

March 17, 2026

Chair Xiong  
Senate State and Local Government Committee

Re: SF 4379

Dear Chair Xiong and Members:

On behalf of the undersigned organizations representing businesses, commercial real estate, hospitality, retail, and regional economic development across Minnesota, we write to express concerns about SF 4379.

Minnesota communities compete every day with other states and regions to attract investment, jobs, and economic development. In many cases, neighboring communities may also be competing for the same project. A blanket prohibition on nondisclosure agreements in this proposal could unintentionally disrupt how development projects are evaluated and negotiated and place Minnesota communities at a disadvantage when competing for these opportunities.

In practice, nondisclosure agreements are commonly used during the early stages of development discussions when companies must share sensitive operational, financial, and site selection information while determining whether a project is viable. Without some level of confidentiality during those early conversations, companies may be unwilling to explore potential projects in Minnesota while evaluating investments across multiple states or competing communities within the same region.

These agreements also play a practical role in the mechanics of development. In many cases, municipalities must review project financial information to evaluate whether tools such as tax increment financing or other financing structures are appropriate to support a project. Many projects also require assembling multiple parcels of land. If the identity of a developer or the scale of a potential project becomes public too early in that process, land prices can increase significantly, and projects may no longer be feasible.

Most states allow limited confidentiality during early economic development negotiations while relying on public records laws to ensure transparency once projects advance. A blanket prohibition like the one proposed in SF 4379 would make Minnesota an outlier among states competing for business investment.

Minnesota's ability to attract new projects depends in part on providing communities with the tools needed to engage in complex development discussions. Policymakers should carefully consider whether a broad prohibition like this could discourage companies from pursuing projects in Minnesota.

We appreciate the committee's consideration of these concerns.

