

**2013 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1212**

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Government and Veterans Affairs Committee Fort Union Room, State Capitol

HB 1212  
January 31, 2013  
18119

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to lodging reimbursement for legislators attending legislative sessions.

### Minutes:

You may make reference to "attached testimony."

**Vice Chair Randy Boehning** opened the hearing on HB 1212.

**Rep. Streyle** appeared as a sponsor of the bill. We are at \$1,351 per month right now which is roughly \$45 a day. This would take that off and tie it to a GSA. In your fiscal note you can see they are estimating that in 2015 biennium that it will be \$90. It is currently \$77 in Bismarck. The biennium after that they are estimating the GSA rate would be \$100. I find it grossly low as far as what the hotels are essentially forced to take at \$45. Here are some comparisons with some other states for their legislative bodies--Wisconsin \$88, 90% of the rate, Utah \$96, tied to the federal rate, Montana \$102, Kansas \$123, a federal rate tie, Kentucky \$135, 110% of federal rate. I would even support amendments that would 75 or 80% of the GSA or even our own state rate right now which would put it in the \$55-\$60 range. The senator that is sponsoring this bill is not taking the reimbursement even though he could clearly could.

**Rep. Scott Louser** Of the states you mentioned, do any of them pay a lower rate during their legislative session as opposed to when they are in interim meetings?

**Rep. Streyle** I did try to research that and couldn't specifically if they do. The states I gave you are kind of across the board.

**Rep. Gail Mooney** Is GSA the federal rate and what is that right now?

**Rep. Streyle** Yes. It varies per region. In Bismarck, it is \$77. In Minot and Williston, it is over \$100. Our rate if we go on state business or come down for committee meetings, it is 90% of that. That is where the \$69.30 comes in.

**Chairman Jim Kasper** Did you print off some information about some of the various states that you are referring to that might be helpful to us?

**Rep. Streyle** said he would provide that.

**Rudie Martinson, Executive Director, ND Hospitality Association**, appeared in support of this bill. (8:10) **Attachment 1.**

**Rep. Steven Zaiser** Do you have the occupancy rates for the months of January through April?

**Rudie Martinson** That to a certain extent is built into that running 12 month average. Bismarck, in terms of the hotel market, can pretty much include in the western part of North Dakota.

**Rep. Steven Zaiser** Would it be possible to get the occupancy rates for the last session, January through April 2011?

**Rudie Martinson** I will do my best to find that information for you.

**Chairman Jim Kasper** Why don't you complete the chart for 12 while you are at it? Are you running a 12 month average of \$112 average daily rate per night so that is an average of all the hotels in Bismarck?

**Rudie Martinson** It is an average of the hotels within that segment that I mentioned, the midrange limited service hotels.

**Chairman Jim Kasper** If we took 80% x 112 which would be roughly \$90, that is the average room income per month for a hotel?

**Rudie Martinson** If you take 79% x 112...

**Chairman Jim Kasper** That would be the daily average for 30 days? Rudie Martinson agreed. The average monthly rental income would be \$2,700 per room?

**Rudie Martinson** Correct. This bill does not set the rate that high. It works out to \$2,079 per month.

**Chairman Jim Kasper** It would be helpful when you do your chart if you would give us the private sector revenue side by side with the bill's projected revenue.

**Rep. Gary Paur** Let's say you charge \$100 a night for a room and 100% occupancy. For a month that would be \$3,000 if you had 30 people stay one night. If you had one person stay for 30 nights, you do not have the housekeeping and laundry expense to the same extent. What would be the cost for one person staying that month compared to 30 people staying for that month?

**Rudie Martinson** We are aware of that fact. In the bill it does not go to the full potential of the revenue off of that room. If you want to amend that down a little bit, I think that we as an industry would be alright with that for the very reasons you bring up like the housekeeping, etc. We would like to see the disparity between \$45 and what we get from a walk in customer narrow.

**Chairman Jim Kasper** If we change the law, are the percentages going to automatically increase as rates go up? Are we going to be back in two years saying this isn't enough again?

**Rudie Martinson** The dollar amount is set to automatically adjust because it is tied to 65% of the state employee reimbursement rate which is 90% of the GSA reimbursement rate.

**Chairman Jim Kasper** When you bring your charts, you are going to give us an example of how it is currently calculated?

**Rudie Martinson** said he would give some information on calculation of the GSA rate in with that when testifying a later bill.

**Rep. Steven Zaiser** Yesterday you testified against a bill that raised minimum wages. Now you want hotel rooms to go up by an index. I am curious about your thoughts on the inconsistency?

**Rudie Martinson** I stood up to answer a question from the chairman regarding tip employment minimum wage versus the standard employment minimum wage. I did not stand up in opposition.

No opposition.

Hearing closed.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee  
Fort Union Room, State Capitol

HB 1212  
February 7, 2013  
18563

Conference Committee

Committee Clerk Signature

*Carmen Hart*

## Explanation or reason for introduction of bill/resolution:

Relating to lodging reimbursement for legislators attending legislative sessions.

## Minutes:

You may make reference to "attached testimony."

**Chairman Jim Kasper** opened the session on HB 1212.

**Vice Chair Randy Boehning** handed out **Attachment 1**. This number is still kind of high. Instead of 80%, I had it figured to about 70% which would take us up to \$1,617 a month.

**Chairman Jim Kasper** This is our monthly lodging reimbursement while we are in session?

**Vice Chair Randy Boehning** Yes. It also brings up the rented personal residences to \$2,000.

**Chairman Jim Kasper** How does it do that?

**Vice Chair Randy Boehning** They are not separated out. I think we do need to take a look at leaving the ones that are renting from personal houses at the current 65% and change our rate on hotels up to 70%.

**Rep. Scott Louser** The original bill was 100%. The amendment we had was 80%, and now we are looking at taking it to 70%. Correct?

**Vice Chair Randy Boehning** Correct.

**Rep. Scott Louser** 70% would take us from \$41 a night to \$49 a night and the hotel room is \$100 a night. I think it is justifiable as the bill was submitted. We are really splitting hairs here.

**Vice Chair Randy Boehning** There is going to be a lot of blowback on that.

**Rep. Ben Koppelman** Right now we are affected by what was set two years ago. I am guessing many of us are paying at least some out of pocket now to stay here. We are

overthinking the whole fiscal note thing on this. What we should do is set good policy and let it be dictated based on what is real in the market.

**Chairman Jim Kasper** If you look at the overstrike, we are currently being paid at 30 x 65% of the daily lodging reimbursement in effect on the date of August 1 of each even numbered year.

**Rep. Scott Louser** If we are having trouble justifying this, we as state employees when we are not in session get paid a different rate for hotel rooms and when we are here working late--I recognize that people are going to say you are just trying to pay yourself more. That is not the case. I don't think anybody here ran for office for the pay and with an eye towards paying out of pocket for a discounted rate at a hotel that might be \$80 or \$90 a night. It is not practical or logical to me that when we come down here on an interim committee basis and stay overnight and get paid one rate, but when we are here for four months solid, we get a lower rate. I think it is easily justified to be at the same state rate as outside session.

**Rep. Steven Zaiser** I concur with Rep. Scott Louser's logic. We are staying here during months where the occupancy rate averaged out to 55% to 60%. Someone stated it is much higher in Bismarck now.

**Rep. Jason Dockter** From talking with hotel owners here in Bismarck, it is about 90%.

**Vice Chair Randy Boehning** Do we want to do an emergency clause and retroactive?

**Chairman Jim Kasper** Sure. I think we need to do a little more work.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Government and Veterans Affairs Committee  
Fort Union Room, State Capitol

HB 1212  
February 8, 2013  
Job # 18630

Conference Committee

Committee Clerk Signature



**Minutes:**

Attachment #1, #2

**Chairman Jim Kasper** reopened the meeting on HB 1212. It deals with lodging reimbursement for legislators attending legislative sessions.

**Rep. Louser** made a motion to move the amendment 13.0243.01001 and then add reactive to January 1, 2013 and add the emergency clause. **Seconded by Rep. Boehning**

Discussion:

**Rep. Boehning:** (Attachment #2). He went over the form. That is the proposed language in the amendment.

**Rep. Louser:** So our lodging now will be \$2,014 during the legislative session.

**Rep. Mooney:** The retro would be for all the legislators that had to pay out of pocket. You don't want it to go to hotels that did honor the \$1351?

**Chairman Jim Kasper:** No I you have an agreement with your hotel so that would be the agreement.

**Rep. Amerman:** Is this for hotels only or apartments etc.

**Rep. Boehning:** There is something in code that they would only be paying the \$2,000 even though two are renting it together. No double dipping.

**Rep. Ben Koppelman:** The fiscal note would read \$262,000. I that correct?

**Rep. Boehning:** No it does not. It was based on the previous bill and it went up to 100%. This will reduce the fiscal note. For the 2015 session they are estimating the amount would be \$1502 per month; which \$769,000 would be a total cost. Therefore the proposed amendment for HB 1212 would require an additional funding of \$262,000 so would that be the fiscal note.

**Chairman Jim Kasper:** How do we get a reduction from the fiscal note if they were talking about an increase here? We will find out. My motel person asked me about the lodging bill

and said that \$69 a month is lower than the federal rate and will start turning away state employees and legislators. I asked what number will work and he said \$77.

**Rep. Louser:** I read this as additional \$262,000 because there is already lodging in the budget and we are increasing from 65% of \$77 to 80% of \$77 and this is the difference.

**Chairman Jim Kasper:** No it is 80% of the government rate which is going to make it \$77. The current rate is \$69, but a monthly lodging rate is lower than that.

**Rep. Mooney:** Do you think we would have been better off to have kept the 100%?

**Chairman Jim Kasper:** I can tell you the Appropriations Committee would disagree. A number of us have tried to get this lodging fixed for many sessions. We shouldn't have to dig our pocket to serve the people. We should still get reimbursed what our costs are.

**Rep. Mooney:** I agree with you. We should penalize our housing industry.

**Chairman Jim Kasper:** We have an amendment in front of us.

**VOICE VOTE: MOTION CARRIED**

**Chairman Jim Kasper:** Do we have a motion for HB 1212 that is amended?

**Rep. Mooney:** I move a Do Pass as amended with re-referral to Appropriations.

**Rep. Louser:** Second.

**Chairman Jim Kasper:** Any discussion? If not, the clerk will take the roll.

**ROLL CALL VOTE: 14 y 0 n 0 absent**

Bill Carrier: Rep. Louser

Closed.

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$608,256		\$675,840	
<b>Appropriations</b>			\$608,256		\$675,840	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during legislative sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill removes the monthly limit on legislative lodging reimbursement during legislative sessions. Under current law, legislators may receive a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget. The bill would allow legislators to claim lodging reimbursement during legislative sessions at the same rate as the state employee daily lodging rate set by the Office of Management and Budget.

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.*

The 2013-15 Legislative Assembly budget includes \$898,560 for lodging costs relating to the 2015 legislative session based on the current statutory formula using an estimated \$90 per night state employee lodging reimbursement rate for 128 eligible legislators. Under the bill, this amount would increase by an estimated \$608,256 from the general fund to a total of \$1,506,816 using the \$90 daily rate plus tax for 30 days per month for 4 months for 128 eligible legislators. For the 2015-17 biennium, anticipating a \$100 per night state employee lodging reimbursement rate, additional funding of \$675,840 from the general fund would be needed to provide a total of \$1,674,240 using the provisions included in this bill compared to the formula in current law.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$608,256 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$675,840 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 701-328-2916

**Date Prepared:** 01/17/2013

13.0243.01002  
Title.02000

Adopted by the Government and Veterans  
Affairs Committee

February 8, 2013

2/8/13  
DNC

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1212

Page 1, line 3, after "sessions" insert "; to provide for retroactive application; and to declare an emergency"

Page 1, line 10, after "~~exceed~~" insert "eighty percent of"

Page 1, after line 16, insert:

**"SECTION 2. RETROACTIVE APPLICATION.** This Act applies retroactively to January 1, 2013.

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

Date: 2-8-13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1212

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0243.01001

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep Louser Seconded By Rep. Boehning

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper			Rep. Bill Amerman		
Vice Chairman Randy Boehning			Rep. Gail Mooney		
Rep. Jason Dockter			Rep. Marie Strinden		
Rep. Karen Karls			Rep. Steven Zaiser		
Rep. Ben Koppelman					
Rep. Vernon Laning					
Rep. Scott Louser					
Rep. Gary Paur					
Rep. Karen Rohr					
Rep. Vicky Steiner					

*voice vote  
motion  
carried*

Total (Yes) 1 No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment Louser

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

*Retro active to 1/01/13  
+ emergency clause*

Date: 2-8-13  
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1212**

House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Mooney Seconded By Louser

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Bill Amerman	X	
Vice Chairman Randy Boehning	X		Rep. Gail Mooney	X	
Rep. Jason Dockter	X		Rep. Marie Strinden	X	
Rep. Karen Karls	X		Rep. Steven Zaiser	X	
Rep. Ben Koppelman	X				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Gary Paur	X				
Rep. Karen Rohr	X				
Rep. Vicky Steiner	X				

Total (Yes) 14 No 0

Absent 0

Floor Assignment Louser

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

**REPORT OF STANDING COMMITTEE**

**HB 1212: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1212 was placed on the Sixth order on the calendar.

Page 1, line 3, after "sessions" insert "; to provide for retroactive application; and to declare an emergency"

Page 1, line 10, after "~~exceed~~" insert "eighty percent of"

Page 1, after line 16, insert:

**"SECTION 2. RETROACTIVE APPLICATION.** This Act applies retroactively to January 1, 2013.

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

**2013 HOUSE APPROPRIATIONS**

**HB 1212**

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1212  
2/14/13  
Job 18982

Conference Committee

Committee Clerk Signature

*Meredith Trachott*

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code, relating to lodging reimbursement for legislators attending legislative sessions; to provide for retroactive application; and to declare an emergency.

### Minutes:

You may make reference to "attached testimony."

**Jim Kasper, District 46:** Introduced the bill with **Chairman Delzer**.

1:55

**Rep. Kasper:** When we are here and in full time session, I don't think we should have to dig into our pocket to pay for our housing, and I don't think the hotel should have to take a reduced payment that they could normally receive. Our current rate is \$69.30, and this would increase it to \$77.00.

**Chairman Delzer:** This is the monthly one, that is currently at \$1351. Do you have the numbers for 70, 75, 80%?

**Rep. Kasper:** Up to \$2014 per month at 80%.

**Rep. Streyle:** The current rate is \$45/night, and it would go to \$55/night. Council has built in an inflator. \$1651 for a monthly rate from \$1351 for this current session; they've built in that the GSA rate would go up.

**Chairman Delzer:** Do you have the numbers for 70 and 75?

**Rep. Kasper:** \$1813 per month, which would increase estimated expenditures by \$236,000 for the 11-13 biennium.

**Chairman Delzer:** Did you ask council to figure 70 or 75%?

**Rep. Kasper:** No.

**Rep. Nelson:** Was there any discussion about the occupancy rate in Bismarck that would give us some basis for the charges that currently exist?

**Rep. Kasper:** Yes, there was. The average occupancy in Bismarck is 79.1%.

**Chairman Delzer:** Did you ask how many new hotels are being built?

**Rep. Kasper:** No, we did not.

**Rep. Monson:** Did you talk about a split rate, one for hotel/motel, and a different one for an apartment?

**Rep. Kasper:** No, we kept it all under one rate.

**Chairman Delzer:** You added the retroactive?

**Rep. Kasper:** Correct.

**Rep. Guggisberg:** Did you talk about what percentage of legislators stay in hotels versus apartments?

**Rep. Kasper:** No, we didn't have that data.

**Rep. Guggisberg:** How about what other states around us pay for legislator lodging?

**Rep. Kasper:** No, our economic circumstances are a little different than our surrounding states. MN is a little bigger; SD is a little slower; MT is a little further away.

**Rep. Kempenich:** Last session we looked into that a little bit. Most use percentages of GSA, and some are at federal rates.

**Chairman Delzer:** Further questions or comments? Thank you.

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1212  
2/20/13  
Job 19289

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code, relating to lodging reimbursement for legislators attending legislative sessions; to provide for retroactive application; and to declare an emergency.

### Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** went over information he had received from legislative council regarding daily and monthly rates, see Attachment 1.

**Discussion** - Chairman Delzer, Rep. Streyle.

5:45

**Rep. Kempenich:** Moved to amend 75% of the GSA rate on line 10 and seconded by Rep. Thoreson.

**Sheila Sandness, Legislative Council:** explanation of calculation  
Includes 9% tax on lodging

**Chairman Delzer:** Further questions?

**Rep. Monson:** This only pertains to legislators?

**Chairman Delzer:** This is legislative lodging reimbursement. Further discussion?

**Seeing none, the motion carried on a voice vote.**

**Rep. Skarphol:** This is more than double what we received for an allowance in 2001.

**Rep. Dosch:** Along those same lines, maybe we need to compare prices in Tioga in 2000. My labor costs alone went up 15% for my particular business I was at \$250,000 increase

and expense. We were able to make up a majority for that, because we were able to charge higher rates. The average daily rate in Bismarck is \$101/night. We're not where we were 10 years ago anywhere in the state.

**Rep. Streyle:** I don't think there are any hotels at the state rate.

**Rep. Kempenich:** Moved do pass as amended and seconded by Rep. Thoreson.

**Rep. Holman:** I will be voting on something that affects me directly.

**Rep. Streyle:** This in no way puts any money in our pocket.

**Rep. Kempenich:** It is uncomfortable to be voting on something like this, because you are voting on what it is worth to be here.

**Rep. Glasheim:** If we vote yes on this, it goes to \$52/night, and \$15/60?

**Chairman Delzer:** Strictly the monthly lodging rate during the session.

**Rep. Skarphol:** When some of us came in here in 1993 we were getting paid \$90 a day it went to \$111 in 1997, \$125 in 2001, %130 in 2007, and it's up to \$157.

**Motion carried 12-9-1 Rep. Kempenich carried HB 1212.**

**Hearing closed.**

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1212  
2/21/13  
Job 19378

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code, relating to lodging reimbursement for legislators attending legislative sessions; to provide for retroactive application; and to declare an emergency.

### Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** We have a situation with the fiscal note or the explanation of the cost of the state lodging.

**Rep. Grande:** Moved to reconsider the do pass recommendation of HB 1212 as amended and seconded by Rep. Rep. Streyle.

### Motion to reconsider carried on a voice vote.

**Rep. Streyle:** Moved amendment .02002. and seconded by Rep. Dosch.

### Discussion of amendment

6:00

**Rep. Skarphol:** I'm concerned that on line 15 it still references the daily lodging reimbursement.

**Sheila Sandness, Legislative Council:** Explanation of the bill.

**Chairman Delzer:** The essence is to get it so the bill says it is 75% instead of 65% going from 1351-1559.

**Rep. Glasheim:** Do we know what that would be for next year?

**Chairman Delzer:** It would be 75% of what the GSA rate was on whatever day they adjust that.

**Rep. Streyle:** In the FN they assume it is going up, but it could very well go down.

**Motion to adopt the amendment carries on a voice vote.**

**Rep. Streyle:** Moved do pass as amended and seconded by Rep. Thoreson.

9:14

**Discussion**

10:20

**Chairman Delzer:** If it was retroactive, how would the council handle that?

**Sandness:** I'm not certain, but if they already submitted then that is what they would be reimbursed.

**Rep. Monson:** My agreement with my landlord is that it is \$1,351, unless it was made retroactive.

**Chairman Delzer:** Your contract still would work.

**Rep. Monson:** If I go back and pay my him whatever the difference is, will I get reimbursed?

**Rep. Skarphol:** In the past, the Council has adjusted in the end.

**Chairman Delzer:** They've done that on the pay, but I don't know that we've ever past this retroactive.

**Rep. Skarphol:** I think we have.

**Rep. Brandenburg:** I have the same agreement as Rep. Monson.

**Rep. Skarphol:** I'm virtually certain they've corrected this in the past. In the end, we'll be okay.

**Rep. Boe:** I'm comfortable where I'm at.

(laughter)

**Chairman Delzer:** Okay. We'll make sure that's on the record!

**Motion carried 15-6-1 with Rep. Kempenich carrying HB 1212 as amended.**

**Hearing closed.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/11/2013**

Amendment to: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$236,544		\$251,556		\$278,013	
Appropriations	\$236,544		\$251,556		\$278,013	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during organizational, regular, and special sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill removes the monthly limit on legislative lodging reimbursement during legislative sessions and provides that legislators may be reimbursed up to 80 percent of the daily rate established by the Office of Management and Budget for state employees. Under current law, legislators may receive a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget. The bill is retroactive to January 1, 2013.

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.*

The 2011-13 Legislative Assembly budget includes \$691,712 for lodging costs relating to the 2013 legislative session at a monthly rate of up to \$1,351 per legislator. The bill, as amended would allow for a daily reimbursement rate of up to \$55 per night plus tax or an estimated total of 1,813 per month which would increase estimated expenditures by \$236,544 for the 2011-13 biennium. For the 2013-15 biennium, estimating a \$77 per night plus taxes state employee lodging rate, the daily rate for legislators for the organizational session in December 2014 and the regular session in 2015 would be \$62 plus tax, or an estimated total of \$2,014 per month. This amount would be \$512 per month more than the estimated reimbursement rate based on current law of \$1,502 per month, which would increase 2013-15 biennium expenditures by an estimated \$251,556. For the 2015-17 biennium, anticipating an \$85 per night state employee lodging reimbursement rate plus tax, additional funding of \$278,013 would be needed compared to the formula in current law.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$236,544 from the general fund for the Legislative Assembly's 2011-13 biennium appropriation and an additional \$251,556 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$278,013 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 701-328-2916

**Date Prepared:** 02/13/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$608,256		\$675,840	
Appropriations			\$608,256		\$675,840	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during legislative sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill removes the monthly limit on legislative lodging reimbursement during legislative sessions. Under current law, legislators may receive a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget. The bill would allow legislators to claim lodging reimbursement during legislative sessions at the same rate as the state employee daily lodging rate set by the Office of Management and Budget.

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.*

The 2013-15 Legislative Assembly budget includes \$898,560 for lodging costs relating to the 2015 legislative session based on the current statutory formula using an estimated \$90 per night state employee lodging reimbursement rate for 128 eligible legislators. Under the bill, this amount would increase by an estimated \$608,256 from the general fund to a total of \$1,506,816 using the \$90 daily rate plus tax for 30 days per month for 4 months for 128 eligible legislators. For the 2015-17 biennium, anticipating a \$100 per night state employee lodging reimbursement rate, additional funding of \$675,840 from the general fund would be needed to provide a total of \$1,674,240 using the provisions included in this bill compared to the formula in current law.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$608,256 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$675,840 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 701-328-2916

**Date Prepared:** 01/17/2013

Handwritten initials and date: *CSM 2/21/13*

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1212

Page 1, line 8, remove the overstrike over "~~per calendar month the amount established under~~"

Page 1, remove the overstrike over line 9

Page 1, line 10, remove the overstrike over "~~lodging in state and which may not exceed~~"

Page 1, line 10, remove "eighty percent of"

Page 1, line 12, remove the overstrike over "~~On August first of each even-numbered year, the~~"

Page 1, remove the overstrike over lines 13 and 14

Page 1, line 15, remove the overstrike over "~~times~~"

Page 1, line 15, after "~~sixty-five~~" insert "seventy-five"

Page 1, line 15, remove the overstrike over "~~percent of the daily lodging reimbursement in effect on that date~~"

Page 1, remove the overstrike over line 16

Renumber accordingly

Date: 2/20/13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1212

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

down to 75% of GSA rate line 10  
voice vote carrier

Date: 2/20/13  
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1212**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Kempenich Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew		X	Rep. Wieland		X
Rep. Brandenburg		X			
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken			Rep. Glassheim		X
Rep. Kreidt		X	Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman		X
Rep. Monson	X		Rep. Williams		X
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol		X			

Total Yes 12 No 9

Absent 1

Floor Assignment Rep. Kempenich

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

Date: 2/21/13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1212

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment

Rerefer to Appropriations  Reconsider

Motion Made By Rep. Grande Seconded By Rep. Streyle

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*voice vote carried*

Date: 2/21/13  
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1212

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 02002

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Streyle Seconded By Rep. Dosch

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glasheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*replace  
voice vote carriers*

Date: 2/21/13  
 Roll Call Vote #: 3

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1212**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Streyke Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Rep. Streyke	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew		X	Rep. Wieland		X
Rep. Brandenburg	X				
Rep. Dosch	X				
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glasheim		X
Rep. Kreidt		X	Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman		X
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford					
Rep. Skarphol	X				

Total Yes 15 No 6

Absent 1

Floor Assignment Rep. Kempenich

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

**REPORT OF STANDING COMMITTEE**

**HB 1212, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1212 was placed on the Sixth order on the calendar.

Page 1, line 8, remove the overstrike over "~~per calendar month the amount established under~~"

Page 1, remove the overstrike over line 9

Page 1, line 10, remove the overstrike over "~~lodging in state and which may not exceed~~"

Page 1, line 10, remove "eighty percent of"

Page 1, line 12, remove the overstrike over "~~On August first of each even-numbered year, the~~"

Page 1, remove the overstrike over lines 13 and 14

Page 1, line 15, remove the overstrike over "~~times~~"

Page 1, line 15, after "~~sixty-five~~" insert "seventy-five"

Page 1, line 15, remove the overstrike over "~~percent of the daily lodging reimbursement in effect on that date~~"

Page 1, remove the overstrike over line 16

Renumber accordingly

**2013 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**HB 1212**

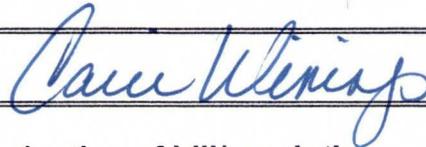
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee  
Missouri River Room, State Capitol

HB 1212  
03/14/2013  
Job Number 19903

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code, relating to lodging reimbursement for legislators attending legislative sessions; and to provide for retroactive application.

## Minutes:

**Chairman Dever:** Opened the hearing on HB 1212.

**Representative Roscoe Streyle, District 3:** Testified as sponsor and to explain the bill. It takes the lodging reimbursement during session from 65% of the daily to 75%. The current rate right now is \$1351 per month or \$45.03 a day. It would take the monthly to \$1559 or \$51.97 per day. The current average in Bismarck is \$102. Currently it is at less than 50%. This is only bringing it up \$7.00 per night. I do not believe anyone is accepting the current rate at this time. When we go to a committee hearing outside of session we get reimbursed \$69.50 plus tax but only \$45.00. I see it as an inflationary adjustment, and it is a fairness issue and an appropriate adjustment given the marketplace.

**(3:08) Senator Schaible:** I see the retroactive date of January 1<sup>st</sup> and I am questioning if that will create a lot of heartache. It seemed to cause a lot of heartache 2 years ago. Was that taken into consideration?

**Representative Streyle:** That was discussed. There was an emergency clause and that failed in the House. The retroactive, I don't find it to be hard to fix that. Everyone submits

their receipts. It does cause some angst, but I don't see it to be too hard of a burden on council.

**Senator Schaible:** I think that the heartache last time is that everyone knew what prices were going into it and they accepted that and they thought an increase was in order, but to make it retroactive was probably the unacceptable part, and now we see it again. To me that is something that could create more heartache to make the increase even less acceptable. Is that a fair assessment?

**Representative Streyle:** I think we all know that it is an issue again this session. We are below the market to begin with and there is not a single place in the state that will take \$45/night. I think we are just so far below the market that we need to adjust this.

**Chairman Dever:** Do we have a list of the numbers of legislators that are staying at different hotels and which ones are honoring the rate?

**Representative Streyle:** I have not seen that. I bet it is less than 5 that have the state rate. I have not talked to everyone.

**Chairman Dever:** I might ask for that before we act on this. SB 2001 is the legislative budget. I did understand that they budgeted down the dollars because they expected the rate to be based around the GSA rate. As they considered the budget, they were able to reduce it to \$1500+ dollars. The issue is being addressed going forward into the next session. Last session the bill failed due to the retroactive nature, but it was addressed in the legislative council budget. In my experience the history of this has been something on this order, I think in the 2007 session, the reimbursement was about \$650 and we increased it to \$900 and then in 2009 we increased it to 55%x30x90% of GSA. Then last session we increased it to 65%x90%x30 days. When we did that, the hospitality

associations told us that the GSA would be the inflator and that they would not come back and ask for another raise, and now we have it before us again.

**Representative Streyle:** I was not here then. Times have changed as far as our state. Things could go down five years from now when it is tied to the rate. It is a floating rate.

**Chairman Dever:** The point of that was that GSA would determine the inflator.

**Representative Streyle:** If we were at 100% of GSA, then I would not have a problem with it.

**(9:15) Rudie Martinson, Director of the North Dakota Hospitality Association:** See Attachment #1 for testimony in support of the bill.

**(10:15) Chairman Dever:** How would you define a midrange/limit service hotel?

**Rudie Martinson:** They are kind of like the Expressway Inn or the Country Suites; where often they serve a limited breakfast and that kind of thing. They are not a budget hotel but they are not a full service hotel that has a bar or restaurant. They are in between the budget and full service.

**Senator Marcellais:** Is there some way you can give a history of what the percentage of rate has been going up and where the peak is? I think it is on supply and demand.

**Rudie Martinson:** I can do that.

**Senator Cook:** The rates are coming down in Williston and I would guess that they will be here too. I would think it is only a matter of time before they come down here too.

**Rudie Martinson:** I think that is probably a true statement. When we are tying things to the GSA rate, I think too often we get involved in this conversation. The perception is that the GSA rate always goes up, but that is not true. If we add a lot of rooms to the room inventory in Bismarck, or if the bottom falls out on the economy, or market conditions change, then the GSA rate does occasionally go down.

**Senator Cook:** Do you think the GSA rate is slow to react?

**Rudie Martinson:** It reacts more quickly than what we have been doing in the past ten years or so, which is coming down here and having this conversation every session. They react roughly once a year.

**Senator Nelson:** Some of us that live in houses and somehow our landlords are happy with the \$1351 per month that is paying their mortgage while they are on vacation. How many of us live in snow birds places? I think there is getting to be more and more that are willing to take that.

**Rudie Martinson:** We did have that discussion last session and we had a list of the disbursement. I think council generated that. I would be happy to ask them to do that again.

**Vice Chairman Berry:** As executive director for the industry, in a perfect world, how would you draw it up?

**Rudie Martinson:** The simplest way would be to make it the same as the GSA rate for everything.

**Chairman Dever:** How do rates for extended stay hotels compare? What if we had no guidelines and we said we would reimburse whatever, what would the hotel say?

**Rudie Martinson:** I do not have information in front of me for that, but I think you would be hard pressed in Bismarck right now to see an extended stay for anything less than \$1700 to \$1800 per month.

**Chairman Dever:** Closed the hearing on HB 1212.

(See Attachment #2 for additional information given to the committee after the hearing.)

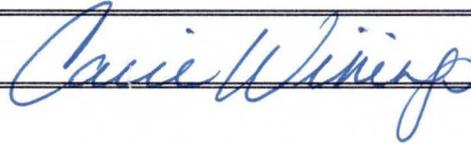
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Government and Veterans Affairs Committee  
Missouri River Room, State Capitol

HB 1212  
03/21/2013  
Job Number 20326 & 20329

Conference Committee

Committee Clerk Signature



## Minutes:

**Chairman Dever:** Opened HB 1212 for committee discussion.

**Committee Discussion:** Chairman Dever and the committee had a discussion with Lori Ziegler, Legislative Council, regarding the housing and hotels available for legislators.

Legislative council calls the hotels to find out which hotels will honor the state rate and what rates they will be charging. They also do have homeowners that call in and put their house on a list of available homes to legislators during session. Around 75 to 100 homeowners offer their homes. That often does not include returning legislators that may already have an agreement with a homeowner they have rented from in the past. The idea of there being a shortage could not be determined due to that fact. There are legislators that prefer to pay some out of their own pocket because they prefer a hotel that charges more and offers more amenities or be in a home that may rent for more than the state rate. Several locations that the committee members were aware of being available and not utilized were mentioned. Sometimes location plays in for preferences. The committee agreed that preferences did not necessarily need to be paid for.

### Job Number 20329 Begins Here:

**Vice Chairman Berry: Moved a Do Not Pass.**

**Senator Cook: Seconded.**

**A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.**

**Vice Chairman Berry: Carrier.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
**03/21/2013**

Bill/Resolution No.: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$224,768		\$130,560	
Appropriations			\$224,768		\$130,560	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during regular legislative sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill increases the monthly limit on legislative lodging reimbursement during legislative sessions from a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget to up to 75 percent of the daily lodging reimbursement rate for state employees. The bill is retroactive to January 1, 2013.

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.*

The maximum monthly lodging reimbursement rate for legislators for the 2013 legislative session is \$1,351 per legislator. The bill would allow for a monthly reimbursement rate of up to \$1,559 per legislator which is \$208 more per month per legislator and would increase estimated expenditures by \$106,496 for the 2013 legislative session. Because the emergency clause on the bill failed, any legislator claims for additional lodging reimbursement would not be paid until after July 1, 2013. For the 2013-15 biennium, estimating a \$77 per night state employee lodging rate, the monthly rate for legislators for the legislative session in 2015 would be \$1,733 per month. This amount would be \$231 per month more than the estimated reimbursement rate based on current law of \$1,502 per month, which would increase 2013-15 biennium expenditures by an estimated \$118,272. For the 2015-17 biennium, anticipating an \$85 per night state employee lodging reimbursement rate, additional funding of \$130,560 would be needed compared to the formula in current law.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$224,768 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation to provide the estimated additional legislator reimbursement for the 2013 legislative session of \$106,496 and the additional \$118,272 needed for increased reimbursement during the 2015 legislative session. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$130,560 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 328-2916

**Date Prepared:** 03/25/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/22/2013**

Amendment to: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$106,496		\$118,272		\$130,560	
Appropriations	\$106,496		\$118,272		\$130,560	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during regular legislative sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill increases the monthly limit on legislative lodging reimbursement during legislative sessions from a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget to up to 75 percent of the daily lodging reimbursement rate for state employees. The bill is retroactive to January 1, 2013.

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.*

The 2011-13 Legislative Assembly budget includes \$691,712 for lodging costs relating to the 2013 legislative session at a monthly rate of up to \$1,351 per legislator. The bill, as amended would allow for a monthly reimbursement rate of up to \$1,559 per legislator which is \$208 more per month per legislator and would increase estimated expenditures by \$106,496 for the 2011-13 biennium. For the 2013-15 biennium, estimating a \$77 per night state employee lodging rate, the monthly rate for legislators for the legislative session in 2015 would be an estimated \$1,733 per month. This amount would be \$231 per month more than the estimated reimbursement rate based on current law of \$1,502 per month, which would increase 2013-15 biennium expenditures by an estimated \$118,272. For the 2015-17 biennium, anticipating an \$85 per night state employee lodging reimbursement rate, additional funding of \$130,560 would be needed compared to the formula in current law.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$106,496 from the general fund for the Legislative Assembly's 2011-13 biennium appropriation and an additional \$118,272 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$130,560 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 701-328-2916

**Date Prepared:** 02/23/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/11/2013**

Amendment to: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$236,544		\$251,556		\$278,013	
Appropriations	\$236,544		\$251,556		\$278,013	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during organizational, regular, and special sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill removes the monthly limit on legislative lodging reimbursement during legislative sessions and provides that legislators may be reimbursed up to 80 percent of the daily rate established by the Office of Management and Budget for state employees. Under current law, legislators may receive a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget. The bill is retroactive to January 1, 2013.

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.*

The 2011-13 Legislative Assembly budget includes \$691,712 for lodging costs relating to the 2013 legislative session at a monthly rate of up to \$1,351 per legislator. The bill, as amended would allow for a daily reimbursement rate of up to \$55 per night plus tax or an estimated total of 1,813 per month which would increase estimated expenditures by \$236,544 for the 2011-13 biennium. For the 2013-15 biennium, estimating a \$77 per night plus taxes state employee lodging rate, the daily rate for legislators for the organizational session in December 2014 and the regular session in 2015 would be \$62 plus tax, or an estimated total of \$2,014 per month. This amount would be \$512 per month more than the estimated reimbursement rate based on current law of \$1,502 per month, which would increase 2013-15 biennium expenditures by an estimated \$251,556. For the 2015-17 biennium, anticipating an \$85 per night state employee lodging reimbursement rate plus tax, additional funding of \$278,013 would be needed compared to the formula in current law.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$236,544 from the general fund for the Legislative Assembly's 2011-13 biennium appropriation and an additional \$251,556 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$278,013 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 701-328-2916

**Date Prepared:** 02/13/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1212

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$608,256		\$675,840	
Appropriations			\$608,256		\$675,840	

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill changes lodging reimbursement rates for legislators during legislative sessions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The bill removes the monthly limit on legislative lodging reimbursement during legislative sessions. Under current law, legislators may receive a monthly maximum of up to 30 times 65 percent of the daily lodging reimbursement rate for state employees set by the Office of Management and Budget. The bill would allow legislators to claim lodging reimbursement during legislative sessions at the same rate as the state employee daily lodging rate set by the Office of Management and Budget.

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.*

The 2013-15 Legislative Assembly budget includes \$898,560 for lodging costs relating to the 2015 legislative session based on the current statutory formula using an estimated \$90 per night state employee lodging reimbursement rate for 128 eligible legislators. Under the bill, this amount would increase by an estimated \$608,256 from the general fund to a total of \$1,506,816 using the \$90 daily rate plus tax for 30 days per month for 4 months for 128 eligible legislators. For the 2015-17 biennium, anticipating a \$100 per night state employee lodging reimbursement rate, additional funding of \$675,840 from the general fund would be needed to provide a total of \$1,674,240 using the provisions included in this bill compared to the formula in current law.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

If approved, this bill would result in the need for an additional \$608,256 from the general fund for the Legislative Assembly's 2013-15 biennium appropriation. The 2015-17 biennium general fund appropriation for the Legislative Assembly would require an additional \$675,840 from the general fund.

**Name:** Allen Knudson

**Agency:** Legislative Council

**Telephone:** 701-328-2916

**Date Prepared:** 01/17/2013

Date: 3/21

Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 1212

Senate Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Senator Berry Seconded By Senator Cook

Senators	Yes	No	Senator	Yes	No
Chairman Dick Dever	✓		Senator Carolyn Nelson	✓	
Vice Chairman Spencer Berry	✓		Senator Richard Marcellais	✓	
Senator Dwight Cook	✓				
Senator Donald Schaible	✓				
Senator Nicole Poolman	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Berry

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

**REPORT OF STANDING COMMITTEE**

**HB 1212, as reengrossed: Government and Veterans Affairs Committee (Sen. Dever, Chairman)** recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1212 was placed on the Fourteenth order on the calendar.

**2013 TESTIMONY**

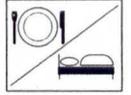
**HB 1212**

# North Dakota Hospitality Association

ND Restaurant, Lodging & Beverage Association

## ND's Restaurant, Lodging & Beverage Association

P.O. Box 428 • Bismarck, ND 58502 • Phone: 701-223-3313 • Fax: 701-223-0215  
E-mail: NDhospitalityassn@gmail.com • www.ndhospitality.com



Attachment 1  
1212

### Testimony of Rudie Martinson

Executive Director, ND Hospitality Association

In support of HB 1212

Before the House Government and Veterans Affairs Committee

January 31, 2013

Good Morning Mr. Chairman and members of the House Government and Veterans Affairs Committee. My name is Rudie Martinson, and I am the Executive Director of the ND Hospitality Association. We are the trade association for North Dakota's restaurant, lodging, and retail beverage industries.

I rise today in support of HB 1212.

Our current legislative housing rate is set at 65% of the state lodging rate allowed for the Bismarck area, multiplied by 30 nights per month. Currently, the state rate is \$69.30 per night, which sets the rate for legislators at 45.03 per night or \$1351.00 per month.

We are asking for this increase because that rate is badly out of proportion with what a hotel room can sell for in Bismarck on the open market. Below is a chart of the occupancy rates and ADR for mid-range, limited service hotels in Bismarck. ADR stands for Average Daily Rate, and is a metric we use to measure the value of a room based on current market prices.

	Occupancy	ADR
June 2012	88.8%	\$116.57
July 2012	85.6%	\$116.91
August 2012	87.5%	\$116.72
September 2012	83.4%	\$117.93
October 2012	83.4%	\$114.28
November 2012	67.6%	\$106.51
Running 12 Month	79.1%	\$112.33

As you can see, the running 12 month average ADR for this category is \$112.33, which is \$67.30 per night higher than the allowable expense for legislators staying in these rooms during the session.

Mr. Chairman and members of the committee, while we appreciate the business that legislators bring to our industry during the session, we believe this rate needs to come up some in order to provide fairness to the businesses that provide lodging in Bismarck. As written, the bill would raise the lodging rate to \$69.30 per night, or \$2,079.00 per month. We request a "do pass" recommendation on HB 1212.

Thank you.

**44-08-04. Expense account - Amount allowed - Verification.**

1. Except as provided in section 44-08-04.1, each elective or appointive officer, employee, representative, or agent of this state, or of any of its subdivisions, agencies, bureaus, boards, or commissions, may make claim for meals and lodging while engaged in the discharge of a public duty away from the claimant's normal working and living residence for all or any part of any quarter of a day. Claims may also be made for meals that are included as part of a registration fee for a conference, seminar, or other meeting and for meals attended at the request of and on behalf of the state or any of its subdivisions, agencies, bureaus, boards, or commissions; however, if a meal is included in a registration fee, the applicable quarter allowance cannot be claimed for that meal. Claims for meals specifically included in a registration fee for a conference, seminar, or other meeting must be allowed even if the city at which the conference, seminar, or meeting is held or the meal is provided is the claimant's normal working and living residence. If a higher education athletic team or other organized institution organization group meal is attended at the request of and on behalf of the institution, actual expenses for the entire group, including coaches, trainers, and other employees, may be paid or submitted for payment on a team or group travel expense report; subsection 2 does not apply; and officers and employees are not required to document individual expenses or submit individual travel reimbursement vouchers. Reimbursement is allowed only for overnight travel or other travel, away from the normal place of employment, for four hours or more. Verification of expenses by receipt is required only for lodging expenses.
2. For travel within the state, the following rates for each quarter of any twenty-four-hour period must be used:
  - a. First quarter is from six a.m. to twelve noon and the sum must be six dollars. First quarter reimbursement may not be made if travel began after seven a.m.
  - b. Second quarter is from twelve noon to six p.m. and the sum must be nine dollars.
  - c. Third quarter is from six p.m. to twelve midnight and the sum must be fifteen dollars.
  - d. Fourth quarter is from twelve midnight to six a.m. and the sum must be the actual lodging expenses not to exceed an amount established by policy by the director of the office of management and budget plus any additional applicable state or local taxes. The director shall establish a policy to set the lodging reimbursement at an amount equal to ninety percent of the rate established by the United States general services administration for lodging reimbursement in this state. A political subdivision may reimburse an elective or appointive officer, employee, representative, or agent for actual lodging expenses.
3. The allowance for out-of-state meals, within the continental United States, is equal to the per diem meals rate in the city for which a claim is made on that day as established by rule for federal employees by the United States general services administration and must be allocated twenty percent to the first quarter, thirty percent to the second quarter, and fifty percent to the third quarter.
4. The allowance for meals in noncontinental United States and overseas nonforeign areas, including Alaska, Hawaii, and Guam, is equal to the per diem meals rate in the city for which a claim is made on that day as established by rule for federal employees established by the United States per diem committee.
5. The allowance for meals outside the United States is equal to the per diem meals rate in the city for which a claim is made on that day as established by rule for federal employees established by the United States department of state.
6. The allowance for lodging outside the state must be the actual lodging expense.
7. A department, institution, or agency of this state may set a rate for travel expenses outside the state less than those set forth in this section. Verification of any other type of expense not prescribed by this section must be as prescribed by the office of the budget except no receipt may be required for taxi or cab fares of ten dollars or less. The office of management and budget shall disapprove any claim it determines to be in error or unlawful or not within the limits of legislative appropriations.

*Attachment 1*

13.0243.01001  
Title.

Prepared by the Legislative Council staff for  
Representative Boehning  
January 30, 2013

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1212

Page 1, line 10, after "~~exceed~~" insert "eighty percent of"

Renumber accordingly

## LEGISLATOR SESSION LODGING REIMBURSEMENT - ESTIMATED FISCAL IMPACT OF PROPOSED AMENDMENTS TO HOUSE BILL NO. 1212

This memorandum provides information on legislator lodging reimbursement during legislative sessions and proposals to change the reimbursement maximum.

Under North Dakota Century Code Section 54-03-20, the Office of Management and Budget (OMB) in August of each even-numbered year sets the maximum monthly lodging reimbursement allowed for legislators for the upcoming legislative session. The maximum monthly reimbursement level is set by OMB by calculating an amount equal to 30 times 65 percent of the maximum daily lodging reimbursement rate allowed for state employees. The maximum daily lodging reimbursement rate allowed for state employees is also determined by OMB and is equal to 90 percent of the federal General Services Administration (GSA) lodging reimbursement rate for North Dakota. The federal GSA rate may change on October 1 of each year.

The current federal GSA rate for North Dakota is \$77 per night; therefore, OMB has set the maximum daily lodging reimbursement rate allowed for state employees at \$69.30 per night (90 percent of \$77) plus applicable taxes. Using the formula in Section 54-03-20, the maximum monthly lodging reimbursement allowed for legislators for the 2013 legislative session is \$1,351 per month.

The Legislative Assembly budget request for the 2013-15 biennium includes an estimate of the maximum monthly lodging reimbursement that will be allowed for legislators for the 2015 legislative session based on the formula in current law. Initially, the budget request which was prepared in September 2012 anticipated a 10 percent annual increase in the federal GSA lodging rate for North Dakota resulting in a projected maximum daily lodging reimbursement rate allowed for state employees of \$90 per night plus applicable taxes. Using the formula in Section 54-03-20, the maximum monthly lodging reimbursement allowed for legislators for the 2015 legislative session as included in the Legislative Assembly budget request was estimated to be \$1,755 per month.

Because the federal GSA rate for the majority of North Dakota, including the Bismarck area did not change on October 1, 2012, as anticipated in the Legislative Assembly's budget request, the estimates could be reduced. The revised estimates anticipate only a 10 percent change from the current rate resulting in a projected maximum daily lodging reimbursement rate allowed for state employees of \$77 per night plus applicable taxes. Using the formula in Section 54-03-20, the maximum monthly lodging reimbursement allowed for legislators for the 2015 legislative session based on the revised estimate would be \$1,502 per month.

### ESTIMATED FISCAL IMPACT OF PROPOSED AMENDMENTS TO HOUSE BILL NO. 1212

Proposed amendments to House Bill No. 1212 provide that the maximum amount legislators may be reimbursed for lodging during a legislative session is 80 percent of the maximum daily lodging reimbursement rate allowed for state employees. Based on the revised estimate for the state employee lodging rate of \$77 per night plus taxes that may be in effect during the 2015 legislative session, the estimated cost for legislator lodging reimbursement for the 2015 legislative session based on the proposed amendments would be \$2,014 per month requiring estimated funding of \$1,031,332. This amount would be an increase of \$663 per month from the \$1,351 per month rate in effect for the 2013 legislative session, or an additional \$339,620 of funding compared to the 2011-13 appropriation. Using the revised estimate of the maximum daily lodging reimbursement rate allowed for state employees of \$77 per night plus applicable taxes, based on the current statutory formula, the estimated cost for legislator lodging reimbursement for the 2015 legislative session would be \$1,502 per month requiring total funding of \$769,024; therefore, the proposed amendments to House Bill No. 1212 would require additional funding of \$262,308.

## NDLA, H APP - Traeholt, Meredith

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**From:** Delzer, Jeff W.  
**Sent:** Friday, February 15, 2013 11:11 AM  
**To:** NDLA, H APP - Traeholt, Meredith  
**Subject:** FW: Additional information related to HB Nos. 1332, 1368, and 1212

---

**From:** Sandness, Sheila M.  
**Sent:** Friday, February 15, 2013 8:55 AM  
**To:** Delzer, Jeff W.  
**Cc:** Knudson, Allen H.  
**Subject:** Additional information related to HB Nos. 1332, 1368, and 1212

Representative Delzer,

This email is to provide the information you requested regarding the following bills:

- **House Bill No. 1332** - The Department of Transportation reported that during calendar 2012 there were 15,368 identification cards issued, of which 2,312 were issued to individuals under age 18. Therefore, fees related to identification cards for individuals under age 18 included in the fiscal note total \$36,992 for the 2013-15 biennium.
- **House Bill No. 1368** - The Office of Management and Budget reported the impact of removing the 90 percent limitation on out-of-state lodging on 2013-15 expenditures would be an estimated increase of \$263,242, of which \$110,272 is from the general fund.
- **House Bill No. 1212** - The chart below summarizes the estimated legislative lodging reimbursements that would be in effect under various percentages based on the provisions of the bill. The chart identifies the session and the estimated maximum monthly reimbursement for legislator lodging during the session based on a percentage of the daily state employee rate. The current rate for the 2013 session is \$1,351 per month.

	Actual/Estimated State Employee Daily Rate	70 percent	75 percent	80 percent
2013 session	\$69.30	\$1,586	\$1,700	\$1,813
2015 session	\$77.00	\$1,763	\$1,888	\$2,014
2017 session	\$85.00	\$1,946	\$2,085	\$2,224

If you have any questions or need additional information please feel free to contact us.

Sheila M. Sandness  
Senior Fiscal Analyst  
North Dakota Legislative Council  
600 E. Boulevard Avenue  
Bismarck, ND 58505  
701.328.2916  
[smsandness@nd.gov](mailto:smsandness@nd.gov)

13.0243.02001  
Title.

Prepared by the Legislative Council staff for  
House Appropriations  
February 20, 2013

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1212

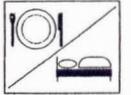
Page 1, line 10, replace "eighty" with "seventy-five"

Renumber accordingly

# North Dakota Hospitality Association

ND Restaurant, Lodging & Beverage Association

## ND's Restaurant, Lodging & Beverage Association



P.O. Box 428 • Bismarck, ND 58502 • Phone: 701-223-3313 • Fax: 701-223-0215  
E-mail: NDhospitalityassn@gmail.com • www.ndhospitality.com

### Testimony of Rudie Martinson

Executive Director, ND Hospitality Association

#### In support of HB 1212

Before the Senate Government and Veterans Affairs Committee

May 14, 2013

Good Morning Mr. Chairman and members of the Senate Government and Veterans Affairs Committee. My name is Rudie Martinson, and I am the Executive Director of the ND Hospitality Association. We are the trade association for North Dakota's restaurant, lodging, and retail beverage industries.

I rise today in support of HB 1212.

Our current legislative housing rate is set at 65% of the state lodging rate allowed for the Bismarck area, multiplied by 30 nights per month. Currently, the state rate is \$69.30 per night, which sets the rate for legislators at 45.03 per night or \$1351.00 per month.

We are asking for this increase because that rate is badly out of proportion with what a hotel room can sell for in Bismarck on the open market. Below is a chart of the occupancy rates and ADR for mid-range, limited service hotels in Bismarck. ADR stands for Average Daily Rate, and is a metric we use to measure the value of a room based on current market prices.

	Occupancy	ADR
January 2012	76.4%	\$106.59
February 2012	79.2%	\$111.76
March 2012	78.6%	\$110.74
April 2012	79.3%	\$108.11
May 2012	80.8%	\$113.92
June 2012	88.8%	\$116.57
July 2012	85.6%	\$116.91
August 2012	87.5%	\$116.72
September 2012	83.4%	\$117.93
October 2012	83.4%	\$114.28
November 2012	67.6%	\$106.51
Running 12 Month (as of November)	79.1%	\$112.33

As you can see, the running 12 month average ADR for this category is \$112.33, which is \$67.30 per night higher than the allowable expense for legislators staying in these rooms during the session.

Mr. Chairman and members of the committee, while we appreciate the business that legislators bring to our industry during the session, we believe this rate needs to come up some in order to provide fairness to the businesses that provide lodging in Bismarck. As amended, the bill would raise the lodging rate to \$51.98 per night, or \$1,559.00 per month. We request a "do pass" recommendation on HB 1212.

Thank you.

**Dever, Dick D.**

---

**From:** Ziegler, Lori L.  
**Sent:** Thursday, March 14, 2013 4:51 PM  
**To:** Dever, Dick D.  
**Subject:** RE: Lodging Information  
**Attachments:** lodging information 2013.xlsx

Senator Dever,

Please find the updated listing for 2013. At the beginning of October we put an ad in the Bismarck Tribune requesting anyone who is willing to rent for the legislative session to call our office and Della compiles a listing for the legislators. Della also contacts the Bismarck Chamber and they will compile a listing of hotels that will honor the state rate or give us what they would offer legislators. Della still has the list if you would like a copy. I visited with Della and she told me they had about 75 - 100 calls of people willing to rent out their private homes, condos and rooms for session. I really can't speak to how many people had problems finding lodging but if you notice we are moving to where there are more renting from private people then staying in hotels. I also think as legislators find private homes they like the just plan to stay there for the next session. I think you will always have those that prefer to stay in hotels I just really can't predict the mix of what will happen next session. There are also some people who are staying in private homes that wrote their contract to reimburse at the state rate. So, if it is retro-active we will have to reimburse not only those that are staying in hotels but I know one person for sure that will request additional reimbursement for their landlord.

Let me know if you have any further questions or need any more information.

Thanks  
 Lori

**Lori Ziegler**  
**Legislative Administrative Officer**  
**Legislative Council**  
**701.328.2919**  
**Fax: 701.328.3615**  
**[lziegler@nd.gov](mailto:lziegler@nd.gov)**

---

**From:** Dever, Dick D.  
**Sent:** Thursday, March 14, 2013 1:12 PM  
**To:** Ziegler, Lori L.  
**Subject:** RE: Lodging Information

We have HB 1212 that would change the reimbursement formula. The question is how many legislators are having trouble finding lodging. If you have other observations, that might be appropriate as well.

Dick

---

**From:** Ziegler, Lori L.  
**Sent:** Thursday, March 14, 2013 1:07 PM  
**To:** Dever, Dick D.  
**Subject:** RE: Lodging Information

Senator Dever,

### Housing for Legislators\*\*:

Accommodations	Amount	Count	Allowable Amount	Difference
Hotel	\$1351 - Under	15	\$1,351	\$0
Hotel	\$1,351.20	6	\$1,351	\$0.20
Hotel	\$1,400	1	\$1,351	\$49.00
Hotel	\$1,470.00	1	\$1,351	\$119.00
Hotel	\$1,500	27	\$1,351	\$149.00
Hotel	\$1,750.00	2	\$1,351	\$399.00
Hotel	\$1,800	3	\$1,351	\$449.00
Hotel	\$1,825.00	1	\$1,351	\$474.00
Hotel	\$2,265	1	\$1,351	\$914.00
<b>Total:</b>		<b>57</b>		
Private Housing	\$1351 - Under	60	\$1,351	\$0
Private Housing	\$1,400	1	\$1,351	\$49.00
Private Housing	\$1,559	1	\$1,351	\$208.00
<b>Total</b>		<b>62</b>		

\*\* Based on February Expense vouchers