

**2025 SENATE INDUSTRY AND BUSINESS**

**SB 2154**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Industry and Business Committee Fort Union Room, State Capitol

SB 2154  
1/20/2025

A bill relating to the definition of primary sector business.
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9:30 a.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Kessel, Senator Enget

### Discussion Topics:

- Clarification of language
- Primary business criteria
- Tourism
- State level funding limit
- Rural and urban businesses
- Access to programs and services
- Out-of-state revenue tracking
- Preemptive data tracking
- Industry comparison
- Primary Sector certificate
- Access to funding

9:30 a.m. Senator Sean Cleary, District 35, testified and submitted testimony #30132.

9:36 a.m. Sara Otte Coleman, Director of the Tourism and Marketing Division within the ND Department of Commerce, testified in favor and submitted testimony #30058.

9:48 a.m. Chairman Barta closed the hearing.

9:48 a.m. Senator Kessel moved Do Pass on SB 2154.

9:49 a.m. Vice-Chairman Boehm seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Kessel will carry the bill.

9:50 a.m. Chairman Barta adjourned the meeting.

**Additional written testimony:**

Scooter Pursley, Executive Director of the ND Travel Alliance Partnership, submitted testimony #29943 in favor.

Laura Lacher, Executive Director of the Economic Development Association of ND, submitted testimony #30057 in favor.

*Audrey Oswald, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2154 ([25.0561.01000](#))**

**Industry and Business Committee (Sen. Barta, Chairman)** recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2154 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

# North Dakota

## Travel Alliance Partnership

**Testimony of Scooter Pursley  
Executive Director, ND Travel Alliance Partnership  
In Support of SB 2154  
January 20, 2025**

Chairman Barta, Vice Chairman Boehm and members of the Senate Industry and Business Committee:

My name is Scooter Pursley and I am the executive director of the North Dakota Travel Alliance Partnership (TAP). TAP is a coalition of travel industry stakeholders, including convention and visitors bureaus, state attractions, businesses and others who help make tourism the third-largest industry in North Dakota's. On behalf of the tourism industry and its partners, TAP asks that you support SB 2154, a bill that would add tourism operations that fit the definition of "primary sector business."

This bill would reenact subsection 13 of section 1-01-49; subsection 4 of section 10-30.5-01; and section 40-57.1-02 of the North Dakota Century Code to include tourism operations creating new wealth by attracting out-of-state visitors as primary sector businesses. They do this by selling products or services to customer or visitors from out of state.

A Tourism Economics study in 2023 found 25.6 million visitors came to North Dakota and spent \$3.3 billion. That helped support 40,000 jobs and generated \$307 million in state and local tax revenue. That is the definition of primary sector dollars. Tourism is the third-largest industry, and the most stable, in the state.

All we are asking is to clean up the language in statute and to be recognized as a primary sector business within the Century Code.

TAP respectfully asks that you support SB 2154.

Thank you for your consideration.

**Scooter Pursley** | Executive Director  
*North Dakota Travel Alliance Partnership*  
701-355-4458  
[NDtravelalliance.com](http://NDtravelalliance.com)  
[spursley@clearwatercommunications.net](mailto:spursley@clearwatercommunications.net)



PO Box 1091 • Bismarck, ND 58502  
701-355-4458 • [www.ednd.org](http://www.ednd.org)

Testimony of Laura Lacher  
Economic Development Association of North Dakota  
In Support of SB 2154  
January 20, 2025

Chair Barta and members of the Senate Industry and Business Committee:

The Economic Development Association of North Dakota (EDND) represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

Tourism plays a vital role in North Dakota's economy and aligns with the principles of primary sector business by creating new wealth through out-of-state visitors and local spending. These activities generate external dollars for our communities, drive employment, and support secondary economic benefit such as the growth of local businesses. Expanding the definition of primary sector business to include tourism strengthens our state's economic diversity and provides a sustainable revenue source that compliments traditional industries.

Recognizing tourism as a primary sector business also showcases North Dakota as a premier destination, enhancing its profile and attracting visitors and talent to support economic growth. Tourism often thrives in rural areas, bringing equitable development to underserved communities while creating jobs and improving infrastructure. This aligns seamlessly with EDND's legislative priorities, including workforce development, infrastructure investment, and community enhancement.

SB 2154 is a strategic update to North Dakota's economic framework, unlocking significant growth and resilience while supporting the vitality of our communities. On behalf of EDND, thank you for your consideration and we support a Do Pass on SB 2154.



Testimony in Support of  
**Senate Bill No. 2154**  
**Senate Industry and Business Committee**  
January 20, 2025

## TESTIMONY OF

**Sara Otte Coleman, Director of the Tourism & Marketing Division, North Dakota  
Department of Commerce**

Chairperson Barta and members of the committee:

My name is Sara Otte Coleman, and I serve as the Director of the Tourism and Marketing Division within the North Dakota Department of Commerce. I am here today to provide testimony in favor of Senate Bill 2154, which clarifies the definition of a primary sector business to explicitly include tourism operations. This legislation is critical to the continued growth and recognition of tourism as a key economic driver for our state.

Tourism is one of North Dakota's leading industries, generating \$3.3 billion in 2023. It creates new wealth for our state by attracting visitors from across the nation and around the globe. These visitors spend money on lodging, dining, attractions, and other services, driving economic activity and supporting local businesses in both rural and urban communities. Despite the significant contributions of the tourism industry, current statutes inconsistently define and include tourism as part of the primary sector. SB 2154 provides a necessary update to ensure clarity and consistency.

The proposed language in SB 2154 ensures that tourism businesses demonstrating the creation of new wealth through out-of-state visitor attraction are explicitly allowed to apply for a primary sector business designation. This clarification aligns tourism with other industries such as agriculture, energy, and manufacturing, which have long benefited from access to vital programs and incentives. Importantly, these programs would continue to require primary sector certification, maintaining the rigor and accountability that safeguards their purpose.

Tourism projects differ from other primary sector industries in their application process, reflecting the unique nature of the industry. While tourism businesses and infrastructure are also enjoyed by North Dakota residents, the certification process ensures a focus on attracting out-of-state visitors. Applicants must provide detailed information such as:

- The number of days per year the business will be operational.
- How the business generates out-of-state revenue and attracts and retains visitors for extended stays.
- Whether the business is unique or fills a gap in current tourism offerings.

Furthermore, applicants are required to report or project their revenue sources, including the percentage derived from within North Dakota, other U.S. states, and international markets. A minimum of 25% of revenue must originate from outside North Dakota to qualify for primary sector status.

By enacting SB 2154, we will:

1. Clean up inconsistencies across statutes that cite primary sector definitions.
2. Recognize and reinforce the significant economic contributions of the tourism industry.
3. Provide tourism businesses with equitable access to programs and incentives already available to other primary sector industries.

Tourism is a critical pillar of North Dakota's economy, and its inclusion as a primary sector will help drive continued investment and innovation in this vital industry which also supports workforce attraction and retention. I urge your support of SB 2154 to ensure that tourism businesses can thrive and contribute even more to our state's prosperity.

Thank you for the opportunity to testify. I am happy to answer any questions you may have.



**To:** Chair Barta and Members of the Senate Committee on Industry and Business

**From:** Senator Sean Cleary, District 35 — Bismarck

**Date:** 1/20/2025

**Subject:** Testimony in Support of SB 2154

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Chair Barta and Members of the Committee,

My name is Sean Cleary, and I represent District 35 in the North Dakota Senate. I'm here to introduce and ask for your favorable recommendation of SB 2154.

**What this bill does:** SB 2154 fixes inconsistencies in how tourism businesses are recognized under North Dakota's primary sector laws and ensures tourism businesses that bring economic activity to the state can access the same incentives as other primary sectors of our economy.

**Why this is important:** As testimony from the tourism department demonstrates, tourism plays a large role in attracting new dollars and visitors to our state. By clarifying these definitions in our laws, we can ensure the tourism industry is treated consistently under our state law.

**Additional Background:** Many of North Dakota's economic development incentives are designed for primary sector businesses. These require certification as a primary sector by the state. For tourism projects, there are clear requirements for organizations to demonstrate their value and viability.

**Conclusion:** SB 2154 brings consistency to our state's law surrounding tourism as a primary sector part of our economy and positions us to be successful in supporting our tourism industry.

I respectfully encourage a "**Do Pass**" recommendation and am grateful for your consideration. Please contact me with any questions.

Sincerely,

Sean Cleary  
State Senator  
District 35 -- Bismarck  
C: (701) 426-4618

**2025 HOUSE POLITICAL SUBDIVISIONS**

**SB 2154**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Political Subdivisions Committee Room JW327B, State Capitol

SB 2154  
3/7/2025

A BILL for an Act to amend and reenact subsection 13 of section 1-01-49, subsection 4 of section 10-30.5-01, and section 40-57.1-02 of the North Dakota Century Code, relating to the definition of primary sector business.

10:29 a.m. Chairman Longmuir opened the hearing.

Members Present: Chairman Longmuir, Vice-Chairman Fegley, Vice-Chairman Jonas, Representatives Bolinske, Davis, Hager, Hatlestad, Heilman, Klemin, Motschenbacher, Ostlie, Toman, Warrey

### Discussion Topics:

- North Dakota tourism
- Out-of-state revenue

10:29 a.m. Sara Otte Coleman, Director of Tourism and Marketing Division at North Dakota Department of Commerce, testified in favor and provided testimony #39351.

10:35 a.m. Senator Sean Cleary, North Dakota Senator for District 35, testified in favor and provided testimony #38490.

10:36 a.m. Representative Ostlie moved a Do Pass.

10:36 a.m. Representative Motschenbacher seconded the motion.

Representatives	Vote
Representative Donald W. Longmuir	Y
Representative Clayton Fegley	Y
Representative Jim Jonas	Y
Representative Macy Bolinske	Y
Representative Jayme Davis	Y
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Matthew Heilman	Y
Representative Lawrence R. Klemin	Y
Representative Mike Motschenbacher	Y
Representative Mitch Ostlie	Y
Representative Nathan Toman	Y
Representative Jonathan Warrey	Y

10:37 a.m. Motion passed 13-0-0.

10:37 a.m. Representative Bolinske will carry the bill

10:37 a.m. Unanimous decision to be placed on the Consent Calendar.

**Additional written testimony:**

Laura Lacher, Executive Director of Economic Development Association of North Dakota, submitted testimony in favor #39409

10:38 a.m. Chairman Longmuir closed the hearing.

*Wyatt Armstrong, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**SB 2154 ([25.0561.01000](#))**

**Political Subdivisions Committee (Rep. Longmuir, Chairman)** recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (13 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2154 was placed on the Tenth order on the calendar.

Chairman and Members of the Committee,

My name is Sean Cleary, and I represent District 35 in the North Dakota Senate. Im here to introduce and ask for your favorable recommendation of SB 2154.

What this bill does: SB 2154 fixes inconsistencies in how tourism businesses are recognized under North Dakotas primary sector laws and ensures tourism businesses that bring economic activity to the state can access the same incentives as other primary sectors of our economy.

Why this is important: As testimony from the tourism department demonstrates, tourism plays a large role in attracting new dollars and visitors to our state. By clarifying these definitions in our laws, we can ensure the tourism industry is treated consistently under our state law.

Additional Background: Many of North Dakota's economic development incentives are designed for primary sector businesses. These require certification as a primary sector by the state. For tourism projects, there are clear requirements for organizations to demonstrate their value and viability.

Conclusion: SB 2154 brings consistency to our state's law surrounding tourism as a primary sector part of our economy and positions us to be successful in supporting our tourism industry.

SB 2154 passed the Senate by a vote of 47-0. I respectfully encourage a "Do Pass" recommendation and am grateful for your consideration. Please contact me with any questions.

Sincerely,

Sean Cleary  
State Senator  
District 35 -- Bismarck  
C: (701) 426-4618



Testimony in Support of  
**Senate Bill No. 2154**  
House Political Subdivision  
March 7, 2025

## TESTIMONY OF

**Sara Otte Coleman, Director of the Tourism & Marketing Division, North Dakota  
Department of Commerce**

Chairman Longmuir and members of the committee:

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The proposed language in SB 2154 ensures that tourism businesses demonstrating the creation of new wealth through out-of-state visitor attraction are explicitly allowed to apply for a primary sector business designation. This clarification aligns tourism with other industries such as agriculture, energy, and manufacturing, which have long benefited from access to vital programs and incentives. Importantly, these programs would continue to require primary sector certification, maintaining the rigor and accountability that safeguards their purpose.

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Thank you for the opportunity to testify. I am happy to answer any questions you may have.





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Testimony of Laura Lacher  
Economic Development Association of North Dakota  
In Support of SB 2154  
March 7, 2025

Chairman Longmuir and members of the House Political Subdivisions Committee:

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