

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2297

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2297

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2297

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date February 1, 2001

Tape Number	Side A	Side B	Meter #
1		X	6.0-41.1
Febraury 2, 2001 2	X		5.2-17.0
Committee Clerk Signature <i>James A. Rial</i>			

Minutes: Chairman Krebsbach called the committee back to order and opened the hearing on SB 2297 which relates to state officer and employee lodging reimbursement. Bill Shalhoob, lobbyist for the ND Hospitality Association appeared before the committee. He indicated that SB 2297 is a bill that has been submitted several times. It has been acted on by the Government and Veteran's Affairs committee in the last two sessions. What this bill does is it amends the actual lodging expenses or reimbursement for lodging expenses for a state employee from \$42.00 to \$47.00 plus taxes. Tom Biegler, representing Regency Hotel Managements, presently manager of the Radison here in Bismarck appeared before the committee. We have fought for a very long time. We are seeing the same decreases in labor force that everybody else is seeing. When you are dealing with employees who are at the bottom end of the pay scale and generally that's what we are dealing with, it's difficult enough to find enough people to fill positions. At one point during the summer last year we were scrambling just to get enough maids to clean rooms. If we can't see some sort of an increase in state rates it will be difficult for them to even accept state

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Senate Government and Veterans Affairs Committee

Bill/Resolution Number SB 2297

Hearing Date February 1, 2001

rates. It's very difficult with an \$18 million property trying to compete against those people who are making payments on million dollar properties. It kind of leaves us competing in a no win situation. The average rate in Bismarck right now is \$49.00. We are asking for \$47.00 state rate. The federal rate is currently \$55.00. State employees who are traveling outside the state have absolutely no per diem. They are able to pay whatever the market bears. We are asking simply for a \$5.00 increase. We come to these committees every single session and try to get these up to an acceptable level. Quite frankly there are places that can not even accept state rates. Fargo's rates are so high it is difficult for him to even accept state rates. He has a difficult time at the Radison when he is dealing with bidding conventions and trying to compromise with conventioners trying to come up with an acceptable rate. He couldn't tell the committee how many times a year he answers phone calls from the accounting division of some state organization that says well you know how come you charged us \$48.00. He indicates our state rate at the Radison is \$45.00 plus tax. The reimbursable state rate is \$45.00. It's difficult, we don't accept that rate. The only time we accept that rate is if we negotiate that prior to an event. We do not accept the \$42.00 rate. I would like to think your people traveling in the state of ND and when they are in Bismarck are able to not have to worry about a snowstorm and being able to get something to by and staying at the Radison. Some of these places have a very difficult time. It's tough for us to make ends meet at \$45.00 including tax. Our labor costs are up roughly 20 to 25% in the last biennium. It's not going away. My energy costs in the month of December alone increased 230% over a year ago. Without an increase he simply can't accept the rates. He would love to be competitive in this particular segment, but it is very difficult to do when his corporate rate is somewhere in the neighborhood of \$79.00. We get no resistance from the corporate sector at \$79.00. We are not asking for a huge increase, all we need is something

that will allow us to be competitive. Quite frankly the way it is now, he has no option. Senator C. Nelson, inquired about a disparity of rates. Mr. Biegler indicated that AAA and AARP rates are 10% below corporate rates or about \$67.00. Senator C. Nelson inquired about the nightly occupancy rate for his establishment. Mr. Biegler indicated it was difficult to find this number. It varies at different times of the year. Doug Anselmin of the Fargo Holiday Inn appeared before the committee. He indicated that he supports the bill for a couple of reasons. There have been substantial increases in utility costs and labor costs. It costs more to stay in business today and at the \$42.00 rate consequently it doesn't make good business sense for us to honor that rate very often. A \$5.00 increase is certainly a good start. It represents about a 12% increase. He indicated he has done a study of surrounding states rates and we are certainly at the low end of the survey there. Most of those states have different rates for different cities instead of one rate for statewide. At the Holiday Inn our average daily rates are in the upper \$70.00 range and our occupancy is in the 70% range. This makes it tough to honor state rates. Senator T. Mathern inquired if the Holiday Inn at Fargo ever accepted state rates. Mr. Anselmin indicated they take about 80 rooms per year strictly based on occupancy at the time. Senator Dever inquired if we raised the state rate would that change this. Mr. Anselmin indicated probably not substantially. Pete Zimmerman representing the Holiday Inn in Minot appeared before the committee. Minot from a lodging and hospitality standpoint is not in the same market as Bismarck and Fargo. City wide occupancy in Minot is 48%. Average daily rate for the city of Minot is \$45.00. The only other real different piece of information he had to offer was his largest volume corporate account does approximately 1500 nights per year. Questions were offered by Senators T. Mathern, Krebsbach, Kilzer, C. Nelson and Wardner. Responses were offered by Mr. Zimmerman, (Tape 1, Side B, Meter #'s 19.8-25.0) Bill Shalhoob once again appeared before the committee. He

included a couple of other points. There was no other testimony in support of, in neutral position, or in opposition to SB 2297. The hearing was closed at this time. After the hearing was closed it was noted that there is a Fiscal Note on this bill. The fiscal note seemed somewhat vague in its content therefore the committee requested that Jeff Larshus who prepared the Fiscal Note appear before the committee to explain it. This would be done on Friday February 2, 2001. Jeff Larshus appeared before the committee to explain the fiscal notes attached to this bill. The committee had requested that he prepare two fiscal notes one at the rate of \$47.00 and one at the rate of \$45.00. Senator T. Mathern inquired on fiscal notes are you required to list the fiscal affect for counties. Mr. Larshus indicated that they do not capture that information for the counties, what their fiscal impact might be. We do not know because they don't run through out state accounting system. Senator T. Mathern inquired but isn't this a requirement of fiscal notes? Chairman Krebsbach and Mr. Larshus indicated that where that information is not available to OMB it should be listed on the fiscal note as unavailable. The fiscal impact of this bill and it's affect on counties is not known to OMB. Senator C. Nelson inquired if OMB's definition of state employees included higher ed. Mr. Larshus indicated it did. Other questions and comments were offered by Senators Dever, Wardner, and C. Nelson (Tape 2, Side A, meter #'s 8.5-12.8). Bill Shalhoob appeared before the committee. Questions and comments were offered by Senator C. Nelson and Senator Kilzer. (Tape 2, Side A, Meter #'s 13.0-15.7) A motion for a Do Pass and rerefer to Appropriations on SB 2297 was made by Senator T. Mathern, seconded by Senator Kilzer. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. Senator Krebsbach will carry the bill.

FISCAL NOTE
 Requested by Legislative Council
 2/20/2001

Bill/Resolution No.:

Amendment to: SB 2297

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$69,235	\$112,962		
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Fiscal Note SB 2297 \$45 per night lodging rate

SAMIS Actual Costs for the First Year of 1999 Biennium: \$1,374,222

Estimated Number of Night Stays per Year:

$$\$1,374,222 / \$46 = 29,874$$

Proposed new rate for in-state lodging= \$45

Applicable taxes: assume 9%= \$4.05

Estimated Cost per Night= \$49.05

Estimated Cost per Year= 29,239 x \$49.05 = \$1,465,320

Less Actual Costs thru first Year of Biennium = \$1,374,222

Estimated Additional Costs per Year: \$91,098

Estimated Additional Costs per Biennium: \$182,196

Totals by Funding Source:

General Funds: \$69,235

Other Funds: \$112,961

These estimated costs are based on the current lodging rate of \$42 per night plus tax. The funding source split is the percentage of actual first year expenditures on SAMIS, for the 1999 biennium. These increases are not included in agencies budget requests.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Jeff Larshus	Agency:	OMB
Phone Number:	328-4902	Date Prepared:	02/20/2001

FISCAL NOTE

Requested by Legislative Council
02/02/2001

REVISION

Bill/Resolution No.: SB 2297

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$94,006	\$153,379		
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Fiscal Note - SB 2297

Actual Costs Est. Ave Est. No. of
7/1/99 thru Costs Per Night Stays
06/30/2000 Night Per Year

Object 2115: In State Lodging $\$1,374,222 \div \$46 = 29,874$

Estimated Fiscal Impact of HB 1341:

Proposed rate for in-state lodging \$47

● Applicable taxes: assume 9% \$4.23

Estimated Cost Per Night \$51.23

Est. No. of Night Stays Per Year x 29,874

Estimated Cost Per Year \$1,530,445

Less Actual Costs Thru 6-30-98 \$(1,374,222)

Estimated Additional Costs Per Year \$15,223

x 2

Estimated Additional Cost Per Biennium 312,447

● 38% General Funds \$118,730

35% Federal Funds \$109,356

27% Special Funds \$ 84,361

\$312,447

These estimated costs are based on the current lodging rate of \$42 per night, plus tax. The funding source split is the percentage of actual first year expenditures on SAMIS, for the 1999 biennium.

3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Jeff Larshus	Agency:	OMB
Phone Number:	328-4802	Date Prepared:	01/24/2001

FISCAL NOTE

Requested by Legislative Council
01/23/2001

Bill/Resolution No.: SB 2297

Amendment to:

1A. State fiscal effect: Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$94,000	\$153,379		
Appropriations						

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

Fiscal Note - SB 2297

Actual Costs Est. Ave Est. No. of
7/1/99 thru Costs Per Night Stays
06/30/2000 Night Per Year

Object 2115: In State Lodging $\$1,374,222 \div \$47 = 29,239$

Estimated Fiscal Impact of HB 1341:

Proposed rate for in-state lodging \$47

Applicable taxes: assume 9% \$4.23

Estimated Cost Per Night \$51.23

Est. No. of Night Stays Per Year x 29,239

Estimated Cost Per Year \$1,497,914

Less Actual Costs Thru 6-30-98 \$(1,374,222)

Estimated Additional Costs Per Year \$123,692

x 2

Estimated Additional Cost Per Biennium 247,385

General Funds \$94,006

Federal Funds \$86,585

Special Funds \$66,794

\$247,385

3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:

A. Revenues: Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. Expenditures: Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

C. Appropriations: Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

Name:	Jeff Larshus	Agency:	OMB
Phone Number:	328-4802	Date Prepared:	01/24/2001

REPORT OF STANDING COMMITTEE (410)
February 2, 2001 4:05 p.m.

Module No: SR-19-2313
Carrier: Krebebach
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2297: Government and Veterans Affairs Committee (Sen. Krebebach, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2297 was rereferred to the Appropriations Committee.

2001 SENATE APPROPRIATIONS

SB 2297

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2297

Senate Appropriations Committee

Conference Committee

Hearing Date February 12, 2001

Tape Number	Side A	Side B	Meter #
Tape #1		x	17.6-27.5
Committee Clerk Signature <i>Terrie Ruetz</i>			

Minutes:

Senator Nething opened the hearing on SB2297.

Senator Grindberg, District 41, Fargo: One of the prime sponsors of the bill testified in support of same.

Senator Tomac: When were the rates last adjusted?

Senator Grindberg: 1997, four years ago.

No additional testimony, for, against or neutral on this bill.

Senator Nething closed the hearing on SB2297.

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Senate Appropriations Committee

Bill/Resolution Number SB2297

Hearing Date February 15, 2001

February 15, 2001 Full Committee Action (Tape 3, Side B, Meter No. last of three bills acted on 0.0 - 10.7)

Senator Nething reopened the hearing on SB2297.

Senator Grindberg presented amendment #10387.0101. Discussion on the amendment.

Senator Grindberg moved the amendment be adopted. Senator Heitkamp seconded. Verbal motion carried.

Discussion on the bill.

Senator Grindberg moved a DO PASS AS AMENDED; Senator Heitkamp seconded.

Roll Call Votes: 13 yes; 0 no; 1 absent and not voting.

Floor assignment given to Senator Krebsbach, the original carrier of the bill.

10387.0101
Title.

Prepared by the Legislative Council staff for
Senator Grindberg
February 13, 2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2297

Page 1, line 15, replace "forty-seven" with "forty-five"

Renumber accordingly

Date: 2-15-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2297

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number 10387.0101

Action Taken As Passed As Amended

Motion Made By

Senator Grindberg

Seconded

By

Senator Heitkamp

Senators	Yes	No	Senators	Yes	No
Dave Nothing, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac					
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 13 No 0

Absent 1

Floor Assignment Senator Grindberg Heitkamp

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 16, 2001 10:37 a.m.

Module No: SR-29-3635
Carrier: Krebbach
Insert LC: 10387.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2297: Appropriations Committee (Sen. Nothing, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2297 was placed on the Sixth order on the calendar.

Page 1, line 15, replace "forty-seven" with "forty-five"

Renumber accordingly

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2297

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2297

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 3/15/01

Tape Number	Side A	Side B	Meter #
1	X		1756-3505
		X	821-1600
Committee Clerk Signature <i>Joseph A. Smalli</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all members present, except REP. BELLEW and REP. HUNSKOR.

In favor:

SEN. KAREN K. KREBSBACH, DISTRICT 40

KREBSBACH is one of the sponsors on the bill. KREBSBACH requests an increase of rate for state officers. The reasoning is as such: labor costs have increased, there are better paying jobs available, costs have increased, such as utilities and the federal rate is at \$55.00, we are only asking for \$45.00.

REP. M. KLEIN asks if the money is coming from existing funds? KREBSBACH replies yes that is correct. REP. CLEARY comments that the original bill had \$47.00, why the change?

KREBSBACH states that it was agreed between industry and appropriations. REP. CLEARY states that is not half of the five dollars. KREBSBACH replies that either it was to accept it or go

into conference with it. REP. DEVLIN asks if it was raised last session? KREBSBACH replies that it was. REP. DEVLIN asks if the money is in new generated fund expenses? KREBSBACH replies that it will come out of the existing budget. REP. DEVLIN comments to the committee that he is concerned that it will affect cities and counties. KREBSBACH states that was taken into consideration.

In favor:

REP. ANDREW MARAGOS, DISTRICT 3

MARAGOS comments to the committee that he is here to testify on behalf of the managers of the Holiday Inns, since they were unable to attend. The managers just wanted to have it stated that they are in favor of this legislation.

In favor:

BILL SHALHOOB, NORTH DAKOTA HOSPITALITY ASSOCIATION

SHALHOOB states that the hospitality association is very much in favor of this bill. All that they are asking for is a few dollar increase. States that the federal rate is \$55.00 throughout.

REP. M. KLEIN states to the committee that it is a major problem in the bigger cities. Trouble getting rooms at the state rate. Is it that very few rooms are set aside at that rate? SHALHOOB replies that it just depends. Some hotel's in Bismarck even offer rooms under the state rate.

REP. BRUSEGAARD asks how many rooms were rented to the state in the last year?

SHALHOOB replies it was 29,874. The fiscal note is much under that.

In favor:

TOM BIEGLER, GENERAL MANAGER RADISSON HOTEL AND THE HOLIDAY INN.

BIEGLER states to the committee that their largest business sector is conventions. They can not afford to take the state rate.

REP. M. KLEIN asks what is the normal rate a night at the Radisson? BIEGLER replies that it is \$79.00 a night. In Bismarck, hotel rooms can range anywhere from \$20.00 to \$80.00 a night.

REP. KASPER asks how often is BIEGLER 75% full for the evening? BIEGLER replies that it's about 60% of the year. REP. GRANDE asks what are the other funds on the fiscal note?

BIEGLER replies that he is not sure, doesn't know.

Being there was no further testimony the hearing was then closed.

Action was taken later that morning. The committee asked that someone come down from OMB and explain the fiscal note.

Neutral:

PAM SHARP, OMB

REP. GRANDE asks what are the "other funds"? SHARP replies that they are special funds or federal funds. REP. DEVLIN asks what will it cost the schools? SHARP replies that she is not sure. REP. GRANDE and REP. HAAS talk about it being rereferred to appropriations.

REP. DEVLIN states to the committee that he is opposed to a do pass. REP. BRUSEGAARD motions for a DO PASS AND TO BE REREFERRED TO APPROPRIATIONS, seconded by REP. CLARK. The roll call was taken with 12 YES, 1 NO AND 2 ABSENT AND NOT VOTING. The motion passes. The CARRIER of the bill is REP. CLARK.

SB 2297: DO PASS AND BE REREFERRED TO APPROPRIATIONS 12-1

CARRIER: REP. CLARK

Date: 3/15/01

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2297

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass & Referred to Appropriations

Motion Made By Brusegaard Seconded By Clark

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER	✓	
VICE CHAIR GRANDE	✓				
REP BELLEW					
REP BRUSEGAARD	✓				
REP CLARK	✓				
REP DEVLIN		✓			
REP HAAS	✓				
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY	✓				
REP HUNSKOR					
REP METCALF	✓				

Total (Yes) 12 No 1

Absent 2

Floor Assignment Rep. Clark

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 14, 2001 10:57 a.m.

Module No: HR-45-5691
Carrier: Clark
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2297, as engrossed: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (12 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). Engrossed SB 2297 was placed on the Fourteenth order on the calendar.

2001 HOUSE APPROPRIATIONS

SB 2297

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2297

House Appropriations Committee

Conference Committee

Hearing Date **March 27, 2001**

Tape Number	Side A	Side B	Meter #
1	x		4723 - 6203
Committee Clerk Signature			

Minutes:

Rep. Timm: We will open the hearing on SB2297.

Sen. Grindberg: I believe your books obviously have the fiscal note on this bill, and we have some individuals here from the industry here that will talk further on the bill and I will be happy to answer any questions.

Rep. Timm: What it is, is an automatic increase for our hotel rooms, right?

Sen. Grindberg: For state employees, yes. This is to keep in line with the market.

Rep. Timm: Any questions of Sen. Grindberg?

Rep. Byerly: When was the last time we raised it? Do you remember what it went from what it was before it went to \$42 ?

Sen. Grindberg: Two sessions ago I believe. I believe it was \$39

Bill Shalhoob, North Dakota Hospitality Association:

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House Appropriations Committee

Bill/Resolution Number SB2297

Hearing Date March 27, 2001

Just to put this into a little perspective, the federal rate for North Dakota is \$55 today, so when, as a comparison and then just to note that there are hotels today, that this is a market driven rate that effects the highest parts of our hotel business. On the top end costs continue to rise and I have a member who will speak to that, and so other members have been here in other hearings including those from Minot, Fargo, and Grand Forks, and I think they are being hospitable today in taking care of there guests and weren't able to make it. We would appreciate your support on this bill.

Rep. Timm: Are there any hotels or motels that refuse or recognize the present \$42 dollars a day?

Mr. Shalhoob: Yes, there are hotels that will not do any business with state employees or under state rates and that's a statement that should be taken. During soft periods if you went there in December they would take your business, but during any strong period there are a number of hotels particularly in the Fargo market and some of the major hotels in the Bismarck market, perhaps Grand Forks that will not recognize state rates at any time or very few times.

Rep. Timm: Well will they recognize it a little better at \$45.00?

Mr. Shalhoob: I'm sure they will. As it gets closer to what the real rates are for there average rate they would be more inclined to recognize the rate and to take state employees.

Rep. Monson: Do you think by raising these rates that it encourages some of the lower priced motels to raise their rates for the general public, because there feeling that the state rate is \$45 so that is what they will charge for normally they would charge \$30, do you think that if we pass a bill like this that were actually encouraging them to raise there rates higher for the general public and the tourists and so on?

Mr. Shalhoob: No I don't. I think rates are market driven in general terms rates are a market driven item and more of it depends on demand than what the state rate is or those kinds of factors. (Mr. Shalhoob went on to speak about different rate structures in different cities)

Rep. Martinson: You have been in the lodging business a long time and it has always bothered me that private business really subsidizes state travel because they pay a higher rate and it is very difficult to get into Fargo in a state rate, sometimes you can't do it, do you think its time we and maybe the interim is the time for you and the organizations to get together to do, to look at about dividing the state into sections like the federal government does nationally, when Fargo's rates should be higher and Williston, Dickinson and I don't know about Bismarck, but Fargo is probably the toughest to get a rate in.

Mr. Shalhoob: That is correct and we would certainly like to see that where the state was tied to a little more of a market driven rate based on the market conditions in the city really are, our thought would be is to tie the state rate to the federal rate codes because they break it down according to market rates.

Rep. Timm: Any other questions? Any other testimony on SB2297?

Shannon Gengl, Representing the Seven Seas Hotel.

I would like to talk on just a couple of areas associated with this bill. The hotel industry especially locally here in North Dakota, our costs have risen significantly over the last year, and I'm sure your aware of what's happening with utilities, I can tell you that on our properties our utility bills have doubled and when you take a square footage building like we have and consider that utilities have doubled, that's thousand's of dollars a month and we have had to adjust our rates by about 8% just to offset this along with the wage increase that were experiencing because our unemployment is so low in our area and if we continue to answer someone's question and I

don't remember who's it was, asked if by going to \$45 hotels would raise there rates for everybody else if that would give them the option to do that. If we do not raise our state rates we will have to continue to raise the other rates to offset the state rates so that we can continue to do state rate business. I guess that's what I would present to you and I would answer any questions that you might have.

Rep. Delzer: Not withstanding the legislative session, what kind of occupants did you have at state rates, not during the session but at other times.

Mr. Gengel: For our particular two hotels in Mandan and Bismarck, we do about 5000 room nights per year.

Rep. Warner: Can you tell me what the best corporate rate that you offer is? Right now our corporate is \$65.00

Rep. Timm: Any questions? Any other testimony on SB2297? Any opposition on SB2297? If not then we will close the hearing on SB2297.

House Appropriations Committee hearing on SB2297 is closed.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2297

House Appropriations Committee

Conference Committee

Hearing Date March 28, 2001

Tape Number	Side A	Side B	Meter #
03-28-01 tape #1	3850-4147	3850-4147	
Committee Clerk Signature <i>Kaylin Hall</i>			

Minutes:

The committee was called to order, and opened committee work on SB 2297.

Rep. Carlisle: Moves DO PASS. Seconded by Rep. Martinson.

(some committee discussion - Rep. Delzer opposes the bill).

Vote on Do Pass : 14 yes, 6 no, 1 absent and not voting. Motion passes.

Rep. Carlisle is assigned to carry the bill to the floor.

Date: 3-28-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2297

House APPROPRIATIONS Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Rep Carlisle Seconded By Rep. Martinson

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aaravold	✓		Rep - Koppelman	✓	
Rep - Boehm		✓	Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol		✓
Rep - Delzer		✓	Rep - Svedjan		✓
Rep - Glassheim		✓	Rep - Thoreson	✓	
Rep - Gulleason		✓	Rep - Warner		✓
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich	✓				
Rep - Kerzman	✓				
Rep - Kliniske	✓				

Total (Yes) 14 No 6

Absent 1

Floor Assignment Rep Carlisle

If the vote is on an amendment, briefly indicate intent:

"Affiliate" means any company that controls, is controlled by, or is under common control with another company.

"Nonaffiliated third party" means any entity that is not an affiliate of, or related by common ownership or affiliated by corporate control with, the financial institution. The term does not include a joint employee of such a financial institution."

Page 2, after line 23, insert:

"SECTION 4. A new section to chapter 10-04 of the North Dakota Century Code is created and enacted as follows:

Disclosing customer information. Every dealer, agent, investment adviser, federal covered adviser, and investment adviser representative is a financial institution for purposes of chapter 6-08.1, relating to disclosure of customer information. The commissioner shall enforce compliance with this section.

SECTION 5. A new section to chapter 26.1-02 of the North Dakota Century Code is created and enacted as follows:

Disclosing customer information. Every insurance company, nonprofit health service corporation, and health maintenance organization is a financial institution for purposes of chapter 6-08.1, relating to disclosure of customer information. The commissioner shall enforce compliance with this section.

SECTION 6. A new section to Senate Bill No. 2127, as approved by the fifty-seventh legislative assembly, is created and enacted as follows:

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on August 1, 2003."

Page 2, line 24, after "DATE" insert "- EXPIRATION DATE", replace "This" with "Sections 1, 4, 5, 6, 7, and 8 of this", replace "becomes" with "become", after "2001" insert ", and sections 2 and 3 of this Act become effective on August 1, 2003", and after the period insert "Sections 4 and 5 of this Act are effective through July 31, 2003, and after that date are ineffective."

Renumber accordingly

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE

SB 2297, as engrossed: Appropriations Committee (Rep. Timm, Chairman) recommends DO PASS (14 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2297 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2342: Appropriations Committee (Rep. Timm, Chairman) recommends DO PASS (18 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). SB 2342 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2454: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (11 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). SB 2454 was placed on the Sixth order on the calendar.

Page 1, line 5, remove "and" and after "date" insert "; and to provide an expiration date"

Page 1, line 23, replace "and which is" with an underscored comma

Page 1, line 24, after "engines" insert ", and produced in a refining facility in this state which has a production capacity of at least ten million gallons [37854000 liters] of biodiesel per year"

Page 2, line 8, replace "two and one-tenth" with "one and five-hundredths"