

Chairman Louser & Committee Members:

My name is Kory Peterson and I am the mayor of Horace North Dakota. Thank you for the opportunity to submit my testimony in opposition of House Bill 1296.

Horace has a local Lions Club that provides gaming operations in our only bar/restaurant in town. This activity began in 2016. This Lions Club has a policy to spend most of the proceeds locally to help different groups and organizations with projects around town. The club has

- Provided eye screening services for all children in the elementary school. The county and school system do not provide this service and children are identified every year in need of glasses, which the Lion's Club will also provide if the families cannot afford to
- Helped the new Horace middle school and high school get their school Booster programs off the ground
- Donated to the local Cub, Girl, and Boy Scout troops
- Every spring, purchased high school senior banners to be displayed on the primary highway through town
- Assisted a host of other local activities

While I understand the intent of this bill, I see unintended consequences coming from the passage of this bill in its current form. Some of the concerns:

1. The city has the duty to protect its citizens and businesses from predatory practices. With the passage of this bill, the city would have very limited authority to vet a gaming operation to make sure they are credible and in good standing with the State of North Dakota.
2. A non-local charitable organization might not distribute their proceeds in the local community. This would be a great loss to youth of the community and the community as a whole. The Horace Lions Club distributed over \$147,000 to Horace organizations just in 2022.
3. In Horace, the Lions Club tries to hire staff for their gaming operations from the local area, providing job opportunities to the local population. A non-local charity might hire employees from their town rather than hiring from the locality where the gaming is taking place.

I believe the city should have some say in what gaming entities come to town, the same way a city has building codes, ordinances, and policies that developers and builders need to follow.

This bill, if passed, has the potential to see smaller gaming charities in smaller towns be replaced by larger gaming entities that may not keep the proceeds locally. The fallout will be less money to assist with local organizations and over time, some of these good organizations will cease to exist because of lack of funding. This hurts the smaller towns with their ability to work on local projects.

Thank you for your consideration in this matter.

Kory Peterson

Mayor of Horace

