

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Sixth Oregon Legislative
Assembly, 2011 Regular Session
Legislative Revenue Office**

**Bill Number: HB 3344
Revenue Area: Lottery Funds
Economist: Mazen Malik
Date: 04/18/2011**

Measure Description:

Modifies method for determining amount of lottery proceeds to be allocated to Problem Gambling Treatment Fund in fiscal quarter.

Revenue Impact: The measure changes the allocation from the lottery funds to be unaffected by reductions in overall lottery revenue. This will impact the discretionary amounts available to the legislature to allocate to other uses.

Impact Explanation:

Education Stability Fund receives a lottery dedication of 18%. If the balance in the Stabilization Fund reaches 5% of General Fund revenue, the lottery dedication is reduced to 15% and deposited in a new school capital matching Subaccount. The statutes dedicate 1.0% of lottery proceeds to fund sports programs at Oregon universities. The dedication to parks and natural resources is 15%. Statutes dedicate 2.5% of video net receipts (not to exceed 2.5% of net receipts "revenue less prizes") to counties for economic development. Beginning July 1, 2001, 1% of net proceeds go to the Problem Gambling Addiction Fund, and 1% (up to \$1.55 million annually) to the County Fair Account. After all of the allocations are made, the remainder is appropriated by the legislature for budget purposes. When lottery revenue declines (as it did in the current biennium), all the distributions (except debt service) will accordingly decline. This measure will prevent the gambling distribution from declining below the previous year's distribution, which will ultimately come from the discretionary portion of the funds.

Creates, Extends, or Expands Tax Expenditure: Yes No