



DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

MEMORANDUM

DATE: April 25, 2017

TO: Honorable Floyd Prozanski, Chair
Senate Committee on Judiciary

FROM: Elizabeth Grant, Attorney-in Charge, Charitable Activities Section

SUBJECT: HB2358– Updates to operating requirements for charitable gaming

This testimony is presented in support of HB2358.

BACKGROUND

Pursuant to provisions in Oregon law, including ORS 167.118 and 464.250, nonprofit organizations are authorized to use some forms of gambling as fundraising mechanisms, subject to statutory operational limits. The Charitable Activities Section of the Department of Justice issues licenses related to nonprofit gaming and enforces operating restrictions. With the passage of time, some operating restrictions have grown out of date, including dollar caps on prizes, percentage caps on administrative expenses, and caps on the time that employees and organizations can spend on operating bingo.

CONCEPT

The Department of Justice proposes modest increases to existing statutory caps, including raising prize limits from \$2,500 to \$5,000 and increasing the amount of permitted administrative expenses from 18% to 22% of annual handle (gross gaming receipts.) The proposed amendments would also allow employees to work up to 40 hours a week administering or operating games, up from the current 30-hour restriction. Licensees would be permitted to operate games for 20 hours a week, up from the current 15-hour limitation. The proposed amendment to HB2358 would increase the number of days that licensees can operate games from three to four.

The Department believes these statutory changes will facilitate and enhance licensees' ability to use authorized gaming activities to raise funds and will not result in any adverse consequences to the public.

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