



TO: The Honorable Representative Alissa Keny-Guyer
House Human Services and Housing Committee

FROM: Jeff Marotta, Ph.D., NCGC-II

DATE: April 1, 2015

SUBJECT: HB 3316 – Lottery Enforcement of Casino Rule

Chair Keny-Guyer and members of the committee, my name is Jeff Marotta. I am here in support of HB 3316. The Constitution of Oregon states; “The Legislative Assembly has no power to authorize, and shall prohibit, casinos from operation in the State of Oregon”. HB 3316 is legislation precisely focused on the Constitution’s call for legislative action to prohibit casinos in Oregon. To enforce this Constitutional condition, legislative action is needed to better define what is and is not a casino.

Currently, OAR Chapter 177 Division 40, states, “conclusive evidence that an establishment is not a Casino includes “annual non-Lottery sales are at least 50% of the establishment’s total income”. However, the Lottery Director may take other factors into consideration in making a final determination; these include, but are not limited to, the appearance and atmosphere of the premise and the name of the business. It is clear from viewing the 2014 video lottery retailer sales report that a large number of video lottery retailers do not meet the “conclusive evidence” 50% rule. Rather, they are granted a video lottery retail contract based on the Directors discretion, as provided in OAR Chapter 177, that the establishment does not appear to be a casino even though the vast majority of sales is from video lottery terminals.

Passage of HB3316 is needed to provide public confidence that the Oregon Constitution’s ban on casinos is not lampooned through state agency supported businesses that generate most of their income through video lottery sales and primarily function as a place where gambling games are played.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions.

Top 25 Oregon Lottery retailers

About 2,500 retailers offer video gambling across Oregon. The state is rare for its widely available lottery-run slot machines. Most states don't offer lottery-run video gambling, and those that do largely limit the machines to a few casinos or racinos. The below data is from 2014 video lottery sales.

For comparison purposes, in 2014 the average annual sales per Subway restaurant was \$481,000. <http://www.statisticbrain.com/restaurant-franchise-sales-statistics/>

Business	Address	Video lottery sales	Commission
Shari's-Airport Way #218	<u>11335 NE Airport Way, Portland</u>	\$1,446,546.91	\$280,279.93
Dotty's #24	<u>11955 N Center Ave, Portland</u>	\$1,339,665.12	\$261,572.90
Dotty's #9	<u>1325 NW 185th Ave, Aloha</u>	\$1,315,990.30	\$257,307.24
Glass House Tavern	<u>9710 NE Sandy Blvd, Portland</u>	\$1,237,998.06	\$243,681.92
Elmer's Pancake-	<u>9848 N Whitaker Road, Portland</u>	\$1,230,128.42	\$242,302.07
Original Joe's	<u>1321 N Hayden Island Dr, Portland</u>	\$1,215,482.86	\$239,801.15
Jasper's	<u>1020 Green Acres Rd #3, Eugene</u>	\$1,210,180.48	\$238,850.26
Shari's-	<u>12082 SE Sunnyside Rd, Clackamas</u>	\$1,178,904.80	\$233,431.45
Dotty's #11	<u>13539 NW Cornell Rd, Portland</u>	\$1,173,929.83	\$232,491.04
Richards Deli And Pub	<u>2559 SE Tualatin Valley Hwy, Hillsboro</u>	\$1,173,295.46	\$232,494.18
Ashley's-Seneca	<u>3149 W 11th Ave #D3, Eugene</u>	\$1,146,800.21	\$227,770.08
Dotty's #29	<u>10090 SE Washington #105, Portland</u>	\$1,142,130.63	\$227,052.44
Elmer's	<u>10001 NE Sandy Blvd, Portland</u>	\$1,128,870.48	\$224,733.28
Sunset Lanes	<u>350 SE 13th St, Ontario</u>	\$1,104,239.02	\$220,254.77
Jasper's	<u>1504 Coburg Rd, Eugene</u>	\$1,102,921.65	\$220,143.97
Huddy's Place	<u>12055 N Center Ave #200, Portland</u>	\$1,099,180.09	\$219,463.42
Owl's Nest #2	<u>11875 N Jantzen Dr Ste B, Portland</u>	\$1,090,089.94	\$217,833.77
Shari's-	<u>2185 NW 185th Ave, Hillsboro</u>	\$1,089,955.57	\$217,885.91
Dede's Cafe	<u>7418 SW Baseline Rd #B10, Hillsboro</u>	\$1,085,577.77	\$217,214.74
Dotty's #7	<u>11926 SE Division St, Portland</u>	\$1,085,126.24	\$217,041.46
Deli Store	<u>75724 Rockcrest St, Rainier</u>	\$1,082,070.27	\$216,411.97
Cafe Del Toro	<u>11935 N Center, Portland</u>	\$1,078,471.95	\$215,841.24
Boomers Burgers & Barbeque	<u>1335 N Hayden Island Dr, Portland</u>	\$1,075,621.98	\$215,253.28
CJ's Deli	<u>12055 N Center Ave #300, Portland</u>	\$1,070,864.28	\$214,549.29
CJ's #10	<u>45 Division Ave #45-C, Eugene</u>	\$1,059,055.82	\$212,370.67

