

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2163 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Reviewed by: Steve Bender, Linda Ames
Date: 4/8/2013

Measure Description:

Requires Director of Oregon State Lottery to adopt a comprehensive policy to mitigate the public harms associated with lottery games, marketing practices and retail regulations.

Government Unit(s) Affected:

Oregon State Lottery, Oregon Health Authority (OHA)

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 2163 A Engrossed directs the Oregon State Lottery to balance its mission to maximize revenues with its mission to serve the public good through activities and choices that fairly and honestly inform users of the potential risk for abuse, and address responsible use of lottery games. The bill prohibits lottery games utilizing computer terminals or other devices from dispensing coins or currency directly to players. The bill further requires the Oregon State Lottery Commission “adopt a comprehensive policy for implementation and operation of the Oregon State Lottery that ensures the integrity, security, honesty and fairness of the lottery games and the marketing practices and retail regulations of the games.” Activities the Oregon Lottery must undertake with passage of this bill include: (1) appointing committees that include individuals with expertise in responsible gambling programs and in mental health and addictions to advise the commission on the adoption of the comprehensive policy; (2) collecting data regarding the use of computer terminals and devices utilized to deliver lottery games, including patterns of heavy or light usage of terminals and devices by location, time of day, and seasonal periods; (3) cooperating with the Oregon Health Authority to report annually to the legislature on the efforts of the commission to carry out the provisions of this bill; (4) implementing strategies to minimize the risks and mitigate the harms to those who struggle with mental health and addiction issues caused or affected by the Oregon State Lottery or the marketing and promotion of lottery games.

Oregon State Lottery

The fiscal impact of this bill is indeterminate, depending on the specific recommendations of the still to be established advisory committees. Currently, the Oregon State Lottery is required by statute to maximize the generation of revenues while protecting the public good. Lottery revenues support a number of programs. These include the State School Fund (\$372 million), Education Stability Fund (\$194 million), parks and natural resources (\$162 million), economic development programs (\$92 million) and debt service on Lottery-backed bonds (\$248 million). Activities the Oregon Lottery must undertake to comply with the provisions of this bill have the potential to affect the ability of the Oregon Lottery to generate revenue. A change in lottery revenues would also affect the State of Oregon bonding capacity. In order to maintain favorable bond ratings and lower interest rates, bonding authorities require that the revenue generated by the Oregon State Lottery must remain at least four times the total debt service for all of the outstanding Oregon lottery revenue bonds.

Oregon Health Authority (OHA)

Passage of this bill is anticipated to have minimal impact on the Oregon Health Authority. OHA assumes that any resulting work in cooperation with the Oregon State Lottery can be absorbed with existing resources.

REVENUE: Revenue statement 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:	7 - 0 - 2
Yeas:	Gelser, Gomberg, Keny-Guyer, Olson, Whisnant, Whitsett, Tomei
Nays:	0
Exc.:	Gallegos, Gilliam
Prepared By:	Regina Wilson, Administrator
Meeting Dates:	2/15, 2/25, 4/5

WHAT THE MEASURE DOES: Requires Oregon State Lottery adopt comprehensive policy for implementation and operation of Oregon State Lottery ensuring integrity, security, honesty and fairness of lottery games, and marketing practices and retail regulations of games.

ISSUES DISCUSSED:

- Responsible gambling
- Problem gambling
- Data collection on persons addicted to gambling
- Strategies to maximize access to treatment
- Statutory duty of care

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Problem gambling and pathological gambling are conditions that have disparaging effects on the lives of individuals with these diagnoses. As of June 2009, approximately 47,019 adult Oregonians were considered problem gamblers with 27,658 considered as pathological. House Bill 2163A requires the Oregon State Lottery Director to request adoption of a policy to ensure the integrity, security, honesty and fairness of the lottery games, and of the marketing practices and retail regulations of games.