

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 3389 - A9

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Provides that name and address of prize winner of certain lottery games are confidential and may not be publicly disclosed by Oregon State Lottery Commission or Oregon State Lottery unless prize winner provides written authorization for disclosure.

Government Unit(s) Affected:

Oregon State Lottery

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The measure would require the name and address of a prize winner of certain multistate numbers drawing lottery games be kept confidential. It would prohibit the Oregon State Lottery Commission (the Commission) or the Oregon State Lottery (the Lottery) from publicly disclosing the name and address of a prize winner unless the prize winner authorizes such disclosure in writing. The measure would permit the Lottery to pay prizes to the trustee of a trust upon written request from the prize winner, for which the Commission would need to adopt administrative rules to ensure compliance with reporting requirements, constitutional requirements, or other applicable laws. It would authorize the Commission to specify service fees that may be charged for lottery tickets or shares. The measure would also prohibit the Commission from initiating or operating a lottery game for which tickets or shares may be purchased via the Internet or via a personal computer, mobile device, or other personal electronic device.

The Lottery is currently developing a sports betting program with a mobile betting component. Players would create an account and wager on sports through a mobile application. The Lottery is also exploring how to offer draw game sales (e.g., Powerball, Mega Millions, and Megabucks) via a mobile application. The measure would prohibit the Lottery from launching any such sports betting platform or offering mobile draw game sales. Prohibiting online lottery games could result in decreased costs associated with developing and operating mobile sports betting, but would also result in the loss of potential net revenues available for the public purposes of lottery proceeds. The Lottery is currently unclear how much it will cost to operate a sports betting platform, as the sports betting platform provider contract is still being negotiated. Therefore, Lottery is also unable to determine what the loss in gaming revenue would signify for Lottery revenue transfers to the Administrative Services Economic Development Fund. Nevertheless, the Lottery anticipates, based on market research conducted in support of the sports betting launch, that the measure would reduce annual gaming revenue by anywhere from \$28 - \$63 million.

It is also unclear whether the measure would impact the Video Lottery program, since those machines are monitored and managed via Internet connections. Depending on how it is interpreted, the measure's prohibition of online or mobile lottery games could jeopardize the Video Lottery revenue stream.

For the foregoing reasons, the fiscal impact of the measure is indeterminate.