FISCAL IMPACT OF PROPOSED LEGISLATION — Measure: HB 4083

Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session
Legislative Fiscal Office

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Measure Description:
Requires Oregon State Lottery Commission to adopt policies to mitigate public harms associated with lottery games, marketing practices and retail regulations at request of Director of Oregon State Lottery.

Government Unit(s) Affected:
Oregon State Lottery

Local Government Mandate:
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

HB 4083 provides that the "Oregon State Lottery shall actively work to balance its mission to maximize revenues while minimizing the impact of problem gambling in Oregon." The bill further provides that "… the Oregon State Lottery Commission shall adopt a comprehensive policy to mitigate the public harms associated with lottery games, marketing practices and retail regulations."

The Oregon Lottery is required by statute to maximize the generation of revenues while protecting the public good. Lottery revenues support a number of programs. These include the State School Fund ($375 million), parks and natural resources ($165 million), economic development programs ($96 million) and debt service on Lottery-backed bonds ($240 million). This bill directs the Oregon Lottery to implement "Strategies to mitigate public harms and negative consequences associated with lottery games and the marketing of lottery games", which has the potential to affect the ability of the Oregon Lottery to generate revenue. While this potential effect cannot be estimated, the Oregon Lottery notes that every 1% reduction in Lottery revenues equates to a revenue reduction of $11 million.

The Oregon Lottery is constitutionally restricted in how it can use Lottery revenues for administrative activities. The Lottery Commission notes that some of the activities required in this bill may not be allowable expenses of the Commission, and would require a General Fund allocation to pay these costs.