

# Alerts

## 1 Changes to Minnesota Deed Tax

Minnesota imposes a tax on each instrument that conveys an interest in Minnesota real estate. Currently, if the consideration for the conveyance, minus the amount of liens that continue after the conveyance, exceeds \$500, the tax is \$.0033 (\$.008 for Hennepin and Ramsey counties) of that net consideration. If the net consideration is \$500 or less, a minimum tax of \$1.65 (\$1.70 in Hennepin and Ramsey counties) is imposed.

This year the Legislature increased the threshold for minimum state deed tax to net consideration of \$3,000 or less, effective for deeds presented for recording after December 31, 2019. This also means that an electronic Certificate of Real Estate Value (eCRV) will be required for deeds recorded after December 31, 2019, only if the net consideration exceeds \$3,000.

This change should facilitate some very small real estate transactions. However, it is still prudent to consult with legal counsel before recording a deed or other real estate conveyance instrument.

## 2 Minneapolis Adopts Ordinance Imposing Additional Requirements on Employers

Many employers are aware that, on July 1, 2019, Minnesota law was amended to require that Minnesota employers provide a written notice with specified content to each new employee at the outset of the employment relationship. This statute has been referred to as the “wage theft” statute.

Recently, as a follow-up to the new state statute, the City of Minneapolis adopted an ordinance that mandates several additional requirements for the written notice to be given to new employees who work in the City. The ordinance also requires employers of personnel in Minneapolis to provide the written notice to existing employees during the first pay period following January 1, 2020, which is the effective date of the ordinance.

The ordinance applies to employees who work in Minneapolis for 80 hours or more in a year. The ordinance does not apply to persons who attend a convention, conference, training, educational class, or similar event in Minneapolis if they do not perform other work in the City for an employer.

The ordinance requires that the notice document must include certain sick and safe time information, as well as the overtime pay rate and a statement that tip sharing is voluntary per state law. The ordinance also requires that the City’s notice poster must be distributed to employees at the start of employment. Employers are expected to receive and maintain copies of signed employee acknowledgment forms that confirm receipt of the notice.

## 3 VoIP Telephone Remains Beyond the Minnesota Commission’s Jurisdiction

On October 21, 2019, the United States Supreme Court declined to hear the Minnesota Public Utilities Commission (“MPUC”) appeal regarding whether states can regulate Voice Over Internet Protocol (“VoIP”). The MPUC argued that the digital telephone is analogous to traditional telephone and that the FCC’s refusal to regulate VoIP left the door open for states to assert jurisdiction. The telecommunications company, Charter Communications, Inc., successfully challenged the state’s ability to regulate information services, like VoIP, and argued that using the internet to connect a call defines VoIP as an information service.

This decision may have implications beyond telecommunications law. In a three-page concurring opinion joined by Justice Neil Gorsuch, Justice Clarence Thomas noted that he welcomed another case that would provide the Supreme Court with an opportunity to say whether the federal government’s decision not to regulate an industry preempts state regulation of that industry. “Giving pre-emptive effect to a federal agency policy of nonregulation thus expands the power of both the executive and the judiciary,” Justice Thomas wrote.

**If you would like assistance assuring best practices in these areas, please contact your attorney at Moss & Barnett.**