

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	10 - 1 - 0
Yeas:	Barton, Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
Nays:	Freeman
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/10

WHAT THE MEASURE DOES: Directs Lottery Commission to convene work group to study and make recommendations regarding feasibility of allowing financial institutions to offer prize-linked savings accounts under authority of Oregon State Lottery. Directs work group to report to appropriate committee of the Legislative Assembly by December 15, 2014. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Use of prize-linked savings programs in other states
- Constitutional question about lotteries conducted outside of the Oregon Lottery Commission
- Marketing expertise at the Oregon Lottery
- Whether people will play prize-linked savings game instead of traditional lottery games

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: In recent years, several states have passed laws allowing credit unions and other financial institutions to hold promotional savings raffles, sometimes referred to as prize-linked savings programs. The laws in Maine, Washington, and Maryland allow all financial institutions to offer the prize-linked savings program, while those in Nebraska, North Carolina, and Rhode Island apply only to credit unions.

Section 4, Article XV of the Oregon Constitution states that, with exceptions, “lotteries and the sale of lottery tickets, for any purpose whatever, are prohibited.” The exceptions are the State Lottery Commission, charitable, fraternal, and religious organizations. Though “lottery” is not defined, the courts have generally defined the essential elements of a lottery as including a prize, consideration, and chance. If the courts find that the element of “consideration” is present, a prize-linked savings program at a financial institution could be challenged as being unconstitutional.