

HF1960 - 0 - "Lodging Establishment Definition"

Chief Author: **Nels Pierson**
 Committee: **Health and Human Services Finance**
 Date Completed: **04/13/2015**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	9	9	9	9	9
Total	-	9	9	9	9	9
Biennial Total			18			18

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	.22	.22	.22	.22
Total	-	.22	.22	.22	.22

Executive Budget Officer's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with MMB's Fiscal Note policies.

EBO Signature: Susan Earle Date: 4/13/2015 2:24:22 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2015	FY2016	FY2017	FY2018	FY2019
State Government Special Rev	-	9	9	9	9	9
Total	-	9	9	9	9	9
Biennial Total			18			18
1 - Expenditures, Absorbed Costs*, Transfers Out*						
State Government Special Rev	-	17	17	17	17	17
Total	-	17	17	17	17	17
Biennial Total			34			34
2 - Revenues, Transfers In*						
State Government Special Rev	-	8	8	8	8	8
Total	-	8	8	8	8	8
Biennial Total			16			16

Bill Description

This bill amends Minnesota Statutes 2014, section 157.15, subdivision 8, expanding the definition of a lodging establishment. The expanded definition includes buildings within 10 miles or 15 minutes travel time from a hospital or medical center and used and/or advertised as a sleeping accommodation for patients and their families.

Assumptions

MDH has formal delegation agreements with local boards of health which give responsibility for regulating specific commercial hospitality to specific local partners in some areas of the state. It is assumed that many of the establishments meeting this new lodging category will be located in delegated areas overseen by these local partners, such as Olmstead County and the City of Minneapolis. The delegated agencies are responsible for providing license applications, collecting fees, and providing consultation and oversight to regulated establishments in their jurisdiction.

Estimates of the fiscal impact of this legislation on MDH are based on the assumption that approximately 50 establishments will both meet the new lodging definition and obtain licensing in Minnesota Department of Health jurisdiction. This establishment estimate is based on the number of lodging establishments categorized as vacation home rentals in the vicinity of large medical treatment centers in Department of Health lodging inspection areas.

The Department of Health assumes that it will utilize its existing lodging establishment licensing and inspection procedures and equipment, resulting in minimal effect on current work load and staffing. Based off our past experience with lodging establishments, it is assumed that 0.1 FTEs of a Public Health Sanitarian, 0.07 FTEs of an Office and Admin Specialist, and 0.05 FTEs of a Supervisor will be required.

The Department of Health assumes the MN-IT impact will be limited to modification of the existing licensing and data management system to provide an additional category of lodging establishment for data entry/query and license description purposes and will not require additional resources beyond current staff. The need for rule revision is not anticipated.

Expenditure and/or Revenue Formula

EXPENDITURES	SFY15	SFY16	SFY17	SFY18	SFY19
Salary and Fringe Benefits	0	14	14	14	14
Other Operating Costs	0	0	0	0	0
Grants	0	0	0	0	0
Administrative Services	0	0	0	0	0
OR Indirect Cost	0	3	3	3	3
TOTAL EXPENSES	0	17	17	17	17
TOTAL REVENUES	0	8	8	8	8

Long-Term Fiscal Considerations

It is assumed that expense and revenues will be ongoing. Total expenses are anticipated to exceed revenues by \$18,000 every two years.

Local Fiscal Impact

Ordinance revisions, modification of licensing and inspection systems, and increased community education and outreach will be anticipated at the local planning and zoning level of government. The community of Rochester (Olmsted County) is a delegated agency and has been identified as having the largest impact from the bill language. The Minnesota Department of Health would have a minimal role in providing guidance and support or sharing costs with local government.

References/Sources

Minnesota Rule 4625.

MDH Delegation Agreements with local boards of health.

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