

REVENUE IMPACT OF PROPOSED LEGISLATION

Seventy-Sixth Oregon Legislative
Assembly

2012 Regular Session
Legislative Revenue Office

Bill Number:	HB 4065
Revenue Area:	Lottery Revenue
Economist:	Mazen Malik
Date:	02/05/2012

NOTICE OF INDETERMINATE REVENUE IMPACT

Impact Explanation:

This measure would require the Lottery to establish a new game or games that have a veteran-related theme; it would dedicate the proceeds from playing the game will be used to the benefit of veterans' education and economic development. Traditional lottery games (Scratch-It tickets and Raffle games) that the Lottery offers that would be most likely to fit the proposed measure's description do not always generate significant net proceeds. The only dedicated game that the lottery had previously was the sports betting games dedicated to college athletics. Those were unique games offering different venues and incentives for players. Game-by-game dedication of net proceeds as suggested in this measure would not necessarily provide new or unique games, thus new revenue stream for veteran benefits is uncertain. The experience with DMV offering specialty license plates for various causes suggests partitioning of the revenue rather than new source of funds. Which means the more that Lottery game revenues become dedicated for specific causes without increases in revenue resulting from new gaming, the less revenue available for existing priority uses (K-12 education, natural resources, economic development, debt service for Lottery backed bonds, etc.)

Lottery might be at capacity for the number of Scratch-It and Lottery Raffle tickets produced annually. The Lottery currently develops and implements approximately 60 Scratch-It games per year and offers two Lottery Raffle drawings. When the Lottery offered more than two Raffles per year, the Lottery observed player fatigue, including longer sell out rates. Other states experiences suggest that too many raffles might cause sales to drop to the point that they discontinued their raffle games altogether. In conclusion, there are equal chances for revenue to increase or decrease or just end up with repartitioning of the existing revenue stream.

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