

# Minneapolis Residents are Authorized to Enact a Local \$15 Minimum Wage by Charter Amendment

*Across the United States, a growing number of U.S. cities are adopting a local minimum wage higher than the statewide minimum wage. The National Employment Law Project and Minnesota charter law expert Karen Marty examined whether the City of Minneapolis has the legal authority to enact a \$15 minimum wage through a charter amendment submitted to voters. This analysis concludes that the Minnesota constitution and state law give Minneapolis residents a right to place a charter amendment before voters that would establish a \$15 minimum wage for the city. Nationally, the majority of courts that have considered whether a city has the power to enact a local minimum wage have found that cities have that power unless the state legislature has stepped in to expressly prohibit such a law—something the Minnesota legislature has not done.*

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- The Minnesota Constitution grants residents in charter cities like Minneapolis the right to amend their city charter by a petition submitted to voters. Minn. Const. art. XII, § 5.
  - Under state law, the Minneapolis charter commission must allow residents to propose an amendment to the city’s charter through a ballot submitted to voters when a petition is signed by at least five percent of the total votes cast in the city’s previous general election. Minn. Stat. § 410.12.
  - Neither state nor local laws limit the type of charter amendments that voters may consider so as to preclude a charter amendment establishing a local minimum wage. Section 410.07 of the state law specifically states that a city charter may provide for the regulation of “all local municipal functions as fully as the legislature might have done before home rule charters for cities were authorized by constitutional amendment in 1896.” Minn. Stat. § 410.07. Courts have held that when it comes to matters of municipal concern, home rule cities like Minneapolis have all the legislative power possessed by the legislature except for those powers that the state has expressly or impliedly withheld. *See Dean v. City of Winona*, 843 N.W.2d 249, 256 (Minn. Ct. App. 2014), *review granted* (May 20, 2014), *appeal dismissed*, 868 N.W.2d 1 (Minn. 2015) (citation omitted).

- The City of Minneapolis’s general welfare powers have been interpreted broadly to give the city the authority to regulate businesses and protect workers within the municipality.
- Minneapolis’s general welfare powers encompass the power to enact private sector employment standards regulation, such as a local minimum wage, because such general welfare powers include the ability to regulate businesses to protect the public health, morals, safety, or comfort of the city’s residents.
- Minnesota state law has neither explicitly nor impliedly “preempted” cities like Minneapolis from adopting a higher local minimum wage. Unlike legislatures in some states, the Minnesota legislature has not stepped in to prohibit Minnesota cities from adopting higher local minimum wages. Under the standards set out by the Minnesota Supreme Court, Minnesota’s state minimum wage is properly interpreted as a floor, not a ceiling. Cities may permissibly supplement it by adopting higher local minimum wages where they determine their communities need a higher minimum wage.
- The fact that the costs of living and housing in Minneapolis are higher than elsewhere in the state provides a local concern justifying a higher local minimum wage.
- The City Council is required to place a proposed charter amendment on the ballot as long as it does not conflict with state law or the constitution. *See State ex rel. Andrews v. Beach*, 191 N.W. 1012 (Minn. 1923). A charter amendment enacting a local minimum wage in Minneapolis presents no such conflict. As noted above, Minneapolis residents are entitled by state law to place a proposed charter amendment before voters; nothing precludes a charter amendment establishing a local minimum wage; Minneapolis has the power to enact a local minimum wage through its general welfare powers; and a local minimum wage would not conflict or be otherwise preempted by state law.
- Across the country, higher city or county wage laws have been allowed to stand unless the state legislature has stepped in to block them. That is something that has generally happened only in states with Republican-controlled state legislatures that oppose raising the minimum wage in any form. For example, when localities in Illinois and Iowa recently raised the minimum wage, the legislatures in those states declined to step in. But in Alabama and Missouri, conservative legislatures that oppose any raise in the minimum wage passed bans on higher city minimum wages.
- Nationally, the majority of courts that have considered whether a city has the power to enact a local minimum wage have found that cities have that power unless the state legislature has stepped in to expressly prohibit such a law—something the Minnesota legislature has not done.

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