



January 13, 2024

Judiciary Committee

SB 2035

Senator Diane Larson, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in opposition to SB 2035. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League has reviewed the changes being proposed in this bill and has concerns that the language will affect cities' economic development and tourism related organizations.

There are many cities in the state of North Dakota that have some form of an economic development component to help promote economic growth.

For some cities, their economic development organizations conduct charitable gaming and use those funds for ad campaigns and promotional tools benefiting all the residents of the city. Cities are having to watch their budgets closely, so it is not always possible to fund these extra activities through the city general fund and those economic development organizations have found charitable gaming as an avenue to fund those programs to provide services to the businesses in their communities.

There are cities in the state that have some form of a convention and visitors bureau. This is another way cities attract businesses and promote tourism. While some of the larger cities may have a budget to run these programs, other cities may not have the means to create or run these programs. As such, some convention and visitors bureaus operate charitable gaming as a way to raise this funding.

There is concern that if this bill passes in its current form, a proven funding source for economic development organizations and convention and visitors bureaus to run these programs will be removed and their programs will have to be either paused or eliminated. This would be detrimental to promoting economic growth and tourism in cities that have programs relying on this funding source.

The League of Cities would respectfully encourage the committee to ensure that economic development and tourism organizations that are recognized by city governing bodies are considered a "public-spirited organization" under Section 1 of the amendment.

Thank you.

Kory Peterson