

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number: HB 2317
Area: Lottery Revenue
Economist: Mazen Malik
Date: 3/10/2009

Revised

Measure Description:

This measure requires the Oregon Lottery to hold prizes that are in excess of \$600 when the winners of that prize are listed in a database of delinquent and liquidated court accounts. Child support payments still take precedence in this process.

Revenue Impact:

	2009-10	2010-11	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium
Revenue			\$374,400	\$374,400	381,889
Child support at 11%			(41,184)	(41,184)	(42,008)
Collection Costs (lottery)			(57,000)	(38,000)	(38,570)
Net revenue			\$276,216	\$295,216	301,311
Net Distributions					
CFAA			102,752	109,820	112,088
General Fund			47,509	50,777	51,826
Counties			34,251	36,607	37,363
Cities			18,783	20,075	20,489
Other Funds			72,921	77,937	79,546

Impact Explanation:

Oregon Judicial Department (OJD) staff reviewed all lottery winners claiming prizes of \$600 or more from August of 2006 through December of 2006. During that time, 1319 winners claimed 1,414 prizes. A parallel search was also conducted for each of the winners in the OJD database of litigants having liquidated and delinquent debt with the courts. Of those 1319 people, 80 (6%) had debt with the court. This analysis uses that 6% level, but the limited sample may have been pointing to a more normal population of a 5% on the either side of the distribution. As this bill goes through amendments, a different percentage maybe further researched. Furthermore, the child support slice of the interception process is assumed at 11%. A higher percentage for that deduction might also be more reasonable.

The distributions to the different funds are based on OJD 2005007 average distributions.

Since it is restricted constitutionally from using the revenue stream, the lottery is assumed to deduct its cost out of the revenue identified in the interception process.

Creates, Extends, or Expands Tax Expenditure: Yes No

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