



CITY OF
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Representative Alissa Keny-Guyer, Chair
House Committee on Human Services and Housing
900 Court Street NE
Salem, Oregon 97301

Dear Chair Keny-Guyer and Members of the Committee:

Thank you for the opportunity to provide this letter in strong support of House Bill 3316, which would help the Lottery Commission determine when a lottery retailer has become a casino. Problem gambling and casinos are a significant issue for us as a city and as a community.

According to the Oregon Health Authority, an estimated 81,000 of adult Oregonians meet the criteria for Gambling Disorder. As a group, Oregon's disordered gamblers produce hundreds of millions of dollars in social costs. We address many of these social costs through government services, but preventing problem gambling reduces the need for these services.

In addition, we as a city see the negative impacts lottery retailers can have in the community. For example, Hayden Island in North Portland is a prime example of these negative impacts. The city has received a significant number of complaints about livability and safety concerns proximate to the lottery retailers.

In *Ecumenical Ministries v. State Lottery Commission*, 318 Or 551, the Supreme Court said: "we conclude that, in adopting Article XV, section 4(7), prohibiting the operation of 'casinos,' the voters intended to prohibit the operation of establishments whose dominant use or dominant purpose, or both, is for gambling." If the majority of the profits of a business come from gambling, then gambling is its "primary purpose." But for many years now, video lottery taverns have been allowed to operate even if ALL their profits come from gambling – even if they LOSE money on everything other than gambling. It has been widely reported that taverns have sold products, such as cigarettes, at below cost – just to lure in the gamblers.

House Bill 3316 would correct the Lottery's interpretation of "dominant use, dominant purpose" in line with the Supreme Court's definition, and it would, therefore, ultimately help prevent problem gambling and the accompanying livability issues.

Sincerely,

Steve Novick
Commissioner