

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2258

2007 SENATE FINANCE AND TAXATION

SB 2258

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2258**

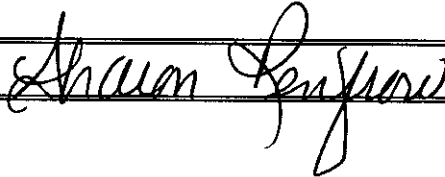
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: # 1521

Committee Clerk Signature



Minutes:

**Sen. Urlacher** called the committee to order and opened the hearing on SB 2258.

**Sen. Oehlke**: prime sponsor of the bill appeared in support with written testimony. (See attached)

**Sen. Wardner**: appeared as co-sponsor of the bill stating this was good for his community in Dickinson and that ND does need to promote what we have and this allows us to do that.

**Sen. Urlacher**: so with the governor's appropriation and the permanent tax it would bring it up to about 2% then going into that.

**Sen., Wardner**: yes the total amount but we wouldn't be taxing; it would come out of general fund dollars.

**Sen. Potter**: appeared in support with written testimony. (See attached)

**Kyle Blanchfield**: Resort owner from Devils Lake appeared in support with written testimony.

(See attached)

**Sen. Oehlke**: do the people coming from out of state feel they are getting a good deal?

Answer: yes

**Sen. Triplett:** regarding the 2% notion within the governor's budget for the general fund plus what's here, what do you think the lodging industry would think if we amended this bill to say that it was a 2% tax?

**Answer:** this is one tool that we've used and shown success. Anytime you put more marketing dollars into the mix you going to see a definite increase in activity, it's a straight forward investment.

**David Borlaug:** Lewis & Clark Fort Mandan Foundation appeared in support with written testimony. (See attached)

**Answer to Sen. Triplett's question:** the whole issue to us in this industry is that we want to see a minimum of 10 million dollars dedicated to tourism promotion in ND. The governor's budget gets us to 8 with funds that formally were derived from this tax included. This lodging tax will guarantee that level of funding for the biennium and we hope with the sunset removed forever.

**Teri Thiel:** Executive Director of Dickinson Convention and Visitor's Bureau appeared in support with written testimony.

**Rep. Glassheim:** Appeared in support stating Grand Forks had some concern with Lewis & Clark uses of this. With this change to out of state marketing we think there will be great opportunities especially with the stronger Canadian dollars will be more opportunities to market all the eastern part of the state as well. I continue to think that ND has great opportunities in marketing and bringing people here from NY and Chicago to see natural beauty, hunting and rural activities and friendliness.

**Julie Rygg:** of Greater Grand Forks Convention & Visitors Bureau appeared in support with written testimony. (See attached)

**Teri Onsgard**: Director of Sales for Fargo-Moorhead Convention & Visitors Bureau appeared in support with written testimony. (See attached)

**Sen. Anderson**: Do all sights get a share in the 1%?

**Answer**: the 1% lodging tax does get allocated to the division of tourism and they have to research, the results of the research is proven so it is up to them how they market the state with that 1% lodging tax. The 1% lodging tax is really valuable because it has potential of increasing significantly in relation to how many visitors we bring in. It's a really good mechanism for tracking and expanding the tourism marketing budget, we can exceed the expectation with the lodging tax.

**Sen. Anderson**: each of your destinations and what exactly would those be?

**Answer**: 28 CVB's throughout the state so any organization that's funded through a lodging tax on a local level for destination marketing is a member of the Destination Marketing Association so its those convention bureaus.

**Bill Shalhoob**: Chairman of the Tourism Alliance Partnership appeared in support with written testimony. (See attached)

**Answer to Sen. Anderson's question**. The way the tourism business is conducted currently there is not an individual grant program for individual tourism things. There is a vehicle in this Legislative session HB 1027, which has a tourism grant program attached to that.

**Sen. Triplett**: Some of the money that supports tourism comes from the general fund and there is about 3 million dollars in the governors budget this time around for tourism spending out of the general fund, my question is would it make sense to you from your perspective that in addition to this bill that we consider amending it to change the lodging tax to 2% and spend less out of general fund?

**Answer:** the governor's budget recommends 8.3. The last biennium was funded at roughly tourism including this tax in the general fund was funded at roughly 8.2 million dollars. The governor's recommendation on the current budget is 8.3 million dollars of general fund spending. The governor in one of his footnotes recommends that this tax sunset.

**Sen. Triplett:** does it make more sense to you from your position in the industry to have a larger share of it come from the lodging tax and a lesser share of it come from the general fund or are you satisfied with the 1% being the right level for the lodging tax?

**Answer:** in my mind all of it should come from the general fund. ND should use general fund dollars to market ND.

**Sen. Triplett:** Even if you have to come back every session to request for it?

Answer: yes, I think we all do anyways.

**Sen. Urlacher:** so looking at the long term and short term, this would lock this 1% in and the future governors or future legislators could have the flexibility of increasing beyond what we're talking about. Are you comfortable with that foresight in handling it the way it's being proposed?

**Answer:** we don't know how appropriations will turn out.

**Sen. Tollefson:** would 2% vs. the 1% lodging tax would that be a deterrent to travelers coming through ND do you think?

**Answer:** I'm not standing here in favor of more taxes; I feel it's a fairness issue.

**Sen. Tollefson:** the local promotion, local effort could be in place, my concern is that it's a situation where it will or could change every 2 years with the state legislature.

**Sen. Horne:** I was a little surprised to hear you say you'd rather have it all come from the general fund as opposed to this or even increasing it. I think that there would be more comfort have a 1 or 2% lodging tax dedicated toward tourism promotion as opposed to risking the

whims of the general assembly. Does this mean that there are those in your industry that don't want this tax or would not like a 1 or 2% tax?

**Answer:** that's correct. A 1 cent a can marketing thing, number of vends they do, 1 cent out of every their cost because it works.

**Nicki Weissman:** Executive Direct of ND Hospitality Association appeared in opposition with written testimony. (See attached) Representing the restaurants, the bars and the hotels in the State of ND.

**Sen. Cook:** you say you have 350 members who are engaged in the hospitality industry, the vast majority of your membership that is in the lodging industry, they are opposed to this?

**Answer:** the people I polled, yes.

**Sen. Oehlke:** people staying the hotels are the ones paying the tax, so it's not coming directly out of your pocket; they just have to process it.

**Answer:** they have to have staff that know how to do it, so they are paying someone to do it.

**Lori Olson:** General Mgr of Best Western Kelly Inn of Minot appeared in opposition with written testimony. (See attached)

**Sen. Cook:** You've got 5% State, 2% CVB's, 2% City tax and 1% to All Seasons Arena and then 1% lodging tax. Local CVB's have somewhere maybe in legislation or laws that allows them to put a tax on the hotel industry?

**Answer:** that was a city decision and comes under home rule.

**Bob Frantsovog:** ND league of Cities, comment was made that the taxes imposed by the cities, the local political subdivisions that are vehicles to impose a tax but the city of Minot did not impose the tax. The local CVB's go out to their members and garnish support than come to the political subdivision would you have imposed on our behalf. So it's a tax that's imposed

by the city but rather we're nothing more than a vehicle for that forum posing a tax. In Minot, we actually do do the collections of the local tax rather than contract with the state.

**Sen. Cook:** the City of Minot collects the CVB tax, but you do not collect the city or the lodging tax, is that correct?

**Answer:** we collect the local CVB tax and the 1% that's used for in our case the All Seasons Arena for the maintenance. We actually do the collection for the local CVB at no charge.

**Sen. Oehlke:** Would you rather pay out this promotional out of your own individual pocket or would you rather have someone from out of state help pick up the tab?

**Answer:** obviously I would like somebody from out of state but from my stand point I'd prefer it come out of the general fund.

**Sen. Oehlke:** and when it comes out of the general fund, that's my point, it's coming out of your individual. Tax pocket because we all pay income taxes and so if anything comes out of the general fund it is out of your pocket, that's why I asked that question.

**Blaine Braunberger:** Tax Dept. to answer questions of Sen. Cook.

**Sen. Cook:** first off, a hotel in Minot or any other place can have one line item on their bill, that's allowable? Yes, as long as they are accounting for the appropriate taxes whether it's a state or local tax.

**Sen. Cook:** do you know how many local governments we have collecting sales tax?

**Answer:** right now I believe it's between 110 to 120 in that area.

**Sen. Cook:** actually having the customer remit the sales tax to the local government rather than to the state as I just heard we are doing here. I know we have 110 local taxing jurisdictions for sales tax but we in the City of Minot now a CVB tax that the city is actually collecting, its not being remitted to the state, how many of those situations do we have?



**Answer:** I'm not sure totally, they are in the minority, the cities that actually administer city lodging tax and they appropriate it out for various uses.

**Sen. Cook:** is the State collecting some of this other local tax on behalf of local govts?

**Answer:** Yes

**Sen. Cook:** how many are doing it on their own and how many are you doing it for?

**Answer:** I can provide that information to the committee.

Closed the hearing.

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2258**

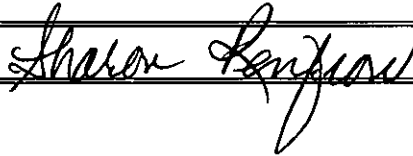
Senate Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: January 23, 2007

Recorder Job Number: # 1693

Committee Clerk Signature



Minutes:

**Sen. Urlacher:** called the committee to order for discussion and action on SB 2258.

**Sen. Triplett** made a Motion for **DO PASS**, seconded by Sen. Oehlke

Sen. Anderson: it shows a fiscal note but doesn't really have any fiscal effect general fund wise.

**Sen. Urlacher:** the Governor has it in his budget for the same amount, so wouldn't this be doubling up?

**Sen. Cook:** the Governor has it in his budget, he was assuming that the sunset would truly set, I personally believe that we certainly have to advertise our state, I think we certainly need to spend money in tourism to do just that, I can't support the do pass motion, I think it should be paid for out of the general fund.

**Sen. Urlacher:** I think testimony indicated that they preferred it to come out of the general fund.

**Sen. Triplett:** I think it's a very modest request. Bringing money from people who come from out of state, it's a way of reducing tax burden on our own people, as much as I appreciate your notion about, lets be friendly to everybody else and treat outsiders as our own, the fact is that other states don't do that and when we go to other states we pay their lodging tax and I don't

think there's anything wrong with asking our out-of-state visitors to pay a tiny little bit of lodging tax for the time their here and it is a way of protecting the general fund a little bit.

**Sen. Cook:** I have to agree, the speaker referred to this tax as a burden probably was misinformed, I don't think this tax will be a burden on her is a fact that that town she's from, Minot, also has a 2% CVB tax and a 1% All Season's Arena tax that she has to collect, that's what is the burden is her collecting it.

**Sen. Urlacher:** the 1% does bring in that out of state money through the general fund, I know there's other entities that are benefiting from it.

**Sen. Tollefson:** I do agree that if we're going to continue with this type of situation for tourism, it should be funded through the general fund, that's where it belongs.

**Sen. Horne:** for one, having out of state folks pay it and secondly it provides some kind of base for the tourism promotion, and the state budget get be audited every biennium and this should be more of a comforting level of funding.

**Sen. Cook:** in reference of the sunset, ND introduced their 1<sup>st</sup> sales tax law in 1935; it was sunsetted to come off in 2 years. 2 years later they reissued it and sunsetted it again. Our first sales tax laws were sunsetted for 30 years before we finally took the sunset off and here we're doing it the next year.

**Sen. Anderson:** I think in this case we're getting out of state money to help this tourism cause and I do support it. There are reservations in my district about not getting their share in the pie. I'm afraid if we leave it in the general fund we're not going to get as much in as we should.

**Sen. Oehlke:** if it's just in the governor's budget, then if things don't go well it's like we can't do anything about it's that governor's budget, etc. They take that 1% personally and we saw that yesterday, it's like it's their money but it's not.

Vote: 5-2-0      Sen. Triplett to carry.

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/17/2007

Bill/Resolution No.: SB 2258

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$3,042,000			
<b>Expenditures</b>						
<b>Appropriations</b>			\$3,041,511			

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

SB 2258 removes the sunset on the statewide 1% lodging gross receipts tax.

**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.*

If enacted, SB 2258 is expected to increase state general fund revenues by approximately \$3.042 million in the 2007-09 biennium.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, 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.*

Section 4 of SB 2258 contains an appropriation that is consistent with the expected revenues from the continuation of the lodging tax.

<b>Name:</b>	Kathryn L. Strombeck	<b>Agency:</b>	Office of Tax Commissioner
<b>Phone Number:</b>	328-3402	<b>Date Prepared:</b>	01/19/2007



**REPORT OF STANDING COMMITTEE**

**SB 2258: Finance and Taxation Committee (Sen. Urlacher, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2258 was rereferred to the Appropriations Committee.**

2007 SENATE APPROPRIATIONS

SB 2253

## 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2258

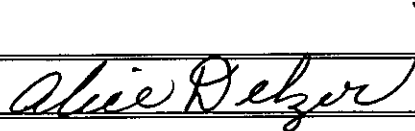
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 01-30-07

Recorder Job Number:

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the hearing on SB 2258 at 10:30 am on January 30, 2007 relating to making permanent the lodging gross receipts tax; to provide an appropriation; and to provide an effective date.

**Bill Shalhoob, Chairman of Tourism Alliance Partnership (TAP)** presented written testimony (1) and gave oral testimony in support of SB 2258. Together with his written testimony was written testimony in support of the bill. They are as follows:

1. Marketing North Dakota (Information regarding tourism industry in nearby states).
2. Randy Hatzenbuhler representing Theodore Roosevelt Medora Foundation.
3. Fargo-Moorhead Convention and Visitors Bureau.
4. Greater Grand Forks Convention and Visitor Bureau.
5. Kyle Blanchfield, Woodland Resort, Devils Lake, ND
6. Connie Krapp, Pingree, ND

**Chairman Holmberg** reported he had not seen the Tourism budget as of date and had questions regarding the outcome of income if that bill passes and made comments concerning the Tourism Industry, where visitors go or where do they spend their money.

**Senator Kilzer** made comments concerning the Sunset Clause in this bill, reminding him that this is suppose to be over as it was instigated during the Lewis and Clark promotion. He



stated that it reflects poorly on the credibility of the Legislature If we take a temporary tax and make it permanent.

**Terri Thiel, Executive Director of the Dickinson Convention and Visitors Bureau**

presented written testimony (2) and oral testimony in support of this bill. The implementation of the state-wide 1% lodging tax in 2003 gave the North Dakota Tourism Division an opportunity to invest in marketing media that had never been available in prior years.

**Chairman Holmberg** asked how does one argue when the charge made, why would you continue a tax that would have been gone and what percentage of this tax is paid by out of state visitors.

**Senator Potter, District 35, Bismarck, ND** presented written testimony (3) and oral testimony in support of the bill. He testified that the tax did work, it didn't hurt hotel occupancy and there is no broad outcry against paying the tax, just a little against collecting it. He called this tax a test of a concept.

**David Borlaug, President of the Lewis and Clark Fort Mandan Foundation** presented written testimony (4) and verbal testimony in support of this bill. He stated the Foundation operates the Lewis and Clark Interpretive Center and fort Mandan at Washburn, and also now manage the day to day operations of the Western 4-H Camp, in partnership with NDSU Extension and the Western 4-H Camp Association,. He also represents the Tourism Alliance Partnership. He stated that he has checked with AAA and found we are the least expensive state to visit. He referred to the 1935 Legislature, which instigated the first state sales tax with a Sunset Clause, and that tax did not become permanent until 1960. This tax gives you flexibility to continue.

**Chairman Holmberg** stated everyone of the members from 1935 are not serving any longer and asked Mr. Borlaug to characterize the tax increase and why.

**Robert Verke, Bismarck, ND** gave oral testimony in opposition to the bill. He is now retired, but while he was working as a Telephone Utility Engineer he worked mostly in the Rolla, Bottenau and Langdon area and had to stay at hotels. He stated he is one of the 50% who feels this tax is unfair because tourism is supported in other bills.

**Robert Harms, Lobbyist for the North Dakota Hospitality Association** presented written testimony (5) and gave oral testimony in opposition to SB 2258. He opposes this tax for the following reasons:

1. When the 1% sales tax was proposed in 2003 it was described as advertising dollars necessary for the promotion of the Lewis and Clark Bi-centennial and that it was going to be a temporary tax on our industry. That event is now over.
2. The bill is not necessary.
3. SB 2258 amounts to a tax increase on a single industry when there is no rationale offered for such an increase.

He feels a new tax should not be imposed when general revenues are budgeted to meet the needs of the Tourism Division.

**Senator Seymour** asked if this an actual tax on the industry or on the people who stay in the motels.

**Duane Sand** gave oral testimony in opposition to the bill.

**Eliot Glasshiem, District 18, Grand Forks** gave oral testimony in support of the bill.

**Senator Krebsbach** had questions regarding Mr. Shalhoob's testimony.

**Sheila Peterson, OMB** explained the way the tax structure is collected.

**Chairman Holmberg** closed the hearing on SB 2258.

# 2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2258

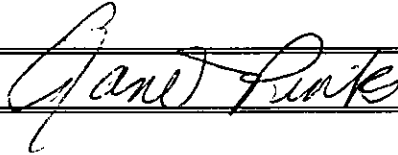
Senate Appropriations Committee

Check here for Conference Committee

Hearing Date: 02/08/07

Recorder Job Number: 3182

Committee Clerk Signature



Minutes:

**Chairman Holmberg** opened the hearing on SB 2258 reviewing the purpose of SB 2258..

Senator Wardner moved a DO PASS on SBY 2258, Senator Robinson seconded. Discussion followed. A roll call vote was taken resulting in 7 yes, 7no, 0 absent. The vote ended in a tie.

**Senator Krebsbach** moved sending the bill without committee recommendation,

**Senator Grindberg** seconded. A roll call vote was taken resulting in 12 yes, 2 no, 0 absent. The bill passed. **Senator Triplet of Finance and Tax** will carry the bill.

**Chairman Holmberg** closed the hearing on SB 2258.

Date: 2/8/07  
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2258

Senate Appropriations Committee

Check here for Conference Committee

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

Action Taken Do Pass

Motion Made By Wardner Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm		✓	Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm		✓	Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann		✓	Senator Larry J. Robinson	✓	
Senator Tom Fischer		✓	Senator Tom Seymour		✓
Senator Ralph L. Kilzer		✓	Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach		✓			
Senator Rich Wardner	✓				

Total (Yes) 7 No 7

Absent \_\_\_\_\_

Floor Assignment Fin tax

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

Without Comm Rec

Date: 2/8/07  
 Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2258

Senate Appropriations Committee

Check here for Conference Committee

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

Action Taken Without Rec

Motion Made By Krebsbach Seconded By Grindberg

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern		✓
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson		✓
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 12 No 2

Absent 0

Floor Assignment Triplet Fin tax

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

REPORT OF STANDING COMMITTEE (410)  
February 8, 2007 12:57 p.m.

Module No: SR-27-2524  
Carrier: Triplett  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2258: Appropriations Committee (Sen. Holmberg, Chairman) recommends BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2258 was placed on the Eleventh order on the calendar.**

2007 HOUSE FINANCE AND TAXATION

SB 2278

## 2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2258

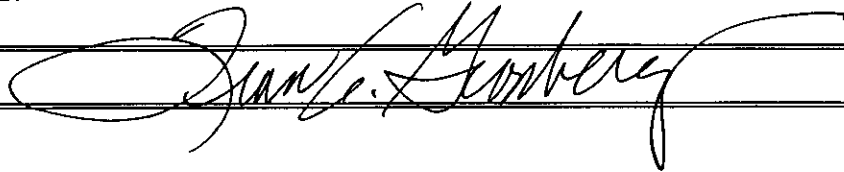
House Finance and Taxation Committee

Check here for Conference Committee

Hearing Date: 2-27-07

Recorder Job Number: 3927

Committee Clerk Signature



Minutes:

**Chairman Belter** called the committee back to order and opened the hearing on SB 2258.

**Senator Dave Oehlke, Dist 15:** I am here to support the lodging tax bill. You created a 1% tax bill that had a sunset on it. The tax was dedicated to promoting Lewis and Clark. The idea of this bill is to take the sunset off of the 1% lodging tax and allow it to apply to advertising and tourism. All areas of tourism would be included, not just Lewis and Clark. Some people will say that they don't like the 1% tax because it's a real burden. However, they really aren't accounting for the help the advertising has been in bringing people to their facilities.

**Rep Drovdal:** Four years ago when we passed this bill I carried it to the floor of the house. In my presentation the sales pitch was the sunset clause and the money raised would be worthy enough so that it would be funded out of the general fund. That seems to have happened because the governor has helped the tourism budget out of the general fund. How am I going to go back when we sold it because it had a sunset clause.

**Sen Oehlke:** You did a great job in selling it last time. I've found that sometimes things we've said just a couple of days ago are not quite accurate. This tax has done such grand things - maybe the last four years was just a test instead of a sunset and now that we know what it can



do , we ought to go for it. I know that advertising dollars are moving targets, but at the same time you cannot be in the tourism or any business without advertising your product.

**Rep Drovdal:** I understand that the tourism budget is in the governor's budget and it is funded already - the advertising dollars are already going to be there.

**Sen Oehlke:** That's true. The problem is that there need to be more.

**Rep Kelsh:** Do you have any numbers on how many visitors the Lewis and Clark advertising budget brought in. (he did not have the information)

**Senator Rich Wardner, Dist 37:** One of the arguments is that it was a four year bill and then it was over. I don't look at that way. It's a four year bill and then we'll take a look at it and see if it did what it was supposed to do. Nothing is for sure around here. Even though the governor did put it in the budget, I believe that the House stripped it out of the budget, and I imagine because of this bill. But if you want to make sure your funding is going to be there, it's a good thing to lock it in with a little insurance. That's what this bill does. I provides the tourism department with dollars to make sure it can promote the state.

**Rep Drovdal:** One of the comments the governor made in the state of the state address, was no new taxes. Have you visited with the governor to see if he sees this as a new tax?

**Senator Wardner:** No, I haven't. But as you know we are the policy making branch.

**Rep Nancy Johnson, Dist 37:** Support SB 2258. We are here to ask you to remove the sunset clause and allow a proven method of marketing to continue to increase tourism in ND. Tourism needs a dedicated source of funding.

**Bill Shalhoob, Chairman, Tourism Alliance Partnership:** ( attachments #1 and #2)

**Chairman Belter:** You made the statement that hotel sales were up 10% in Bismarck. Do you have the figures for the state?

