
MEMORANDUM

Legislative Fiscal Office
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To: Human Services Subcommittee of the Joint Committee on Ways and Means

From: Linda Ames, Legislative Fiscal Office
503-986-1816

Date: June 10, 2013

Subject: HB 2355-A
Work Session Recommendations

HB 2355-A modifies the method for determining the amount of lottery revenues allocated to the Problem Gambling Treatment Fund. Current law allocates 1% of lottery proceeds for this program. This bill changes the allocation to the greater of the current allocation or the amount received two years prior.

The measure, the original staff measure summary, fiscal impact statement, and revenue impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had hearings in the House Committee on Human Services and Housing on 2/15/13, 2/25/13 and 3/13/13, and a public hearing in this Subcommittee on 4/11/13.

This fiscal impact of the bill is indeterminate. In biennia in which the lottery revenue increases, the Problem Gambling Treatment Fund would receive the current 1% allocation. In biennia in which revenue decreases, the fund would receive the amount that was allocated two years prior. Overall, revenue received under this bill will be equal to or greater than revenue received under the current allocation. To the extent that more revenue goes to this program, less revenue will be available for other Lottery-funded programs.

The measure is recommended to be moved to the Full Committee on Joint Ways and Means.

Motion: I move HB 2355-A to the Joint Committee on Ways and Means with a “do pass” recommendation.

Assignment of Carriers

Full: _____

2nd Chamber: _____

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:	9 - 0 - 0
Yeas:	Gallegos, Gelser, Gilliam, Gomberg, Keny-Guyer, Olson, Whisnant, Whitsett, Tomei
Nays:	0
Exc.:	0
Prepared By:	Regina Wilson, Administrator
Meeting Dates:	2/15, 2/25, 3/13

WHAT THE MEASURE DOES: Alters how lottery proceeds are appropriated to Problem Gambling Treatment Fund.

ISSUES DISCUSSED:

- Responsible Gambling
- Problem Gambling
- Data collection on persons addicted to gambling
- Strategies to maximize access to treatment

EFFECT OF COMMITTEE AMENDMENT: Modifies the method that lottery proceeds are allocated to the Problem Gambling Treatment Fund, from not less than one percent of the funds transferred to the Administrative Services Economic Development Fund each fiscal quarter, to one percent of moneys transferred beginning with the fifth fiscal quarter of the 2013-15 biennium, or one percent of the moneys transferred during the same fiscal quarter of the 2011-13 biennium, whichever is greater.

BACKGROUND: According to a 2009 update on gambling programs in Oregon, the economic costs of treatment and prevention of problem gambling are significant. This update reported the estimated cost of problem gamblers entering treatment was more than \$445 million per year for Oregonians. The average cost of treatment (for those completing treatment) was estimated at \$2961.20 per case, per year. From this treatment group, 12 months from the date of completion, about 86 percent of participants reported a reduction in gambling or complete abstention. House Bill 2355 A alters how lottery proceeds are appropriated for treatment purposes.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2355 - A

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

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

Prepared by: Kim To
Reviewed by: Linda Ames, Steve Bender
Date: 3/14/2013

Measure Description:

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

Government Unit(s) Affected:

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:

House Bill 2355 A- Engrossed modifies the method for determining the amount of lottery proceeds to be allocated to the Problem Gambling Treatment Fund. Current law allocates not less than one percent of the moneys transferred to the Administrative Services Economic Development Fund each fiscal quarter to the Problem Gambling Treatment Fund. Beginning with the fifth fiscal quarter of the 2013-15 biennium, this bill allocates either one percent of the moneys transferred to the Administrative Services Economic Development Fund in that fiscal quarter to the Problem Gambling Treatment Fund of the moneys transferred, or one percent of the of the moneys transferred to the Administrative Services Economic Development Fund during the same fiscal quarter of the 2011-13 biennium to the Problem Gambling Treatment Fund, whichever is greater.

Passage of this bill could potentially impact the revenue of the Problem Gambling Treatment Fund and the expenditures of programs administered by the Oregon Health Authority for the prevention and treatment of gambling addiction and other emotional and behavioral problems related to gambling. However, the amount of the impact cannot be predicted at this time. In biennia in which the lottery revenue increases, the Problem Gambling Treatment Fund would receive the current one percent allocation. In biennia in which lottery revenue decreases, the fund would receive the amount equal to the amount allocated in the same fiscal quarter of the 2011-13 biennium. Overall, it is expected that the revenue received under this bill would be equal to or more than revenue received under the current allocation formula.

Note that to the extent that more revenue is allocated to the Problem Gambling Treatment Fund, there would be less revenue available for other Lottery-funded programs.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Seventh Oregon Legislative
Assembly
2013 Regular Session
Legislative Revenue Office

Bill Number: HB 2355
Revenue Area: Lottery Funds
Economist: Mazen Malik
Date: 02/06/2013

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

Measure Description:

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

Revenue Impact (in \$Millions):

This measure is likely to rearrange the distribution of lottery funds.

Impact Explanation:

The revenue proceeds from lottery are subject to constitutional and statutory distributions with the remainder going to discretionary legislative appropriations. The problem gambling amounts are defined in the statutes. The changes might reflect on the discretionary amounts. This measure will be further evaluated as it is subsequently referred the joint ways and means committee.

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required