

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4065

Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session  
Legislative Fiscal Office

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### Measure Description:

Directs Oregon State Lottery Commission to establish lottery games to benefit veterans' education and economic development.

### Government Unit(s) Affected:

Department of Veterans' Affairs, Oregon State Lottery, Oregon Military Department

### Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

### Analysis:

HB 4065 requires the Lottery Commission to establish a lottery game or games to benefit veterans. The bill provides that "the commission shall separately record and account for the costs and net proceeds of games operated under this section ... and ...Veterans' Affairs (will use the funds) for the purposes of educating, training and creating jobs for veterans and otherwise furthering economic development related to veterans, including programs in these areas administered by the Oregon Military Department."

Based on prior experience with similar games, the Oregon Lottery estimates that, depending on the type of game, between \$325,000 and \$1.2 million Lottery Funds could be generated in a biennium. However, since expenditures for these new games could compete with existing lottery games, there is a potential that revenue could be diverted from programs currently funded with Lottery Funds. Lottery revenues support the State School Fund (\$375 million), parks and natural resources (\$165 million), economic development programs (\$96 million) and debt service on Lottery-backed bonds (\$240 million).

The bill requires the Lottery Commission to "... separately record and account for the costs and net proceeds of games..." This provision will create additional workload and cost for the Oregon Lottery. Administrative costs are deducted before revenue is transferred.

The Department of Veterans' Affairs will need to work with the Oregon Military Department to establish a program to allocate these funds to veterans.