

HB 4053 STAFF MEASURE SUMMARY
House Committee On Gambling Regulation

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Meeting Dates: 2/6, 2/13

WHAT THE MEASURE DOES:

The measure establishes a definition for non-tribal casinos and prohibits them from operating in Oregon.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

[Article XV, section 4 \(10\)](#) prohibits the Legislative Assembly from authorizing the operation of casinos in Oregon.

[ORS 227.172 \(2023\)](#) currently defines “casino” for purposes of city planning and zoning statutes as a facility in which casino games are played for the purpose of gambling. [ORS 167.117 \(2023\)](#) defines “casino game” as any of the traditional gambling-based games.

A video lottery terminal (VLT) is a gaming machine that is connected to a centralized computer system that allows the lottery jurisdiction to monitor game play and perform control functions. At a minimum, a VLT will utilize randomness in the determination of prizes, contain some form of activation to initiate the selection process, and make use of a methodology for delivery of the determined outcome.

An historic horse racing (HHR) machine is a gaming machine where player places bet on the outcome of a previously held race, and the player is given only limited information about the race to prevent a player from recognizing the specific race.

The Oregon Racing Commission (ORC) is authorized by statute to license locations for HHR machines. These machines were previously operated at Portland Meadows. In 2022, a plan to license HHR machines at Grants Pass Downs was rejected after an Oregon Department of Justice opinion found that the games are a prohibited lottery and that the concentration of such games at the Grants Pass site would be an unconstitutional casino. HHR games were also briefly allowed to operate on the online Luckii application; however, the Legislative Assembly withdrew the authorization for online HHR games in 2021.

Tribal Gaming

In 1988, Congress passed the Indian Gaming Regulatory Act (IGRA), which regulates gaming on tribal lands. It divided games into three classes:

- Class I games are traditional or social games played for minimal prizes and are regulated by tribal governments;
- Class II games are often referred to as “bingo-based” and are regulated primarily by tribal governments after approval by the National Indian Gaming Commission (NIGC); and
- Class III games are broadly defined to include any games that are not defined as Class I or Class II games, including slot machines and table games. For a Class III casino to be authorized, a compact must be entered into by a tribe with the state and approved by the federal Secretary of the Interior.

In Oregon, eight tribes operate Class III casinos, which are a major source of revenue for the tribes and fund community development activities and social services. Subject to the compacts, these casinos are regulated by

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the National Indian Gaming Commission (NIGC), the Oregon State Police (OSP), and the gaming commission set up by each tribe. Two tribes also operate Class II casinos.

PRELIMINARY