



February 24, 2022

The Honorable John Jasinski, Chair
Senate Local Government Committee
3211 Minnesota Senate Building
St. Paul, MN 55155

The Honorable Michael Nelson, Chair
House State Government Committee
585 State Office Building
St. Paul, MN 55155

Dear Chairs Jaskinski and Nelson:

We write to express our concerns about HF702/SF923, a bill to create an additional layer of regulation on hotels on top of the current state/county license and regulatory structure.

Officials with the City of Roseville are the primary proponents of the legislation in question. We have met with city officials on multiple occasions in an effort to understand their concerns and serve as a resource for potential remedies. Roseville officials indicate that their city is facing challenges with 2-3 hotel problem properties that they believe are in violation of public health and criminal laws.

We are sympathetic to the City's desire to resolve these concerns as problem properties reflect poorly on the community, the industry and tourism. However, we do not believe that the proposed state law change is necessary or that it will help city officials remedy their concerns any more than the laws that are already on the books.

Public Health Remedy: City officials indicate that 2-3 properties in the city are in violation of public health regulations. In our meetings, we suggested that the City should consider obtaining a delegation to take over the regulation of public health as it relates to lodging if it is dissatisfied with the job that Ramsey County and the Minnesota Department of Health are currently doing. Under Minnesota law, cities have the authority to request such a delegation from the state to carry out the regulatory work and enforcement. In fact, Richfield, Bloomington, Brooklyn Park, Maplewood, St. Cloud, Minnetonka, Edina, Minneapolis and Wayzata have obtained such delegations. (Minnesota Department of Health website at: <https://www.health.state.mn.us/communities/environment/food/license/delegation.html>). City officials indicate they have not pursued such a delegation and likely would not.

Criminal Remedy. City officials indicate that 2-3 properties in the city are in violation of Minnesota's criminal laws and/or that a high volume of police calls originate from these properties, putting a strain on public safety resources. Under Minnesota law, local law enforcement agencies such as the county sheriffs and city police have authority to investigate allegations of criminal wrongdoing, and the county and city attorneys are vested with the authority to bring criminal charges. If there is criminal activity occurring within the city or at specific properties, these local law enforcement agencies have a duty and authority to investigate and prosecute. The proposed change in law in HF702/SF923 does not add any additional mechanism, tool or jurisdiction that would improve the ability to impact criminal enforcement. The City already has criminal enforcement authority in partnership with the county. In addition, the City has its own authority to pass ordinances to address nuisance or other potential claims. In our meetings with Roseville, we suggested that City officials assess their authority to pass other ordinances that might help address their problem as it relates to the volume of police calls allegedly generated by the properties in question. While officials indicated at the time (summer 2021) that the City had not considered such a remedy, they have since in fact taken such action. As announced publicly last fall, the City will now fine properties with excessive volume of police calls. (See *Star Tribune* "[Roseville will fine hotels for excessive police calls](#)," Shannon Prather, November 9, 2021).

It is clear that local officials already have remedies to address the concerns at hand and these tools should be pursued fully prior to imposing new and additional regulations on top of the current laws, rules, and licensure/inspection framework in place.

The lodging industry in Minnesota is highly regulated and operators cannot sustain additional and unnecessary regulatory burden or cost. This sector has been one of the financially hardest hit by the pandemic and we are engaged in a multi-year recovery. In a recent survey, half of the hotels surveyed in Minnesota indicated they have taken on debt due to COVID, with a projected debt load of \$1.5 million per debtor. Over half of respondents projected lower than normal revenue in Q1 2022 and workforce shortage, inflation and supply chain issues pose additional headwinds to the recovery.

In addition to our above concerns, we believe that creating another layer of regulatory burden sets a bad precedent in Minnesota. Given the totality of the circumstances, we ask that the Legislature not proceed with this bill.

We would be happy to talk directly with yourselves and/or the bill authors (copied below) if you have additional questions about our position or its basis.

Sincerely,



Ben Wogsland, Executive Vice President
Hospitality Minnesota