

# HOUSE RESEARCH

## Bill Summary

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Bill requires that any employers of hospitality workers on qualifying projects must negotiate and execute a labor peace agreement prior to any agreement that causes the state to hold a proprietary interest in the project. Qualified projects are limited to projects located in cities of the first class (Minneapolis, St. Paul, Rochester and Duluth), and include construction or development of (a) hotels, (b) a food and beverage operation that is integral to a hotel, a major league or minor league sports facility, a convention center, or a civic center, (c) a cultural venue with catering or cafeteria facilities, or (d) infrastructure constructed specifically to support one of the items in the previous categories.

Labor peace agreements must contain three items. First, a provision prohibiting the labor organization and its members from engaging in any picketing, work stoppages, boycotts, or any other economic interference during the state's proprietary interest in the qualifying project, or for five years, whichever is greater. Second, a provision requiring all employment condition disputes or negotiations to be submitted to binding arbitration. Third, a provision requiring the employer of hospitality workers to incorporate the terms of the labor peace agreement into any other agreement between that employer and another employer who may own or operate the project or activities within the project.

In creating the labor peace agreement, an impasse between the employer and labor organization will first be addressed through mediation. If necessary, the dispute will then be sent to binding arbitration before an arbitration panel from the Bureau of Mediation Services. The question to be addressed at arbitration is whether the labor organization has placed arbitrary or capricious conditions upon the negotiation of the labor peace agreement.

There are two exemptions. First, if an employer of hospitality workers is already covered by a collective bargaining agreement with a recognized labor union that covers, or will cover, the hospitality workers that will be employed as a result of the qualifying project, that agreement satisfies the requirements of this section. Second, this section does not apply to qualifying projects receiving under \$2,000,000 in state funds.