

**HB 2398 A STAFF MEASURE SUMMARY**

**Carrier:** Rep. Bonham

**House Committee On Business and Labor**

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**Action Date:** 02/11/19

**Action:** Do pass with amendments. (Printed A-Eng.)

**Vote:** 11-0-0-0

**Yeas:** 11 - Barker, Barreto, Boles, Bonham, Boshart Davis, Bynum, Clem, Doherty, Evans, Fahey, Holvey

**Fiscal:** No fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Jan Nordlund, LPRO Analyst

**Meeting Dates:** 1/30, 2/11

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**WHAT THE MEASURE DOES:**

Increases maximum compensation paid to employees conducting or supervising bingo, lotto, and raffle games, or Monte Carlo events for charitable, fraternal, or religious organizations. Allows person to manage or operate bingo, lotto, raffle, or Monte Carlo event, concession or related operation for more than one licensee concurrently on permanent basis with Department of Justice approval.

**ISSUES DISCUSSED:**

- Role of Department of Justice in overseeing charitable gaming
- Effect of state minimum wage increases to occur over next four years
- Inability of some charitable organizations to employ gaming staff on full-time basis

**EFFECT OF AMENDMENT:**

Allows person to manage or operate bingo, lotto, raffle, or Monte Carlo event, concession or related operation for more than one licensee concurrently on permanent basis with Department of Justice approval.

**BACKGROUND:**

Current Oregon law allows charitable organizations (those exempt from payment of federal taxes) to conduct bingo, lotto, raffle games, and Monte Carlo events. The Department of Justice has authority to license charitable, fraternal, and religious organizations that offer these games and events, as well as entities associated with the games themselves, such as manufacturers and suppliers of related equipment and escrow agents who hold prizes. The Department may also adopt rules to establish maximum limits on income and expenses of the games and events, and to establish maximum compensation paid to employees of the charitable, fraternal, and religious organizations to operate or supervise the games. Oregon law caps the compensation for operators at 200 percent of the federal minimum wage; supervisors are capped at 300 percent of the federal minimum wage. The federal minimum wage is currently \$7.25 per hour. When the Oregon minimum wage for the Portland urban growth boundary increases to \$14.75 on July 2022, it would not be possible for charitable organizations to hire gaming staff, as they would be limited to paying \$14.50 (two times the federal rate, as required by statute).

House Bill 2398-A ties the statutory cap on compensation paid to operators and supervisors of charitable gaming events to the applicable Oregon minimum wage instead of the federal minimum wage. The measure also allows game managers and operators to work for more than one licensee at a time with Department of Justice approval.