



February 16, 2023

The Honorable Ginny Klevorn, Chair  
State and Local Government Finance and Policy  
349 State Office Building  
St. Paul, MN 55155

The Honorable Jim Nash, Republican Lead  
State and Local Government Finance and Policy  
581 State Office Building  
St. Paul, MN 55155

Dear Chair Klevorn, Republican Lead Nash and Members of the Committee:

On behalf of Hospitality Minnesota, we write to express our concerns about HF626, a bill to create an additional layer of regulation on hotels on top of the current state/county license and regulatory structure. We represent Minnesota's restaurant, lodging, hotels, resort and campground sectors, serving every corner of the state.

As drafted, this legislation poses several challenges. While we appreciate the intent to eradicate hotels with repeated criminal, health, and nuisance violations; an approach that adds layers of regulation on the industry to solve the problems of a single municipality is not the clearest solution. Multiple solutions are currently available to address the issues this legislation proposes to address. These include:

- 1) Seeking delegation authority from the Minnesota Department of Health (MDH) to manage hotel licensing for the city.
- 2) Utilizing and enforcing International Property Maintenance codes, which many municipalities have adopted to deal with problem properties.
- 3) Utilizing and enforcing public nuisance clauses locally or through Minnesota Statute [609.74](#).
- 4) Working with local law enforcement to prosecute individuals or businesses involved in criminal activity at the premises.

Challenges we see with the bill include:

**Standard Regulations:** Currently, hotel licensing is managed by MDH, which has clearly defined rules and regulations for lodging facilities. These regulations are enforced either by MDH or through a city delegation operating as an extension of MDH, which is obtained through the state. This legislation raises the question – by what standard(s) across jurisdictions is hotel licensing held to if allowed at the municipal level?

Allowing for municipalities to create ordinances around licensing will create a patchwork system, making it very challenging for operators to reasonably plan or comply with standard regulations when they may be subject to various ordinances or regulations across multiple jurisdictions.

**Dual Licenses:** The language as drafted would create dual licenses – requiring hotel operators to receive a license from MDH/their delegated city or county AND the municipality regulating the operator. This puts an onerous responsibility on all hotel operators across the state because of the failings of a few bad actors.

**Enforcement:** MDH offers a number of tools for the enforcement of violations from technical assistance, to administrative ordinance citations, to license suspensions.

If a municipality can revoke a license, what are the enforcement mechanisms in place? Additionally, what is the opportunity to a hotel operator to contest the revocation?

This issue has its roots with problematic hotels in the City of Roseville. We are sympathetic to the City's desire to resolve the concerns of the problem properties violating public health and criminal laws and we are committed to helping them exercise available avenues to do so. However, we do not believe that a proposed change to state law is necessary or that it will help officials remedy their concerns any more than laws already on the books. This is borne out by a February 14, 2023 [StarTribune article](#) regarding a new licensing process the City of Roseville implemented in 2021 to deal with resident concerns over nuisance short-term rental properties stating, "**the licensing process has not addressed their concerns.**"

To that end, we have suggested the City of Roseville seek obtaining a delegation to take over regulation of public health as related to lodging if the Saint Paul – Ramsey County Health Board via MDH's delegation is doing an unsatisfactory job. This raises multiple questions:

- 1) Has the city of Roseville worked with Saint Paul-Ramsey County Public Health department, who manages licenses for hotels in Roseville, to clearly pursue violations of MDH lodging guidelines?
- 2) Has the city of Roseville considered pursuing a delegation with MDH? What are the barriers or challenges to doing so?
- 3) Has the City of Roseville worked with Ramsey County in conjunction with health and related law enforcement agencies to determine best remedies to resolve the issues at the properties?

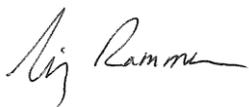
We encourage the City of Roseville to work with all local law enforcement authorities to investigate allegations of criminal wrongdoings and work in conjunction with the county and city attorneys to prosecute offenders. In 2021, the City of Roseville implemented a fine for hotels with excessive police calls, under [Title 5](#) – indicating the City does have authority and remedies available to address the concerns at hand.

Furthermore, the City of Roseville has adopted [Chapter 906](#), International Property Maintenance Code, which should be used an enforcement mechanism when possible. Many cities utilize this code for enforcement measures on non-licensed businesses (outside of food/lodging/etc).

The lodging industry in Minnesota is already 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 still engaged in a multi-year 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 committee vote no on HF626. We would be happy to continue to work with the author and City of Roseville to find positive solutions to remedy the issues at hand. Please let us know if you have additional questions about our position or its basis.

Sincerely,



Liz Rammer, President & CEO  
Hospitality Minnesota