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MUNICIPAL ORDINANCE - MINNESOTA

Graco, Inc. v. City of Minneapolis

Court of Appeals of Minnesota - March 4, 2019 - N.W.2d - 2019 WL 1008578

Employer brought action against city, seeking temporary and permanent injunctions and declaratory judgment that municipal ordinance increasing the minimum wage within the city was preempted by the Minnesota Fair Labor Standards Act (MFLSA).

The District Court denied motion for temporary injunction and, after a court trial, denied permanent injunction and declared ordinance valid. Employer appealed to the Court of Appeals and petitioned the Supreme Court for accelerated review. The Supreme Court denied accelerated review.

The Court of Appeals held that:

- Ordinance did not conflict with MFLSA, and
- MFLSA did not impliedly preempt ordinance.

Municipal ordinance setting higher minimum wage than that required by Minnesota Fair Labor Standards Act (MFLSA) was not preempted by conflict with MFLSA; MFLSA minimum wage provision did not specifically authorize an employer to pay the statutory minimum wage, any employer complying with ordinance would necessarily be in compliance with MFLSA, and in separate statute, legislature explicitly acknowledged the potential for local ordinances setting higher minimum wage.

Minnesota Fair Labor Standards Act (MFLSA) did not so occupy the field of minimum wage regulation that municipal ordinance raising the local minimum wage was impliedly preempted; legislature's actions in amending minimum wage formulas nine times, setting forth schedule for minimum wage increases, and granting commissioner of labor and industry authority to restrict scheduled increases and to enforce MFLSA did not constitute the type of all-encompassing regulations that preempt local regulations, commissioner's authority to safeguard minimum wage rates was non-exclusive, and nothing in MFLSA suggested municipalities could not also adopt regulations consistent with the statute.