

# POLITICS IN MINNESOTA



Mary Hamel says her passion for small independent businesses developed while studying in France. "I loved all of these (French) family businesses and I remember coming back to the United States after going to school there and being appalled at how ugly these big-box stores were," she said. (photo: Kevin Featherly)

## Metro alliance watches out for small retailers

By: Nancy Crott April 9, 2014 0

It's not easy to get the 300 or so members of the Metro Independent Business Alliance to agree on public policy.

That's because the key word in the group's name is "independent," according to Mary Hamel, executive director of the group, which represents entrepreneurs, business organizations and individual citizens throughout the seven-county



Mary Hamel says that independent businesses can

metropolitan area.

"By definition, these entrepreneurs are independent — they're all independent thinkers," Hamel says. "The issue really has to pass a litmus test for us to get involved with it."

Metro IBA opposed a 2009 plan for Trader Joe's to open a grocery and liquor store on Lyndale Avenue South in Minneapolis, kitty-corner from Hum's Liquors. State law prohibits having one liquor store within 2,000 feet of another. The Minneapolis City Council approved the developer's plan to ask for an exemption from the law, but the idea died after Metro IBA intervened, Hamel says.

For the past several years, Metro IBA has rallied for state and federal legislation to force online retailers to collect sales taxes from customers, just like brick-and-mortar stores do. The Minnesota Legislature last year passed the e-Fairness Act, an "affiliate nexus" law requiring large online retailers that have in-state affiliates to collect sales taxes. In Minnesota and some other states, Amazon circumvented the law by severing its ties with those affiliate businesses, thus escaping the tax requirement.

Metro IBA is now backing the federal Marketplace Fairness Act to require Internet retailers to collect sales taxes.

The U.S. Senate passed the bill in 2013. U.S. Rep. Bob Goodlatte, R-Va., chairman of the House Judiciary Committee, is leading the effort in the House of Representatives, but the House bill differs significantly from the Senate version, according to Jeff Milchen, co-director of the American Independent Business Alliance. Milchen says he is unsure whether a bill acceptable to both houses would pass this session.

"We shouldn't have 50 different states working on this," says Dan Marshall, co-owner of Peapods natural toy store in St. Paul and a Metro IBA member. "We need a federal solution. The Internet has come of age and it's time for Internet companies to collect sales tax."

Metro IBA also wants the Legislature to repeal a 32-year-old section of state tax law that requires businesses that collect more than \$120,000 in taxes annually to pay 90 percent of each June's estimated taxes three weeks early. This allows the state Department of Revenue to count June's taxes within the fiscal year that ends June 30, according to revenue commissioner Myron Frans.

Changing the law to allow businesses to pay their June taxes on the regular due date of July 20 would cost the state \$310 million for this biennium, Frans says. One proposal in the House version of the tax bill would require only businesses that collect more than \$250,000 in annual taxes to pay early, at a cost to the state of \$16.7 million.

Another would lower the estimated tax payment to 82 percent from 90 percent, at a cost of \$23.4 million for this biennium.

Independent businesses can have a positive influence on neighborhoods. (photo: Kevin Featherly)

"We would prefer ultimately that it be done away with," Frans says of the accelerated tax law. "We don't think it's wise tax policy, and it promotes this idea that we can borrow from one fiscal year to the next."

Jeff Warner, president of Warners' Stellian appliance company and past Metro IBA president, says the accelerated tax collection puts an unfair burden on businesses. Businesses are required to submit May's tax payment to the state on June 20, and June's on June 27, he notes.

"There must be just hundreds of Minnesota businesses that this is really difficult for," he added.

### **Helping neighborhoods**

Metro IBA also supports passage of the Toxic-Free Kids Act, which would require comprehensive chemical regulation reform in children's products. The legislation would require manufacturers of children's products to disclose the presence of toxic substances, such as formaldehyde, in their goods.

The nonprofit organizations Healthy Legacy, Clean Water Action and the American Sustainable Business Council asked Metro IBA and similar organizations in other states to push for the legislation at the state level to pressure Congress to similar action on the federal level, according to Marshall.

Milchen believes Metro IBA has succeeded in bringing the concerns of small-business owners to politicians and the public. It is among the largest independent business associations in the country.

"We have seen Metro IBA generating more coverage for a lot of the important issues for smaller independent business than we typically see," he says. "That certainly is a strong indicator that they are doing a good job of educating their membership as well as of outreach to the public and media."

Metro IBA doesn't have a lobbyist. Individual members take on and testify about issues they're passionate about, but Hamel is the face of the organization at the state Capitol.

The former co-owner of May Day Café in Minneapolis' Powderhorn Park neighborhood, Hamel studied in France for more than a year after graduating from the University of Minnesota. She suffered commercial culture shock when returning to the Minnesota.

"That did kind of shape my interest in small business," Hamel says. "I loved all of these (French) family businesses and I remember coming back to the United States after going to school there and being appalled at how ugly these big-box stores were... As I owned my own business and grew to understand the economics behind it, I became more passionate about it."

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ébecame a neighborhood gathering spot.  
t at a difference one business can make in one community," Hamel says.  
bbles at some customers one day and we called their parents. If this  
was SuperAmerica, they probably would have called the cops."

Such incidents outline the effect that an independent business can have on a neighborhood, according to Hamel.

"We had kids coming in all the time asking for advice, and lonely kids whose parents were working," she says.  
"Those were the things that people don't always factor in when they're racing out to some big-box discount place.  
You saved a dime on some gallon of bleach, but what about your neighborhood?"

## The Hamel File

**Name:** Mary Hamel

**Job:** Executive director, Metro Independent Business Alliance

**Age:** 52

**Grew up:** Minneapolis

**Education:** Certificate, French Literature and Culture, 1985, Universite d'Aix Marseilles III; B.A., 1984, International Relations and French, University of Minnesota.

**Family:** Sons, Nate, 17, and Alex, 13.

**Hobbies:** Dining out, travel, reading, hiking.

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St. Paul, MN 55101 Phone: (651) 222-0059 | Fax: (651) 222-2640