



DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

DATE: January 30, 2019
TO: Honorable Jeff Barker, Chair of the House Committee on Business and Labor
FROM: Kate Denison, Policy Analyst
SUBJECT: HB 2398 – Charitable Gaming Administration

This testimony is presented in support of HB 2398.

Background: Under Oregon law, nonprofit organizations with federal tax exempt status may conduct charitable gaming events. Charitable gaming is regulated by the Department of Justice (DOJ) Charitable Activities Section and authorized forms of gaming include bingo, raffle and Monte Carlo events in which the proceeds are used to fund the activities of the organizations. HB 2398, as amended, modifies two statutes pertaining to the administration of charitable gaming operations.

First, ORS 464.250(1)(i) requires DOJ to set maximum limits on compensation paid to nonprofit employees involved in charitable gaming operations, subject to the statutory caps in that subparagraph. Those caps are currently set at no more than 200 to 300 percent of federal minimum wage, depending on the position. The federal minimum wage is \$7.25 per hour. Oregon's minimum wage currently ranges from \$10.50 in some parts of the state to \$12.00 per hour inside the Portland urban growth boundary and is slated to continue to increase in coming years. If not adjusted in the near future, Oregon's minimum wage requirements will exceed the statutory caps in ORS 464.250(1)(i), making compliance impossible.

Second, ORS 464.310(2) prohibits a bingo manager from working for more than one licensee at a time unless DOJ adopts rules authorizing concurrent participation on a temporary emergency basis. Not all licensees are able to employ a full-time manager, and the lack of full time work can make it difficult to recruit and retain qualified personnel.

Concept: HB 2398 amends ORS 464.250(1)(i) to specify that compensation paid to employees of charitable gaming events is based on Oregon minimum wage standards, rather than the federal rate. In addition, the -1 amendments modify ORS 464.310 to allow a bingo manager to work for more than one licensee at a time. We believe that limitation is unnecessary and removing that restriction will provide licensees with greater flexibility in their hiring. Amending the statute to remove the restriction on the duration of the concurrent employment does not eliminate the requirement that the employment arrangement be subject to the Department's approval and licensing requirements.

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