

HB 2355

Relating to funding treatment for problem gambling

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

The fiscal impact of the bill is indeterminate. When lottery revenue is increasing, the program would receive the current 1% allocation. When revenues are decreasing, the program would receive the amount that was allocated two years prior. Overall, revenues received under this bill will be equal to or greater than revenue received under the current allocation.

The Human Services Subcommittee recommends HB 2355 be reported out do pass.

Joint Committee on Ways and Means

Carrier – House: Rep. Tomei
Carrier – Senate: Sen. Steiner Hayward

Revenue:

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Linda Ames, Legislative Fiscal Office

Meeting Date: June 14, 2013

WHAT THE MEASURE DOES: 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.

ISSUES DISCUSSED:

- Fiscal impact
- Need for more funding

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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.