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STATE REPRESENTATIVE
DISTRICT 41
HOUSE OF REPRESENTATIVES

HB 3316, HB 3317, HB 3318
House Human Services and Housing Committee
April 1, 2015

Chair Keny-Guyer and members of the committee,

I am Kathleen Taylor, State Representative for District 41, encompassing Milwaukie, Oak Grove, and portions of Southeast Portland.

Thank you for taking this time to focus attention on gambling addictions and the Oregon lottery.

Rep. Kennemer and I are before you today to “set the table” so to speak. There are others here to provide the “meat”...the data and personal tales to highlight the dark side of our publicly supported gambling.

But first, just a few facts:

Over 80,000 Oregon adults have gambling problems;

Most Oregonians in gambling treatment prefer Oregon Lottery games;

The Oregon Council on Problem Gambling estimates the economic costs associated with problem gambling to Oregonians is between \$330million and \$600million ANNUALLY. That’s between \$660 million and \$1.2 billion for a biennium, about the same amount of revenue that the lottery actually provides.

I’ve provided a fact sheet detailing additional demographic data.

Unlike alcohol and other substance abuse problems, there is shame and embarrassment associated with being a pathological gambler. Gambling problems often come to light only after marriages dissolve, retirement savings are squandered, child welfare is endangered, or law enforcement becomes involved through embezzlement, identify theft, or burglary. One in 4 gamblers experience serious job related problems; 1 in 10 attempt suicide.

Oregon is one of only a handful of states that permit video lottery games, i.e. video poker and line games. It is just these video terminal games that are most addictive. These are the games that cause the most harm.

So that brings us to our dilemma.

Oregon is heavily reliant on lottery revenue; but much of that revenue is generated from a small group of people and comes at a very high, hidden cost to our state.

The bills before you today probably won’t change that. But they will help to inform our decisions, to more clearly define the trade-offs that we make.

HB 3317 asks the Oregon Lottery to report to the legislature the distribution and concentration of video lottery game terminals in relation to the socioeconomic status of their neighborhoods.

From the stories we hear, many people ASSUME that much of the revenue generated from the lottery comes from lower income, poorly educated Oregonians. But is this really true? We have no hard data. HB 3317 will give us the information we need to understand the demographics of our lottery players. What will we do with that data? Who knows? One example, treatment professionals could better target their prevention campaigns or focus additional education and outreach efforts in those areas.

HB 3318 puts into statute the Responsible Gambling Code of Practice, already developed by the current lottery commission.

Two important things here: the bill as printed talks about Responsible GAMING. That's the wrong word. It should be Responsible GAMBLING. We've asked for a revision of the bill to reflect that change, but so far, have not received the amendment.

The other important thing I want to put on the record, is a sincere THANK YOU to Jack Roberts, Elisa Dozono and the current Lottery Commission. They get it. They understand the dilemma surrounding problem gambling, have already developed a Responsible Gambling Code of Practice and are proactively working to promote "Responsible Gambling". This bill will make sure that these positive steps don't get lost with future lottery administrations.

That brings us to HB 3316, the "No Casino" bill.

Oregonians have spoken strongly that we don't want state sponsored casinos. We want to allow gambling, but gambling must enhance a successful business, not be its sole purpose.

The definition of a "casino" remains undefined. One criterion currently in administrative rule used by the Lottery to define a "casino" is that a retailer must earn 50% of its revenue from sales OTHER THAN LOTTERY.

Many lottery retailers fail to meet that criterion, with some falling far behind that standard.

Enforcement is lax. Data regarding sales is self-reported, so even the data that is collected is not thoroughly reviewed.

HB 3316 would automatically deem the business a casino if over half the revenue of an establishment comes from the lottery and puts some teeth into the enforcement procedure.

This is important discussion. When we drive down our major streets, we see many, many lottery retailers, some labeled "Delis". If you've ever been inside one, as I have, many of these establishments have a counter with a microwave, maybe a table with chairs, and a room with six video lottery terminals, all occupied. No one is eating. No one is chatting and having fun, like on the commercials. These are often filled with persistent gamblers, who regularly stop by on their way home from work, or late in the evening. It is the convenience of these gambling "delis" that has caused much of our gambling problems.

These establishments are certainly NOT what the voters intended. Yet our state is heavily dependent on this revenue. So what do we do?

This is a discussion we need to have, and HB 3316 provides a vehicle for us to have that discussion.

There is an amendment coming for HB 3318, and you already have the technical change to HB 3317.

It is important that we begin to address these lottery issues and I urge your support.