pay the minimum wage set by the city ordinance are in compliance with the state minimum-wage law and that the Minnesota Legislature had indicated that it had intended to preclude local governments from setting minimum wages, there was no conflict between the ordinance and the statute. *Graco, Inc. v. City of Minneapolis* (Minn. Jan. 22, 2020).

Where does that leave Minnesota employers? The MFLSA still sets a floor for the minimum wage that employers must pay their employees: \$10.00 for large employers (defined by statute as those having annual revenue of \$500,000 or more); and \$8.15 for small employers (defined by statute as those having annual revenue below \$500,000) effective January 1, 2020. But cities and other localities are free to impose *higher* minimums that employers must pay employees within their respective jurisdictions, and may adopt (as do ordinances in both Minneapolis and Saint Paul, whose own ordinance went into effect on January 1) different definitions of large and small employers.

The City of Minneapolis's sick-and-safe-leave ordinance, which also has faced a court challenge, remains pending before the Minnesota Supreme Court. In our May 2019 Newsletter, we noted that the Minnesota Court of Appeals had rejected the Minnesota Chamber of

Commerce's argument that the sick-and-safe-leave ordinance was preempted by state statute. See *Minnesota Chamber of Commerce v. City of Minneapolis*, 928 N.W.2d 757 (Minn. App. 2019). The Minnesota Supreme Court granted the Chamber's petition for review in June 2019 and directed that the oral argument be held alongside oral argument on the supreme court's review of *Graco, Inc.* in October 2019. We will continue to keep you informed of updates on the Minneapolis sick-and-safe-leave ordinance after the court issues its decision.

For assistance with employment law matters or your other legal needs, please reach out to one of our attorneys by calling [612-604-2000](tel:612-604-2000) or emailing us at [email@mdh-law.com](mailto:email@mdh-law.com).

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