

Testimony of Rudie Martinson  
Executive Director, ND Hospitality Association  
In favor of SB 2018  
January 25, 2021  
Before the Senate Appropriations Committee

Chairman Holmberg and Members of the Committee,

Good morning and thank you for the opportunity to address the committee. My name is Rudie Martinson and I am Executive Director of the ND Hospitality Association, which is North Dakota's trade association for the restaurant, lodging, and retail beverage industries. Today we urge you to support the additional tourism marketing funding included in SB 2018.

Since the advent of the COVID-19 pandemic, the hospitality sector has been the most directly and severely impacted industry in North Dakota. Bars and restaurants have been subjected to executive orders severely curtailing their business activities, often forcing individual establishments to redesign their business models functionally overnight. And though the lodging segment of the industry has not been directly subject to such orders, the pandemic has caused the cancellation of nearly every business driver for a hotel property: things like business travel, conventions, community events, sporting events, and concerts.

The ND state government and the Burgum administration took pains to minimize the impact of the pandemic and its response measures on this critical portion of North Dakota's economy. Bars and restaurants were limited to carry-out service only for the shortest possible time, and the industry was involved in drafting the guidelines for reopening. Several economic aid programs were implemented in addition to the federal Paycheck Protection Plan in order to help businesses continue to function in light of harsh circumstances and additional regulatory requirements.

In fact, two rounds of grants were directed specifically at hospitality sector businesses. These programs were also designed to incentivize following ND Smart Restart guidelines, rather than implementing regulatory penalties for failure to comply.

Unfortunately, these regulations and economic aid programs were originally designed to be temporary measures, not permanent operating conditions. "Two weeks to slow the spread" is now entering month eleven, though vaccine distribution does appear to be providing a light at the end of the tunnel. However, bars and restaurants are simply not designed to operate at limited capacity indefinitely. Hotels cannot continue to operate with no upcoming events on their calendar for months ahead.

Tourism is North Dakota's third largest industry, and hospitality businesses are the front line of that industry. If North Dakota is going to maintain a recognizable hospitality industry in a post-COVID world, the state government needs to commit to making the financial investment to carry the industry through this challenging period in time.

This is why we believe support for the ND Tourism Division and their promotional programs is critical. These programs play a critical role in consumer demand recovery, and in reminding people regionally and nationwide what a great place North Dakota is to visit. These investments will result directly in an increase in visits and dollars being spent at our restaurants, bars, and hotels.

For these reasons, we urge your support of these tourism funds included in SB 2018.  
Thank you.