

REVENUE: May have fiscal impact, statement not yet issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by prior reference
Vote:	4 - 3 - 0
Yeas:	Barnhart, Holvey, Riley, Witt
Nays:	Dallum, Girod, Lim
Exc.:	0
Prepared By:	Ellen Osoinach, Committee Administrator
Meeting Dates:	3/07, 4/27

WHAT THE MEASURE DOES: Modifies basis for establishing schedule of payments to lottery contractors by Oregon State Lottery Commission. Requires Commission to study feasibility of implementing an alternative to the current method for awarding contracts to video game retailers.

ISSUES DISCUSSED:

- Effect of legislation on the court case
- Number of contracts affected (approximately 80 out of 2,200)
- Geographic implications of competitive bidding

EFFECT OF COMMITTEE AMENDMENT: Expands focus of study.

BACKGROUND: The Lottery is tasked with creating a compensation system for retailers who make games available to the public. The legislature directs the Lottery to balance the interest of the state in maximizing revenue against the interest of retailers in receiving a reasonable rate of return.

A recent Court of Appeals decision found that this balancing requirement created “a difficult task, if not an impossible one,” and struck down the Lottery’s current compensation system for video lottery as unreasonable. HB 2481-A removes the requirement that the lottery objectively determine a reasonable rate of return for retailers, and instead requires the Lottery to devise a compensation system that maximizes revenue consistent with the Oregon Constitution.