

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2163

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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Measure Description:

Requires Director of Oregon State Lottery to employ individual to advise director and Oregon State Lottery Commission on mental health and addiction issues associated with Oregon State Lottery.

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 provides that the "Oregon State Lottery shall actively work to balance its mission to maximize revenues while minimizing the impact of problem gambling in Oregon." 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 to "...adopt a comprehensive policy to mitigate the public harms associated with lottery games, marketing practices and retail regulations." Activities the Oregon Lottery must undertake on passage of this bill include: (1) conducting research; (2) appointing advisory committees; (3) cooperating with the Oregon Health Authority; (4) implementing strategies and institutional structures to minimize the risks and mitigate the harms to persons who struggle with mental health and addiction issues caused or affected by the Oregon State Lottery or the marketing and promotion of lottery games; (4) developing a method for evaluating the progress of meeting these implementation goals, and (5) reporting to the legislature.

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.

The Oregon State Lottery is constitutionally restricted in how it can use Lottery revenues for administrative activities. Although the fiscal impact of the administrative activities is indeterminate, the Lottery Commission notes that some of the activities required in this bill may not be allowable expenses of the Commission, and may require a General Fund allocation to pay these costs.

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.