

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2195

2005 SENATE GOVERNMENT AND VETERANS AFFAIRS

SB 2195

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2195

Senate Government and Veterans Affairs

☐ Conference Committee

Hearing Date January 21, 2005

Tape Number	Side A	Side B	Meter #
1	x		1,921-3367
Committee Clerk Signature <i>Diane Davis</i>			

Chairman Krebsbach opens hearing on SB2195.

Tape 1 - meter #1921

Relating to reimbursement of lodging expenses and allowances for meals for state and political subdivision officers and employees.

Senator Krebsbach mentions she is a sponsor for this bill but will defer to Bill Shalhoob.

Bill Shalhoob - ND Hospitality Association - see written testimony

Senator Krebsbach - Points out the fiscal note.

Shalhoob - Points out that the immediate fiscal impact in raising allowances is not there in the 2005 biennium, not to say that they would not be raised based on experience in the 2007 biennium.

Dave Borlog - President of the Lewis & Clark, Ft. Mandan Foundation of Washburn

Testifies in favor of this bill. Says this bill is good for state employees plus the industry and tourism. He said even in small town cafes it is difficult to buy a meal at the state rate.

Senator Krebsbach - Stated we need to increase from time to time or we will find ourselves out of line.

Dave Borlog - Stated that even at the Federal level it is difficult to get the government rate.

Chris Runge - Testifies in favor of the bill. States that it has been 10 years since they have had an increase.

Senator Krebsbach - Said that the hospitality industry was looking for a greater amount of increase but with discussion in the committee and came up with the 3 sections with the quarters at Senator Nelson's suggestion.

Laura Glatt - University System - In support of the bill for the very arguments that have heard.

Jerry Hjelmstad - ND League of Cities - In support of this bill.

Senator Krebsbach pointed out that there are hotel rooms available for under the \$50.

Senator Nelson - Asked if anyone opposed this bill and if its all included in their budgets.

Senator Krebsbach - Stated that Mr. Hjelmstad indicated that they support it but cannot give us a fiscal impact.

Conclude hearing on SB2195

(meter #3367)

Nicki Wiessman - ND Hospitality Association submitted a list of business that are in support of this bill.

Pete Zimmerman - General Manager, Holiday Inn Minot - submitted written testimony.

Page 3

Senate Government and Veterans Affairs Committee

Bill/Resolution Number **SB 2195**

Hearing Date January 21, 2005

(meter 4680-4821)

Senator Krebsbach opens discussion on 2195

Senator Lee - motioned for a do pass, referred to appropriatons

Senator Brown - seconded

Voted on do pass

Senator Lee will carry

FISCAL NOTE

Requested by Legislative Council
03/07/2005

Amendment to: Engrossed
 SB 2195

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$232,000	\$411,000	\$232,000	\$411,000
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

Increase the in-state meal allowance from \$20 to \$25 per day.

Increase the in-state lodging allowance from \$45 to \$50 per night.

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:	Eileen Holwegner	Agency:	OMB
Phone Number:	328-1666	Date Prepared:	03/08/2005

FISCAL NOTE

Requested by Legislative Council
02/15/2005

REVISION

Amendment to: SB 2195

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$124,000	\$233,200	\$124,000	\$233,200
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

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:	Eileen Holwegner	Agency:	OMB
Phone Number:	328-1666	Date Prepared:	02/15/2005

FISCAL NOTE
Requested by Legislative Council
02/14/2005

Amendment to: SB 2195

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$0	\$0	\$339,900	\$588,500	\$339,900	\$588,500
Appropriations						

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

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:	Eileen Holwegner	Agency:	OMB
Phone Number:	328-1666	Date Prepared:	02/15/2005

FISCAL NOTE
Requested by Legislative Council
01/12/2005

Bill/Resolution No.: SB 2195

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.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$0	\$0	\$232,000	\$411,000	\$232,000	\$411,000
Appropriations						

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

2003-2005 Biennium			2005-2007 Biennium			2007-2009 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.*

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:	Eileen Holwegner	Agency:	OMB
Phone Number:	328-1666	Date Prepared:	01/13/2005

Date: 1/21/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2195

Senate **Government and Veterans Affairs**

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 2195

Action Taken Do Pass

Motion Made By Senator Lee Seconded By Senator Brown

Senators	Yes	No	Senators	Yes	No
Karen K. Krebsbach, Chairman	X		Carolyn Nelson	X	
Richard L. Brown, Vice Chairman	X				
Judy Lee	X				
John O. Syverson	X				

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Lee

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

REPORT OF STANDING COMMITTEE (410)
January 24, 2005 8:35 a.m.

Module No: SR-15-0892
Carrier: J. Lee
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2195: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman)
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**
(5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2195 was rereferred to the
Appropriations Committee.

2005 SENATE APPROPRIATIONS

SB 2195

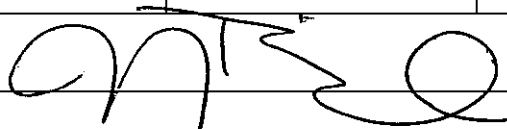
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2195

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 02/01/05

Tape Number	Side A	Side B	Meter #
1	X		1743-3200
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** opened meeting on SB 2195.

Bill Shalhoob, ND Hospitality Association (2330) appeared in support of SB 2195. Written testimony was provided, which was read verbatim see appendix I. A letter was also provided with names of supporters attached, see appendix II. Mr. Shalhoob stated that the changes in the bill deal with state employee meal allowances, raising them for the total meal periods from \$20.00/day to \$25.00/day. He also stated that SB 2195 increases the rate for room rental to \$50.00 for the next biennium.

Sen. Bowman: (2675) I paid my room the other day, and it was already adjusted to this increase, It was \$250.00 higher than it was two years ago, I just want to know what you think about that?

Mr. Schalhoob: I have no comment to that, I think that our hotels hopefully talked to people. They anticipated a retroactive date, there is a lot of confusion about this.

Tom Tupa, Independent State Employee Association (2854), appeared in support of SB 2195.

Mr. Tupa stated that, this is a timely adjustment, it is not an extravagant adjustment. No written testimony was provided.

Sen. Mathern: Where, will they pay more than their are reimbursed? Where can't they find a meal under \$10?

Mr. Tupa: There may be times at conventions and such, they may have to dip into their own pocket for a few dollars for the convention rate. Regarding meals itself, there may be times where there is a meeting at a facility which serves expensive meals.

No further questions were asked of Mr. Tupa.

Chris Ranke, Executive Director ND public Employee Assoc. (3083), appeared in support of SB 2400. No written testimony was provided. Ms. Ranke stated that this is a much needed adjustment.

No questions were asked of Mr. Renke.

Jerry Jomstad, ND league of Cities (3141), appeared in support of SB 2195. No written testimony was provided. Mr. Jomstad stated that this is an appropriate adjustment.

No questions were asked of Mr. Jomstad.

Chairman Holmberg closed meeting on SB 2195.

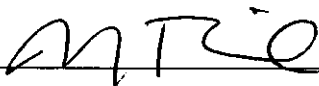
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2195

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 02/11/05

Tape Number	Side A	Side B	Meter #
1		x	5949-end
2	x		0-66
Committee Clerk Signature 			

Minutes: **Chairman Holmberg** opened discussion on SB 2195

Sen. Fischer Proposed an amendment to the bill. Sen. Fischer explained the bill by reading it aloud. **A DO PASS as AMENDED** motion was made by Sen. Fischer, seconded by Sen.

Grindberg. 12 yeas, 0 nays, and 3 absent and not voting. Sen. Fischer will be carrying the bill.

Date 2/11/05
Roll Call Vote #: 2

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2195

Senate SENATE APPROPRIATIONS Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 2195

Action Taken Do Pass as Amended

Motion Made By F Seconded By G

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	/		SENATOR KRAUTER		
VICE CHAIRMAN BOWMAN	/		SENATOR LINDAAS	/	
VICE CHAIRMAN GRINDBERG	/		SENATOR MATHERN	/	
SENATOR ANDRIST	/		SENATOR ROBINSON	/	
SENATOR CHRISTMANN			SEN. TALLACKSON	/	
SENATOR FISCHER	/				
SENATOR KILZER	/				
SENATOR KRINGSTAD	/				
SENATOR SCHOBINGER	/				
SENATOR THANE	/				

Total (Yes) 12 No 0

Absent 3

Floor Assignment Fischer

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

REPORT OF STANDING COMMITTEE

SB 2195: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2195 was placed on the Sixth order on the calendar.

Page 1, line 17, remove the overstrike over "~~forty-five~~" and remove "fifty"

Renumber accordingly

2005 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2195

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2195

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 3/3/05

Tape Number	Side A	Side B	Meter #
1	x		23.2-end
		x	0-8.3
Committee Clerk Signature <i>Dale H. Grier</i>			

Minutes: SB 2195 Relating to reimbursement of lodging expenses and allowances for meals for state and political subdivision officers and employees.

Chairman Haas: We will open the hearing on SB 2195 and I will ask the clerk to read the title, please. Senator Kresbsach welcome.

Senator Karen Krebsbach-District 40-I have come to introduce the bill to you. It is a very simple bill, the meal allowance for the legislators and it would be to increase it from the 6:00 a.m. to the 12:00 noon period from four dollars to five dollars, from 12:00 noon to 6:00 p.m. we are asking for a change from six dollars to seven dollar and fifty cents. From 6:00 p.m. to 12 midnight, we are seeking a change in the amount of ten dollars to twelve dollars and fifty cents. The three periods was changed in 1995 from sixteen dollars to a total of twenty dollars, it has been at the twenty dollar level since 1995. We are asking for an increase from twenty dollars to twenty five dollars per day. The federal rate for meals is thirty-one dollars a day. We have always been lower then the federal rate. I would like to offer an amendment to this bill. I am asking, Mr.

Chairman and this committee to amend this bill back to the fifty dollar level. The rate has not changed since 2001, for the Hospitality Association and you know that there has been increase in that industry as well as any industry in this state. That is my observation on this bill.

Chairman Haas: We have three fiscal notes on the bill, one dated January 12th, one dated February 14th and one dated February 15th, is possible for you to shed any light on whether or not which bill would apply, if we put the fifty dollars back in?

Senator: I would guess if you put the fifty dollars back in, it would apply back to January 12th and I apologize, because I was going to get the fiscal information. When we had the bill drafted.

Chairman Haas: It is still a little puzzling to me, because the one on February 14th, the fiscal note is considerably higher then one that came out on January 12th. Will check that. Any further questions for Senator Krebsbach?

Rep. Conrad: When does this go into affect.

Senator: Being there is no emergency clause, this would go into affect 8/1/2005.

Chairman Haas: Are there further questions for Senator Krebsbach? If not, thank you very much.

Bill Shalhoob-North Dakota Hospitality Association-For-Testimony Attached

Rep. Boehning: Why haven't our rates and wages been adjusted to the CPI, so we don't have to come back and revisit this every two years.

Bill: I agree that would be the best way to do it. We were told that the legislator didn't want to give that up, they wanted to be able to check on that a every few years.

Chairman Haas: Are there further questions for Mr. Shalhoob? Thank you bill. Additional testimony in favor of SB 2195.

Dana Bohn-Executive Director of the North Dakota Tourism Alliance Partnership-For-We

are made up of about thirty state wide organizations and association and business that represent all the various sectors of the tourism industry. Hospitality association asked us to come on board and support this, because they are a very important part of our industry we agreed to do this. We support this bill, with Senator Krebsbachs amendments attached to this.

Chairman Haas: Thank you Dana. Any further questions. Thank you, additional testimony.

Chris Runge-Executive Director of the North Dakota Public Employees

Association-For-We stand in support of SB 2195. We think the time has come to raise the food allotment, housing. The concern if the hotels start charging that amount of money, that the state employees we have to start picking up that excess over what the state can pay.

Chairman Haas: Any questions for Chris? Thank you. Additional testimony in favor of SB 2195?

Lyle Schneider-Radison Hotel-Bismarck-I do think the increases are modest, by any stretch of the matter. I would like to thank you for amending and putting the fifty dollars rate back in the bill.

Chairman Haas: Are there questions for Lyle? I have to remind you Lyle that we haven't put the amendment on there yet. Is there additional testimony on SB 2195.

Jerry Jones-North Dakota League of Cities-For-This bill does relate to expenses for political subdivisions officers and employees as well. We support the bill.

Chairman Haas: Any questions for Jerry? Thank you very much. Additional testimony in favor of SB 2195.

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House Government and Veterans Affairs Committee

Bill/Resolution Number SB 2195

Hearing Date 3/3/05

Tom Tuppa-Independent North Dakota State Employees Association-for-We would like to go on record as favoring SB 2195. We support the amendment by Senator Krebsbach.

Chairman Haas: Thank you Tom. Are there questions for Tom? Any further testimony in favor of SB 2195? Is there any opposition testimony to SB 2195. If not we will close the hearing on SB 2195.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2195

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date 3/3/05

Tape Number	Side A	Side B	Meter #
1		x	20.1-25.3
Committee Clerk Signature <i>Duke H. Zuni</i>			

Minutes: SB 2195 Relating to reimbursement of lodging expenses and allowances for meals for state and political subdivision officers and employees.

Chairman Haas: Lets look at SB 2195, this is the one with the changes, Senator Krebsbach gave us amendment to put the 50 dollar over night rate back in. What are your wishes on the amendment. Rep. Galvin.

Rep. Galvin: I move a DO PASS on the AMENDMENT.

Chairman Haas: Rep. Galvin moves to amend the bill by changing 45 to 50, the amendment that Senator Krebsbach brought in, is there a second, seconded by Rep. Potter, is there any discussion on the amendment, if not we will try a voice vote on the amendment, all in favor say I, oppose say no, amendment is carried. Action on the bill, is there a motion?

Rep. Potter: Mr. Chairman I would move a DO PASS as AMENDED on SB 2195 and re-referred to Appropriation.

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House Government and Veterans Affairs Committee

Bill/Resolution Number SB 2195

Hearing Date 3/3/05

Chairman Haas: Is there a second to that motion? Seconded by Rep. Sitte, discussion. If there is no discussion, we will take a roll call vote on a motion to DO PASS as AMENDED and re-referred to Appropriations on SB 2195. The clerk will take the roll.

**VOTE: YES 12 NO 1 ABSENT 1 DO PASS AS AMENDED AND RE-REFERRED TO
APPROPRIATIONS**

CHAIRMAN HAAS WILL CARRY THE BILL.

Date: 3/3/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2195

House House Government and Veterans Affairs Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 50575.0201

Action Taken Do Pass As Amended - re-referred to Appropriation

Motion Made By Rep. Potter Seconded By Rep. Sitte

Representatives	Yes	No	Representatives	Yes	No
Chairman C.B. Haas	✓		Rep. Bill Amerman	✓	
Bette B. Grande - Vice Chairman	✓		Rep. Kari Conrad	✓	
Rep. Randy Boehning		✓	Rep. Louise Potter	✓	
Rep. Glen Froseth	✓		Rep. Sally M. Sandvig	✓	
Rep. Pat Galvin	✓				
Rep. Stacey Horter	✓				
Rep. Jim Kasper	AB				
Rep. Lawrence R. Klemin	✓				
Rep. Lisa Meier	✓				
Rep. Margaret Sitte	✓				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Chairman Haas

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

REPORT OF STANDING COMMITTEE (410)
March 4, 2005 11:55 a.m.

Module No: HR-40-4170
Carrier: Haas
Insert LC: 50575.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2195, as engrossed: Government and Veterans Affairs Committee (Rep. Haas, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (12 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed SB 2195 was placed on the Sixth order on the calendar.

Page 1, line 17, overstrike "forty-five" and insert immediately thereafter "fifty"

Renumber accordingly

2005 HOUSE APPROPRIATIONS

SB 2195

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2195
Raise in Lodging and Meal Allowance

House Appropriations Full Committee

☐ Conference Committee

Hearing Date March 8, 2005

Tape Number	Side A	Side B	Meter #
2		X	#12.3 - #16.1
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2195.

Rep Haas introduced the bill and explained that this bill raises the meal allowance from \$20 per day to \$25 per day and explained the breakout per section of the day: 1st quarter going to \$5, the second quarter going to \$7.50, the third quarter going to \$12.50 and the overnight going to \$50. The federal rate for overnight is \$60.

Rep. Ken Svedjan, Chairman asked if this pertained to the legislators

Rep Haas answered yes, that it pertained to everyone.

Rep. Bob Skarphol asked if reimbursement was granted for out of state travel as well

Rep Haas answered that lodging reimbursement for out of state is for the actual cost.

Ms Roxanne Woeste of legislative council explained that meal reimbursements were based on GSA rates which is the federal rates for that particular city.

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House Appropriations Committee

Bill/Resolution Number SB2195

Hearing Date March 8, 2005

Rep. David Monson asked why there were no numbers for counties and districts and the like in the fiscal note though these entities pay travel reimbursement. Wouldn't there be a fiscal impact on all subdivisions

Rep Haas answered that the fiscal note does not address this issue because there is no data on this and these entities set their own rates usually coinciding with the state rates.

Rep. Ken Svedjan, Chairman closed the hearing on SB2195.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2195

Raises in Lodging and Meal Reimbursements for State and
Political Subdivision Officers and Employees

House Appropriations Full Committee

☐ Conference Committee

Hearing Date March 15, 2005

Tape Number	Side A	Side B	Meter #
1		X	#1.7 - #5.0
Committee Clerk Signature <i>Cyrus Alexander</i>			

Minutes:

Rep. Ken Svedjan, Chairman opened the discussion on SB2195.

Rep. Ken Svedjan, Chairman explained that this bill makes the \$5 adjustment for the meal and lodging allowances during the interim. For the first quarter of the day it goes from \$4 to \$5, for the second quarter of the day it goes from \$6 to \$7.50, for the third quarter it goes from \$10 to \$12.50 and for the fourth quarter it goes from \$45 to \$50 for lodging, plus applicable taxes.

Rep. Mike Timm, Vice Chairman moved a Do Pass motion for SB2195

Rep. Francis J. Wald seconded

Rep. David Monson asked if this will effect all the agencies budget.

Rep. Ken Svedjan, Chairman answered that this will be treated just like the mileage increase in SB2058.

Ms Roxanne Woeste of legislative council commented that if the committee chooses they can look at each agency's budget and determined if the agency will need any additional funding.

Rep. Ken Svedjan, Chairman asked if this could be handled in one bill stating a total amount to be appropriated.

Ms Woeste answered yes, but that the amount for each agency would need to be listed.

Rep. Mike Timm, Vice Chairman commented that agencies can find this in their own budgets

Rep. Ken Svedjan, Chairman called for a roll call vote on the Do Pass motion for SB2195.

Motion carried with a vote of 21 yeas, 1 nea and 1 absence. Rep Haas will carry the bill to the house floor.

Rep. Ken Svedjan, Chairman closed the discussion on SB2195

Date: March 15, 2005

Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB2195

House Appropriations - Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Rep. Timm Seconded By Rep. Wald

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	X	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	X	
Rep. Bob Martinson	X		Rep. Eliot Glassheim	X	
Rep. Tom Brusegaard	AB		Rep. Jeff Delzer		X
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold	X		Rep. Alon C. Wieland	X	
Rep. Pam Gulleeson	X		Rep. James Kerzman	X	
Rep. Ron Carlisle	X		Rep. Ralph Metcalf	X	
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber	X				
Rep. Clark Williams	X				
Rep. Al Carlson	X				

Total Yes 21 No 1

Absent 1

Floor Assignment Rep. Haas

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

REPORT OF STANDING COMMITTEE (410)
March 15, 2005 12:47 p.m.

Module No: HR-47-4992
Carrier: Haas
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2195, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends DO PASS (21 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING).
Engrossed SB 2195 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

SB 2195

ND Hospitality Assn. Testimony
Senate Government & Veteran Affairs Committee
SB 2195

*Same
given to
the Senate
Appropriations
Committee*

Madame Chairwoman and members of the committee, my name is Bill Shalhoob and I represent the ND Hospitality Assn. We are appearing in support of SB 2195.

The first three changes deal with state employee meal allowances, raising them for the total meal periods from \$20.00 per day to \$25.00 per day. For your information these allowances were last raised from \$15.00 per day in 1995. All of us can agree that ten years without a rate increase is unheard of. According to the CPI inflation alone should have increased the reimbursement to \$29.24 per day and well over \$30.00 per day when costs for restaurant meals are considered. Please keep in mind that this reimbursement is also supposed to cover taxes and gratuities. With an average of a 7% tax around the state and a standard 15% gratuity, the present per diem leaves just \$16.39 for meal purchases and the increased amount leaves \$20.49 per day. By meal period the gross and net for each meal period under this bill would be \$5.00 and \$4.10 for breakfast, \$7.50 and \$6.15 for lunch and \$12.50 and \$11.36 for dinner. These numbers are modest by any industry standard.

The final change deals with the state per diem for room rental. As background the rate was increased from \$39.00 to \$42.00 in 1999 and then increased to its present \$45.00 in 2001. SB 2195 increases the rate to \$50.00 for the next biennium. The Federal reimbursement rate was raised last year from \$55.00 to \$60.00 for all of North Dakota. According to Smith's Travel, the most reliable industry statistics company, the Average Daily Rate (ADR) for all of North Dakota for 2004 was \$53.32. This is slightly misleading as it includes all 14,524 rooms in North Dakota and many hotels are well

below this average. In our larger cities and full service hotels where most travel occurs rates average over \$60.00 per night. We understand that the state of North Dakota is one of our largest customers and as such gets our best rate but we do feel the rate needs an adjustment at this time.

Thank you for your consideration and I would be happy to answer any questions.

North Dakota Hospitality Association

ND's Restaurant, Lodging & Beverage Assn.

ND's Restaurant, Lodging & Beverage Association

P.O. Box 428 • Bismarck, ND 58502 - Phone: 701-223-3313 • Fax: 701-223-0215
e-mail: ndha@btinet.net • www.ndhospitality.com

The following business are in support of Senate Bill # 2195

Airport Dome Days Inn & Suites	Julie Painter –
AmericInn- Grafton & Grand Forks	Mike Smith
AmericInn Motel – Fargo	Jeremy Nelson
Best Western Doublewood –	
Bismarck/Fargo	Shannon Gangle
Best Western International Inn	Jim Mello
Best Western Ramkota – Bis	Dave Auchenberg
C'mon Inn Grand Forks	Mike Brown
Comfort Inn – Bismarck	Bernie Feland
Comfort Suites – Bismarck	Josh
Days Inn – Grand Dakota Lodge	Elaine Myran
Days Inn – Fargo	Julie Paintner
Days Inn – Bismarck	Kathleen Buford
El Rancho Motel – Williston	Howard Klug
Expressway Inn – Bismarck	Mark Dosch
Fargo	Larry Issak
Expressway Inn – Suites	Mark Dosch
Gladstone Select Hotel – James	Phyllis Thomspen
Great American Inn – Devils Lake	Randy Frost
Holiday Inn Express – Fargo	Joel Wald
Holiday Inn – Bismarck	Doug Anselmin
Holiday Inn – Grand Forks	Deb Steding
Holiday Inn – Minot	Pete Zimmerman
Kelly Inn – Fargo	Bruce McGavin
Kelly Inn – Bismarck	Keith Holzer
Marquis Plaza – Williston	Frankie Aars
Radisson – Bismarck	Lyle Schneider
Ramada Ltd. Suites – Bismarck	Dee Martell
Ramada Plaza Suites – Fargo	Gary Grandbois
RoadKing Inn	Steve Larson
Select Inn – Bismarck	Bill Shalhoob
Seven Seas – Mandan	Shannon Gangle

January 20, 2005

To: Nicki Wiessman – ND Hospitality Association

From: Pete Zimmerman – General Manager, Holiday Inn Minot

Re: Written Testimony for Senate Bill #2195

Madam Chairman and Members of the Committee:

Unfortunately, due to road conditions I am not able to appear in front of you to testify on the aforementioned bill.

We support all aspects of SB 2195 for a number of reasons. I will highlight some of them for you:

- 1.) In order to continue to hire and retain good employees, we must have the ability to raise room rates on an annual basis. We have not had that opportunity with the State per diem rate for a number of years.
- 2.) The Federal Per Diem rate for North Dakota is now \$60.00. We feel a \$10.00 spread between the State and Federal per diem is equitable.
- 3.) ND State Employees are not restricted on what room rate they pay when they travel out of state.
- 4.) ND State Employees voice concern and frustration when traveling to our hotel for a convention when they are not able to receive a state rate simply because of the contracted convention rate. It is difficult to explain to them the reason. Our conventions are in the \$54.00 - \$70.00 contracted rate range. An additional \$5.00 on the per diem would certainly alleviate some of our concerns in this area.
- 5.) Meal per diems have not been raised for a number of years. We can not serve a breakfast for \$4.00 inclusive of tax and gratuity. If you back out the 15% gratuity and 7% tax, we are left with approximately \$3.22 to cover the meal, meeting room charge, set up, staff costs, overhead, etc. We simply can not afford to continue to do this. The same exercise can be used to highlight the inequities of the lunch and dinner per diem

also. It is very difficult to make any money when you can not charge a fair price for your product.

Thank you for your time and consideration. We hope that you will be able to support this bill for the continued growth and long term stability of the lodging sector of the North Dakota economy.

North Dakota Hospitality Association

ND's Restaurant, Lodging & Beverage Assn.

ND's Restaurant, Lodging & Beverage Association

P.O. Box 428 • Bismarck, ND 58502 - Phone: 701-223-3313 • Fax: 701-223-0215
e-mail: ndha@btinet.net • www.ndhospitality.com

ND Hospitality Assn. Testimony
House Government & Veteran Affairs Committee
SB 2195

Mister Chairman and members of the committee, my name is Bill Shalhoob and I represent the ND Hospitality Assn. We are appearing in support of SB 2195.

The first three changes deal with state employee meal allowances, raising them for the total meal periods from \$20.00 per day to \$25.00 per day. For your information these per diems were last raised from \$15.00 per day in 1995. All of us can agree that ten years without a rate increase is unheard of. According to the CPI inflation alone should have increased the reimbursement to \$29.24 per day and well over \$30.00 per day when costs for restaurant meals are considered. Please keep in mind that this reimbursement is also supposed to cover taxes and gratuities. With an average of a 7% food tax around the state and a standard 15% gratuity, the present per diem leaves just \$16.39 for meal purchases and the increased amount leaves \$20.49 per day. By meal period the gross and net for each meal period under this bill would be \$5.00 and \$4.10 for breakfast, \$7.50 and \$6.15 for lunch and \$12.50 and \$11.36 for dinner. These numbers are modest by any industry standard.

The bill as introduced also included an increase in the room per diem from \$45.00 to \$50.00 per night that was approved in the Senate GVA Committee but amended out in Senate Appropriations. We are requesting the committee to consider an amendment restoring the \$50.00 rate. As background the state rate was increased from \$39.00 to \$42.00 in 1999, and then increased to its present \$45.00 in 2001. The Federal reimbursement rate was raised last year from \$55.00 to \$60.00 for all of North Dakota.

According to Smith's Travel, the most reliable industry statistics company, the Average Daily Rate (ADR) for all of North Dakota for 2004 was \$53.32. This is slightly misleading as it includes all 14,524 rooms in North Dakota and many hotels are well below this average. In our larger cities where most travel occurs rates average is over \$60.00 per night and in full service hotels where most meetings occur average over \$70.00 per night. We understand that the state of North Dakota is one of our largest customers and as such gets our best rate but we do feel the rate needs an adjustment at this time and hope you would agree.

Thank you for your consideration and I would be happy to answer any questions.



March 3, 2005

Mr. Chairman and members of the committee my name is Doug Anselmin and I represent the Holiday Inn of Fargo, ND.

I would like you to consider the following points when making your decision on Senate Bill #2195, North Dakota State hotel rate.

- A \$5 increase, from \$45/night to \$50/night, represents approximately an 11% increase over 4 years or approximately a 3% annual increase in rate.
- Our cost of doing business have increased over the same period:
 - * 167% increase in insurance expense
 - * 27% increase in electrical expense
 - * 27% increase in gas expense
 - * 16% increase in the average wage paid
 - * 10% increase in real estate taxes

We have to consider what is fair and reasonable and I feel a \$5 increase in the state rate is not only fair and reasonable but also justified.

I would like to thank you in advance for your consideration in this matter.

Doug Anselmin
General Manager
Fargo Holiday Inn

An Award Winning
Holiday Inn

Telephone
701-282-2700

Facsimile
701-281-1240

3803 - 13th Ave. S.
P.O. Box 9555
Fargo, North Dakota 58106

Received Time Mar. 3, 2005 2:35PM and operated by Wold Properties Inc.