



Voices of Problem Gambling Recovery

Supports HB 3078

SUBJECT: HB 3078 – Prohibits Oregon State Lottery from offering games playable via mobile phone, personal computer or other personal electronic device, except for certain sports betting and multistate numbers drawing lottery games.

Requires future Lottery online gambling expansion to be legislatively approved.

- Rights a wrong in how groundbreaking gambling policy change occurred in Oregon. Oregon’s legalized gambling landscape was significantly altered with the advent of state supported online wagering. This occurred without legislative approval or through public referendum. HB 3078 sets limits and prevents further expansion of mobile wagers without first vetting proposals within the halls of this chamber and acquiring legislative approval.

Legalized online wagering presents social and economic risks to Oregon.

- Higher rates of disordered gambling have been found amongst Internet as compared to land-based gamblers.¹
- Legalized internet gambling is expected to increase the number of Oregonians who gamble on a regular basis thereby increase problem gambling incidence rates.²
- A recent study found that about 1 in every 60 Oregon Department of Corrections inmates reported their current incarceration was “primarily” due to gambling. This data suggests that problem gambling related imprisonments account for at least \$10 million a year in DOC related custody costs with millions of dollars more in other costs related to our criminal justice system.³
- Recently the British Government banned the practice of permitting credit wagering due in part to research that shows that 22% of online gamblers using credit cards are problem gamblers.⁴ Amending HB 3078 to follow the United Kingdom’s lead is prudent and recommended.

Legalized gambling expansion is poor public policy⁵

- Unstable revenue source. History shows that in the long run growth in state revenues from gambling activities slows or even reverses and declines.
- There are significant social and economic costs associated with gambling.
- Legalized gambling is a regressive form of taxation and widens disparities of wealth between rich and poor.

¹ Gainsbury, S. M., Russell, A., Wood, R., Hing, N., & Blaszczynski, A. (2015). How risky is Internet gambling? A comparison of subgroups of Internet gamblers based on problem gambling status. *New media & society*, 17(6), 861-879.

² <https://www.bizjournals.com/portland/news/2019/10/18/opinion-what-the-oregon-lottery-s-sports-betting.html>

³ Marotta, Coe, and Highberger (manuscript in preparation). Problem gambling among incarcerated adults entering the Oregon Department of Corrections.

⁴ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/gambling-on-credit-cards-to-be-banned-from-april-2020>

⁵ Dadayan, L. (2016). State Revenues From Gambling. Short-Term Relief, Long-Term Disappointment. The Blinken Report.