

1999 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1341

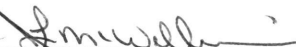
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1341

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1-28-1999

Tape Number	Side A	Side B	Meter #
1	X		15.8 - 42.4
Committee Clerk Signature 			

Minutes: Some of the individuals testifying submit written testimony. When noted please refer to it for more detailed information.

Representative Klein, Chairman of the GVA Committee opened the hearing on January 28, 1999.

Summary of the Bill: Relating t state officer and employee expense reimbursement.

Testimony in Favor:

Representative Kliniske, Appeared before the committee to introduce the bill.

Alan Stenehjem, Executive Director of the ND Hospitality Association submitted written testimony and amendment of which he read in it's entirety (**please refer to his testimony**).

Representative Klein, Will the amendment change the fiscal note or are you just relating to those particular times when it goes along with the hotels. I guess I don't understand when you change the 6 to 7 and 10 to 11 on the amendments.

Stenehjem, The fiscal note was brought up strictly on the road, it does not address the dollar change for meals.

Representative Kroeber, Adjusted slightly? What does that mean?

Stenehjem, We went from 35 to 39 dollars last session.

Representative Devlin, Is the 75% just a figure or did you have factual numbers? Does the fiscal note include political subs.?

Stenehjem, Actually the 75% is higher. No it does not include political subs.

Representative Klein, I know where your coming from in some areas. Rates vary for state vs. federal and city by city.

Representative Hawken, We've got to move ahead in this area. We can't continue to expect them to continue this for our state employees. Were still even with this, 20 dollars behind.

Representative Thoreson, Is this a really big problem, or a big problem for a few people?

Stenehjem, It's a big problem. It's a matter of business for these establishments to close out dates to state employees.

Representative Winrich, It's not only a problem for the businesses, it's a problem for state employees.

Representative Klemin, Well then, 42 dollars really isn't enough either! According to your testimony.

Stenehjem, We had to come up with a figure and be realistic at the same time. We thought this would reasonably go through.

Representative Metcalf, Is 3 dollars going to make a difference? 39 to 42.

Stenehjem, Well the dates will still be blacked out. They won't lose 20 dollars on a room. We are getting closer and closer to that figure.

Bill Shalhoob, Doublewood Inn stated that when we send state employees out of state, we pay the actual costs. The federal rate is now 50 dollars plus tax for the whole state of ND. The problem area for us in the food area is in banquets, by the time we take the tax and gratuity. We're talking about 4.91 dollars for lunch and 8.19 dollars for dinner. I don't know where people eat anymore for that.

Darwin Braunagel, Tharaldson Enterprises stated that the 42 dollars would help us a lot more.

Tom Tupa, INDSEA would like to go on record in support of this bill.

Chris Runge, NDPEA stated that her organization also supports this bill and would welcome the amendment increase of a dollar for lunch and dinner.

Testimony in Opposition: None.

Representative Klein, Closed the hearing on HB 1341.


1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1341

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 1-29-1999

Tape Number	Side A	Side B	Meter #
1	X		37.5 - 47.8
Committee Clerk Signature 			

Minutes: Representative Klein instructed the committee to take out HB 1341. The problem we face is all bills with a fiscal note have to be in appropriations by next week. I realize we talked about a revised fiscal note, so the motion would have to be Do Pass and referred to appropriations. We are going to go with the way the bill is, no amendment.

Summary of the Bill: Relating to state officer and employee expense reimbursement.

Committee Action:

Representative Thoreson, Made a motion for a Do Pass and referred to appropriations.

Representative Kliniske, Seconded the motion.

Representative Thoreson, I think with the way prices are, that our state employees deserve this.

Representative Hawken, We probably should have been more proactive in the past session when we had this in front of us then. Maybe we should look at this every session.

Representative Devlin, What were doing is mandating to political subs. They go by the same rates. Things are tough in the rural areas

Representative Kliniske, They are not bound to follow this, state rate.

Representative Kroeber, At 39 dollars a night there normal sales rate, they may be getting more than they normally would. I hope we don't come down to the end of the session and say where that's for public employees and have to pull that money out of public employees salaries.

Representative Kliniske, It comes down to 875 dollars per year per agency.

Representative Melcalf, I would like to express a frustration with travel when I was involve with government travel. There were many times when money has been cut off and there was no more travel. It didn't affect our operation one bit. Maybe the departments can take a look at themselves and ask if they really need this travel. Police themselves.

Motion Passes: Do Pass **14-1-0**.

Representative Cleary, Is the carrier for the bill.

REVISED
FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1341 Amendment to: _____

Requested by Legislative Council Date of Request: 1-14-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

PLEASE SEE ATTACHMENT

2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____
- c. For the 2001-03 biennium: _____

4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed *Jeff Larshus*

Typed Name JEFF LARSHUS

Date Prepared: 1-28-99

Department OMB

Phone Number 328-4902

Revised Fiscal Note - HB 1341

	Actual Costs 7/1/97 thru 6/30/98	Est. Ave Costs Per Night	Est. No. of Night Stays Per Year
Object 2115: In State Lodging	\$ 1,349,966	÷ \$42	= 32,142

Estimated Fiscal Impact of HB 1341:

Proposed rate for in-state lodging	\$ 42		
Applicable taxes: assume 9%	\$ 3.78		
Estimated Cost Per Night	\$ 45.78		
Est. No. of Night Stays Per Year	x 32,142		
Estimated Cost Per Year	\$ 1,471,461		
Less Actual Costs Thru 6-30-98	\$ (1,349,966)		
Est. Additional Costs Per Year	\$ 121,494		
	x 2		
Est. Additional Cost Per Biennium	\$ 242,989		
General Funds	\$ 94,766		
Federal Funds	\$ 82,616		Jeff Larshus
Special Funds	\$ 65,607		OMB
	\$ 242,989		

OMB can not estimate the fiscal impact this proposed rate increase would have on county employees who are reimbursed at the state rate. This is the same for state boards and commissions, as we do not have access to their accounting records. OMB's estimates are only for state agencies that are on the Statewide Accounting and Management Information System (SAMIS). Not all counties reimburse their employees at the state rate.

FISCAL NOTE

(Return original and 10 copies)

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Requested by Legislative Council Date of Request: 1-14-99

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Narrative:

PLEASE SEE ATTACHMENT

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures:

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: _____
- b. For the 1999-2001 biennium: _____
- c. For the 2001-03 biennium: _____

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

If additional space is needed, attach a supplemental sheet.

Signed Jeff Larshus

Typed Name JEFF LARSHUS

Department OMB

Phone Number 328-4902

Date Prepared: 1-18-99

Fiscal Note - HB 1341

	Actual Costs 7/1/97 thru 6/30/98	Est. Ave Costs Per Night	Est. No. of Night Stays Per Year
Object 2115: In State Lodging	\$ 1,349,966 ÷	\$42	= 32,142

Estimated Fiscal Impact of HB 1341:

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Special Funds	\$ 65,607
	\$ 242,989

Jeff Larshus

Jeff Larshus

OMB

Date: ²⁹1-28-99

Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1341

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 THORESON Seconded By HAWKEN KLINISKE

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP. WINRICH	✓	
VICE-CHAIR KLINISKE	✓				
REP. BREKKE	✓				
REP. CLEARY	✓				
REP. DEVLIN		✓			
REP. FAIRFIELD	✓				
REP. GORDER	✓				
REP. GRANDE	✓				
REP. HAAS	✓				
REP. HAWKEN	✓				
REP. KLEMIN	✓				
REP. KROEBER	✓				
REP. METCALF	✓				
REP. THORESON	✓				

Total (Yes) 14 No 1

Absent 0

Floor Assignment CLEARY.

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

REPORT OF STANDING COMMITTEE (410)
January 29, 1999 1:18 p.m.

Module No: HR-19-1481
Carrier: Cleary
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1341: Government and Veterans Affairs Committee (Rep. Klein, Chairman)
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**
(14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). HB 1341 was rereferred to the
Appropriations Committee.

1999 HOUSE APPROPRIATIONS

HB 1341

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1341

House Appropriations Committee

Conference Committee

Hearing Date February 4, 1999

Tape Number	Side A	Side B	Meter #
1	x		20-25.6
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

HB 1341 - A bill for an act to amend and reenact subsection 2 of section 44-08-04 of the ND Century Code, relating to state officer and employee expense reimbursement.

CHAIRMAN DALRYMPLE called the hearing for HB 1341 to order.

1A: 20.0 AL STENEHJEM, Executive Director of ND Hospitality Association, presented the bill. (See attached testimony.)

1A: 23.8 REP. GULLESON noted that the amount had been raised last biennium, and asked by how much. Chairman Dalrymple and Mr. Stenehjem said that it had been raised from \$35 to \$39 plus tax.

1A: 24.7 REP. CARLISLE asked how the committee could add on \$3 this biennium in regards to inflation. Mr. Stenehjem said they have not addressed the issue of inflation.

CHAIRMAN DALRYMPLE adjourned the hearing for HB 1341.

General Discussion

- Committee on Committees
- Rules Committee
- Confirmation Hearings
- Delayed Bills Committee
- House Appropriations
- Senate Appropriations
- Other

Date February 15, 1999			
Tape Number	Side A	B Side	Meter #
1		x	25.7-29.1
Committee Clerk Signature <i>Casey Davis</i>			

Minutes:

HB 1341

CHAIRMAN DALRYMPLE opened discussion on HB 1341.

1B: 25.7 REP. BYERLY made a motion for a Do Not Pass. The motion was seconded by Rep. Delzer. A roll call vote was taken and the motion carried with 17 yeas, 2 nays, and 1 absent and not voting. Rep. Huether will carry the bill to the House floor.

Date: 2-15-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. 1341

House Appropriations Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DNP

Motion Made By Byerly Seconded By Delzer

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	✓		Nichols	✓	
Vice-Chairman Byerly	✓		Poolman	✓	
Aarsvold	✓		Svedjan	✓	
Bernstein	✓		Timm	✓	
Boehm	✓		Tollefson	✓	
Carlson	✓		Wentz	✓	
Carlisle		✓			
Delzer	✓				
Gulleson					
Hoffner		✓			
Huether	✓				
Kerzman	✓				
Lloyd	✓				
Monson	✓				

Total (Yes) 17 No 2

Absent 1

Floor Assignment Byerly Huether

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

REPORT OF STANDING COMMITTEE (410)
February 16, 1999 9:03 a.m.

Module No: HR-31-3076
Carrier: Huether
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1341: Appropriations Committee (Rep. Dalrymple, Chairman) recommends **DO NOT PASS** (17 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1341 was placed on the Eleventh order on the calendar.

1999 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1341

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1341

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date March 4, 1999

Tape Number	Side A	Side B	Meter #
1		X	190-1659
Committee Clerk Signature <i>James A. Paul</i>			

Minutes: CHAIRMAN KREBSBACH opened the hearing on HB 1341 which relates to state officer and expense reimbursement. Appearing before the committee was REPRESENTATIVE AMY KLINISKE, District 42, Grand Forks, prime sponsor of the bill. She indicated the bill is very straight forward, very basic. It increases the reimbursement for hotels from \$39.00 to \$42.00. We are not asking for an appropriation for this. We are asking departments to fund this within their budgets. There were no questions from the committee. Appearing before the committee was ALLAN STENEHJEM, Executive Director of the North Dakota Hospitality Association. A copy of his written testimony is attached. As a part of his testimony he reviewed the fiscal notes with the committee. Questions were offered by SENATORS DEMERS and W. STENEHJEM. BILL SHALHOOB, manager of the Doublewood Inns in Fargo and Bismarck and the Seven Seas in Mandan. He urged the committees support for this bill. He talked about the federal rate which is called the Conis Rate which applies to the continental U.S. The rate in

Page 2

Senate Government and Veterans Affairs Committee

Bill/Resolution Number HB 1341

Hearing Date March 4, 1999

North Dakota at the present time is \$50.00 plus tax. That is applied by the federal government statewide. That is the room rate. They allow another \$35.00 a day in meal costs, so the total for the federal allotment is \$85.00 plus tax. This rate is reviewed annually by the GSA. Questions were offered by SENATORS W. STENEHJEM and CHAIRMAN KREBSBACH. There were no further questions. NANCY J. LEWIS, Director of Human Resources at Tharaldson Enterprises. They own and operate hotels throughout the U.S. including 14 in North Dakota. She indicated that her organization concurs with all that has been said on the bill and asked the committee support the proposed legislation. There were no questions. No further testimony was offered in support of, neutral position on, or opposition to HB 1341. The hearing was closed at this time. A motion for DO PASS and rerefer to appropriations was made by SENATOR DEMERS, seconded by SENATOR W. STENEHJEM. ROLL CALL VOTE indicated 7 YEAS, 0 NAYS, 0 ABSENT OR NOT VOTING. SENATOR THANE will carry the bill.

Date: 3/24/99
Roll Call Vote#:

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1341

Senate GOVERNMENT AND VETERAN'S AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass - Rerefer to App.

Motion Made By Sen DeMars Seconded By Sen Stenehjem

Senators	Yes	No	Senators	Yes	No
SENATOR KREBSBACH	✓				
SENATOR WARDNER	✓				
SENATOR KILZER	✓				
SENATOR STENEHJEM	✓				
SENATOR THANE	✓				
SENATOR DEMERS	✓				
SENATOR MUTZENBERGER	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Thane

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

REPORT OF STANDING COMMITTEE (410)
March 4, 1999 1:36 p.m.

Module No: SR-39-4033
Carrier: Thane
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1341: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1341 was rereferred to the
Appropriations Committee.

1999 SENATE APPROPRIATIONS

HB 1341

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1341

Senate Appropriations Committee

Conference Committee

Hearing Date 3/17/99; 3/18/99

Tape Number	Side A	Side B	Meter #
1	214-730		
3/18/99 2	3425-4055		
Committee Clerk Signature <i>Gaudia Anderson</i>			

Minutes:

SENATOR NETHING: Opened the hearing on HB 1341; A BILL for an Act to amend and reenact subsection 2 of section 44-08-04 of the North Dakota Century Code, relating to state officer and employee expense reimbursement.

AMY KLINSKE: Representative, District 42, and cosponsor to testify in support of HB 1341. This bill basically increases the hotel reimbursement rate for state employees from \$39 to \$42. We're not asking for any additional appropriation. It will come out of an existing budget, or if the agency for some reason cannot find the \$875 to increase this \$3.00, they would have to prioritize their travel. (tape 1, A, 80-214)

AL STENEHJEM: Hospitality Association, to testify in support of HB 1341, requesting a \$3.00 increase of hotel reimbursement. Currently, if you walk into a hotel, i.e. the Doublewood, off the street you'd be paying about \$55/night; state employees are paying \$39/night for that same room. It is getting to the point where hotels cannot afford, because their costs are going up, to rent their rooms at that rate. Our survey, indicates hotels close out a lot of dates. It makes sense, if they can rent their room at \$55 to meet their costs, how can they serve a state employee at \$39? The hospitality industry likes to take care of state employees. But, at \$39 at some times it is just impossible to do. There are 90 state agencies that participate in this. When you calculate it out it comes to about \$800/agency, on average to meet the cost of this increase. (tape 1, A, 350)

SENATOR NETHING: It looks to me like there is \$94,000 in general funds.

STENEHJEM: I took the total. There are general, federal, and special funds. I took the total, divided it by the number of agencies that participate or send out state employees. But, for out-of-state funds, it is only \$94,000. The survey we conducted, also noted that are many hotels that do not charge up to the state rate. At an interim committee up in Bottineau, the rate was \$31. So, they wouldn't be affected by this bill. They wouldn't raise their rate to \$39 because they don't

charge the general public that. Smaller community hotels tend to charge less than the state rate; larger communities charge more.

SENATOR NETHING: This was based on the total cost for state lodging?

STENEHJEM: Yes.

SENATOR HOLMBERG: Are most of the dollars spent in the larger communities?

STENEHJEM: Yes. I would say they stay in Grand Forks, Fargo, Bismarck, Dickinson, and Williston.

SENATOR ST. AUBYN: What is the history? When did we last raise the rate?

STENEHJEM: Last session, we raised it \$4.00 -- from \$35 - \$39. Prior to that it was 1981 before any adjustment was made. Two years ago there was a bill in to raise the amount. They simply took it and said, now we can do the tax. What was happening was state employees would go out and it was \$35, that was the rate since 1981. The employee would be charged the tax and they would have to pay that. Now, it includes the tax.

SENATOR KRAUTER: You made reference to the fiscal impact. What was that figure?

STENEHJEM: I said when you take that \$242,000 figure and divide it by the number of agencies that participate, the average is about \$890 per agency.

SENATOR TOMAC: What is the federal reimbursement rate?

STENEHJEM: Right now it is \$55. Meals are on top of that.

SENATOR HOLMBERG: Just to clarify, there is an \$80,000 impact. That impact is what the agencies are going to suck up. We're not putting any additional money into any of the agencies to pay for this increase. And, if they don't have the money, they will have to prioritize travel.

STENEHJEM: Yes.

SENATOR NETHING: Closed the hearing on HB 1341.

=====
3/18/99

SENATOR NETHING: Reopened the hearing on HB 1341, and called for the motion.

SENATOR ST. AUBYN: Moved do pass HB 1341.

SENATOR GRINDBERG: Seconded the motion.

ROLL CALL: 8 yeas; 6 nays; 0 nays

Page 3
Senate Appropriations Committee
Bill/Resolution Number HB 1341.lwp
Hearing Date 3/17/99

MOTION CARRIED TO DO PASS HB 1341.

Yeas: Nething; Naaden; Tallackson; St. Aubyn; Grindberg; Holmberg; Kringstad; Bowman
Nays: Solberg; Lindaas; Tomac; Robinson; Krauter; Andrist

CARRIER: SENATOR THANE

SENATOR NETHING: Closed the hearing on HB 1341.

Date: 3-18-99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1341

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By SENATOR St. Aubyn Seconded By SENATOR Grindberg

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg		✓			
Senator Lindaas		✓			
Senator Tallackson	✓				
Senator Tomac		✓			
Senator Robinson		✓			
Senator Krauter		✓			
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg	✓				
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist		✓			

Total (Yes) 8 No 6

Absent 0

Floor Assignment SENATOR THANE

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

REPORT OF STANDING COMMITTEE (410)
March 18, 1999 3:44 p.m.

Module No: SR-49-5140
Carrier: Thane
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1341: Appropriations Committee (Sen. Nething, Chairman) recommends **DO PASS**
(8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1341 was placed on the
Fourteenth order on the calendar.

1999 TESTIMONY

HB 1341

North Dakota State Hospitality Association

ALLAN STENEHJEM, Executive Director/Secretary

BOARD OF DIRECTORS

PRESIDENT

Rick Moum
Loveland Lodge, Bottineau

PAST PRESIDENT

Jim Mello
International Inn, Minot

PAST PRESIDENT

Susie White
Lone Steer, Steele

TREASURER

Bill Shalhoob
Doublewood Inn, Bismarck

Lenore Bellmore

Teddy's Sport's Bar & Supper Club
Wahpeton

Harry Bushaw

The Bun Lounge, Grand Forks

Dale Duchscherer

Whitetail Bar, Aneta

Judy Dvoracek

Kelly Inn, Fargo

Don Enabnit

O'Kelly's, Fargo

Pete Haug

The Grainery, Fargo

Harold Hueglen

Trappers Inn, Belfield

Eric Kehr

Buckskin Bar, Killdeer

Robert Kilichowski

Tork's Polski Dom, Minto

Allan Leier

Main Bar, Bismarck

Bernie Marsh

Esquire Club, Dickinson

Tom Miller

Town & Country Liquor, Bismarck

Gary/Jack Rieger

The Stake Out, Lisbon

Joe Sitzmann

Wagon Masters, Jamestown

January 28, 1999

Mr. Chairman and members of the committee my name is Allan Stenehjem, Executive Director of the North Dakota Hospitality Association. The Hospitality Association represents the hotels/motels, restaurants, lounges and retail liquor stores in North Dakota.

HB 1341 simply does one thing: it will change the lodging reimbursement expense for state employees from \$39.00 to \$42.00. Last session this rate was adjusted slightly and prior to that no adjustment had been made since 1981. There is no appropriation necessary for this legislation, each agency would take care of the additional cost within their existing budgets.

I think you all recognize the fact that electric rates have increased, labor costs have risen and the general cost of constructing or maintaining a hotel has risen significantly over the years. It is getting more and more difficult for hotels to continue to offer the state rate to state employees traveling on business. The current state rate is about \$20 - \$25 below what the general public pays for the same accommodations. It is for this reason HB 1341 bill was introduced.

This adjustment will close the gap in the amount a hotel loses when they accept the state rate.

HB 1341

	Est. No of Night Stays Per Year At 100%	% of Hotel Charging State Rate	=	Est. No of rooms Charged @ State Rate
Instate lodging	32,142	75%	=	24,106
Estimated Fiscal impact of HB 1341			\$	3.00
Applicable taxes: assume 9%				<u>.27</u>
Estimated additional cost per night			\$	3.27
Est. No of nights stays per year				24,106
Additional cost of HB 1341				<u>x 3.27</u>
Estimated cost per year				\$78,826.62
				<u>x 2</u>
Est. Additional Cost per Biennium				\$157,653.24
Average cost per agency	$\$ 157,653.24 / 90 = \$1,751.70$			
Cost per year per agency	\$ 875.85			

North Dakota State Hospitality Association

ALLAN STENEHJEM, Executive Director/Secretary

BOARD OF DIRECTORS

PRESIDENT

Rick Moun
Loveland Lodge, Bottineau

PAST PRESIDENT

Jim Mello
International Inn, Minot

PAST PRESIDENT

Susie White
Lone Steer, Steele

TREASURER

Bill Shalhoob
Doublewood Inn, Bismarck

Lenore Bellmore

Teddy's Sport's Bar & Supper Club
Wahpeton

Harry Bushaw

The Bun Lounge, Grand Forks

Dale Duchscherer

Whitetail Bar, Aneta

Judy Dvoracek

Kelly Inn, Fargo

Don Enabnit

Kelly's, Fargo

Pete Haug

The Grainery, Fargo

Harold Hueglen

Trappers Inn, Belfield

Eric Kehr

Buckskin Bar, Killdeer

Robert Kilichowski

Tork's Polski Dom, Minot

Allan Leier

Main Bar, Bismarck

Bernie Marsh

Esquire Club, Dickinson

Tom Miller

Town & Country Liquor, Bismarck

Gary/Jack Rieger

The Stake Out, Lisbon

Joe Sitzmann

Wagon Masters, Jamestown

Amendment to HB 1341

Line 10 change six to seven

Line 12 change ten to eleven

North Dakota State Hospitality Association

ALLAN STENEHJEM, Executive Director/Secretary

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March 4, 1999

Madam Chair and members of the committee my name is Allan Stenehjem, Executive Director of the North Dakota Hospitality Association. The Hospitality Association represents the hotels/motels, restaurants, lounges and retail liquor stores in North Dakota.

HB 1341 simply does one thing: it will change the lodging reimbursement expense for state employees from \$39.00 to \$42.00. Last session this rate was adjusted slightly and prior to that no adjustment had been made since 1981. There is no appropriation necessary for this legislation, each agency would take care of the additional cost within their existing budgets.

I think you all recognize the fact that electric rates have increased, labor costs have risen and the general cost of constructing or maintaining a hotel has risen significantly over the years. It is getting more and more difficult for hotels to continue to offer the state rate to state employees traveling on business. The current state rate is about \$20 - \$25 below what the general public pays for the same accommodations. It is for this reason HB 1341 bill was introduced.

This adjustment will close the gap in the amount a hotel loses when they accept the state rate.

HB 1341

	Est. No of Night Stays Per Year At 100%	% of Hotel Charging State Rate	=	Est. No of rooms Charged @ State Rate
Instate lodging	32,142	75%	=	24,106
Estimated Fiscal impact of HB 1341			\$	3.00
Applicable taxes: assume 9%				<u>.27</u>
Estimated additional cost per night			\$	3.27
Est. No of nights stays per year				24,106
Additional cost of HB 1341				<u>x 3.27</u>
Estimated cost per year				\$78,826.62
				<u>x 2</u>
Est. Additional Cost per Biennium				\$157,653.24
Average cost per agency \$ 157,653.24 / 90 = \$1,751.70				
Cost per year per agency \$ 875.85				