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TO: The Honorable Keny-Guyer, Chair
House Committee on Human Services and Housing

FROM: Nicole Corbin
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SUBJECT: HB 3316

Chair Keny-Guyer and members of the committee; I am Nicole Corbin, Addiction Services Manager with the Oregon Health Authority (OHA), Addictions and Mental Health Division (AMH). I am here to provide information on HB 3316, which deems an establishment of lottery game retailer or applicant to be casino when 50 percent or more of annual net income of the establishment is, or is projected to be, derived from the sale of tickets or shares in lottery games. AMH takes a neutral position on this bill.

It is estimated that 81,000 (2.7 percent) of adult Oregonians meet the criteria for Gambling Disorder, and for each disordered gambler, many others are affected (e.g., spouse, children, employer). Taken as a group, Oregon's disordered gamblers produce over 500 million dollars in social costs annually, impacting the criminal justice system, the human services system, and Oregon's overall economic health.

Disordered gambling is an addiction, not a behavior problem, a moral failing, or a choice. Disordered gambling, previously referred to as problem or pathological gambling, is classified in the fifth edition of the *Diagnostic and Statistical Manual of Mental Disorders* (DSM-5) in the chapter devoted to Substance-Related and Addictive Disorders. It was previously described as an impulse control disorder. The new manual reflects decades of research findings showing that gambling disorder is similar to substance-related disorders in clinical expression, brain origin, comorbidity, physiology, and treatment.

In fiscal year 2013-14, 1,119 gamblers received treatment services, along with 146 family clients through publically funded problem gambling treatment programs in Oregon. Of the 1,119 problem gambling clients, 88.7 percent reported their primary gambling activity as machines and 74.1 percent reported their primary gambling location as a video lottery retailer. As the data shows, the majority of problem gambling treatment seekers are addicted to video lottery terminals (VLTs). In establishments where more than fifty percent of net income is derived from lottery sales, these VLTs predominate.

If passed, HB 3316 would possibly result in decreased budget allocations to OHA for problem gambling services, secondary to its overall Lottery revenue impact. Theoretically, it should also result in a slight decrease in problem gambling incidence as fewer Oregonians will be in close proximity to a video lottery retailer. Proximity to slot machines style gambling venues is related to problem gambling prevalence rates. As many VLT retailers will remain, it is unclear what impact the reduction in VLT retailers will have.

I appreciate the opportunity to share this information with you and would be happy to provide any additional information you need as you consider this bill.