

# HOUSE COMMITTEE ON GAMBLING REGULATION



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## About this Report

This report is the culmination of work conducted by the House Committee on Gambling Regulation for the 2023 Legislative Session.



## Committee Members

Representative John Lively, House District 7, Chair  
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Representative Boomer Wright, House District 9, Vice-Chair  
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# Progress Report: House Committee on Gambling Regulation

DATE: June XX, 2023

## Executive Summary

The [House Committee on Gambling Regulation](#) (Committee) was appointed by the Speaker of the House, Representative Dan Rayfield, on January 9, 2023. It was charged with reviewing the status of gambling regulation in the State of Oregon.

Note: The terms “gaming” and “gambling” are often used interchangeably to refer to games of skill or chance. This Committee’s name uses the term “gambling.” However, many state and federal agencies use the term “gaming.” Due to the latter, and for consistency, this report uses “gaming” throughout. However, when referring to “gambling addiction,” the report uses the terms provided by the experts in that field.

## Membership

The five-member Committee includes three Democrat Representatives and two Republican Representatives.

## Process

The Committee met for the first time on January 24, 2023, and met throughout the regular legislative session. See below for meeting dates and topics.

## Meeting Dates and Topics for 2023 Legislative Session

**January 24.** This served as the Organizational Meeting. The Committee also voted to introduce Committee Measures, learned about the Joint Interim Committee on Gambling Regulation’s work and about the Oregon State Lottery (Lottery).

**January 31.** The Committee learned about national trends in gambling, and about problem gambling, gambling addiction, and access to treatment.

**February 7.** The Committee received information about bonding against Lottery revenue and about the impact of video lottery terminals on retailers who contract with the Lottery.

**February 14.** This meeting focused on the Oregon Lottery Commission and sports betting, as offered by the Lottery through DraftKings.



**February 21.** The Committee heard from the Oregon State Police and the Oregon Department of Justice about their roles in regulating gaming in Oregon.

**February 28.** This meeting served as a continuation of the sports betting presentation from February 14. The Committee also learned about the types of gambling machines and games.

**March 7.** The Committee scheduled, and held, two public hearings: one for [House Bill 2261](#) (2023) and one for [House Bill 3154](#) (2023).

**March 14.** The Committee heard from the Oregon Racing Commission and held a public hearing for [House Bill 3514](#) (2023).

**March 21.** The Committee learned about the history of tribal compacts and the “one casino, one tribe” position; held two work sessions: one for [House Bill 2261](#) (2023) and [House Bill 3514](#) (2023); and discussed future agenda topics.

**March 28.** The Committee held another public hearing for [House Bill 3154](#) (2023). Each of the nine federally recognized tribes in Oregon were invited to register to testify. The Committee also held a work session for [House Bill 3514](#) (2023), for discussion only.

**April 4.** Two work sessions were held: one for [House Bill 3154](#) (2023) and one for [House Bill 3514](#) (2023). The Committee took action on both measures.

**April 25.** This meeting focused on the tribal perspective of the history of compacts in Oregon and the “one casino, one tribe” position. All nine federally recognized tribes in Oregon were invited to present.

**May 9.** The Committee learned about the 2022 report from ECONorthwest: The Contributions of Indian Gaming to Oregon’s Economy in 2018 and 2019 (*see meeting materials*).

**May 16.** The Committee heard from the Oregon State Lottery about its retail contracts.

**May 23.** The Oregon State Lottery gave a presentation about its Video Lottery Program.

**May 30.** The Oregon State Lottery gave two presentations: one about responsible gaming and one about sports betting.

### Access to Full Report

The full report can be found online at:

<<[<https://olis.oregonlegislature.gov/liz/202111/Committees/HGAMRG/2023-06-07-14-30/MeetingMaterials>](https://olis.oregonlegislature.gov/liz/202111/Committees/HGAMRG/2023-06-07-14-30/MeetingMaterials)>>.

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## Section 1: Committee Process

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### Charge

The [House Committee on Gambling Regulation](#) (Committee) was appointed by the Speaker of the House, Representative Dan Rayfield on January 9, 2023. The five-member Committee includes three Democrat Representatives and two Republican Representatives. The Committee was charged with reviewing the status of gambling regulation in the State of Oregon.

### Background

Different types of gaming are available in Oregon, the major categories of which are discussed briefly below.

**Tribal Gaming.** In 1988, Congress passed the Indian Gaming Regulatory Act (IGRA), which regulates gaming on tribal lands.<sup>1</sup> It divided games into three classes.

- Class I games are traditional or social games played for minimal prizes and are regulated by tribal governments.<sup>2</sup>
- 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).<sup>3</sup>
- 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.<sup>4</sup> 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.<sup>5</sup>

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 (Figure 1).<sup>6,7</sup> Subject to the compacts, these casinos are regulated by the National

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<sup>1</sup> National Indian Gaming Commission, History, <<https://www.nigc.gov/commission/history>> (last visited November 17, 2022)

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

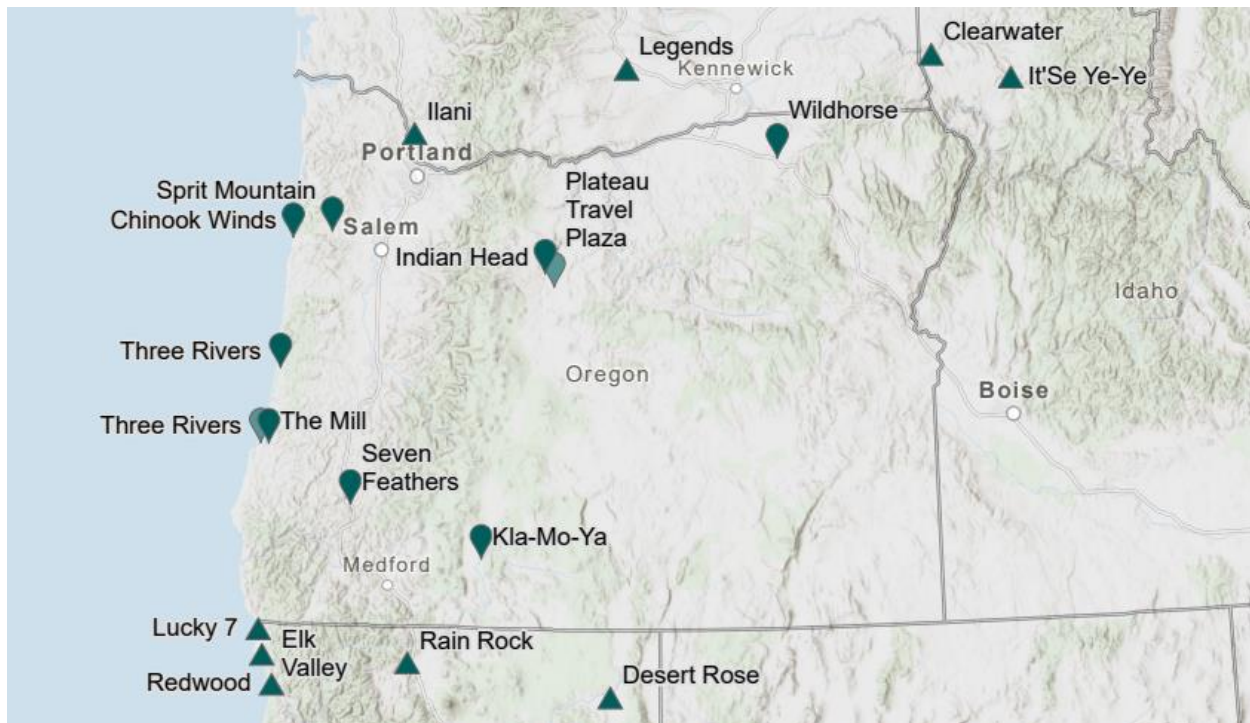
<sup>5</sup> *Id.*

<sup>6</sup> Robert Whelan, ECONorthwest, *The Contributions of Indian Gaming to Oregon's Economy in 2018 and 2019*, <<https://www.otga.net/wp-content/uploads/FINAL-2018-2019-OTGA-report.pdf>> (last visited November 18, 2022)

<sup>7</sup> Ariel Low, Oregon Legislative Policy and Research Office, *Tribal Casinos in and Around Oregon*, <<https://olis.oregonlegislature.gov/liz/202111/Downloads/CommitteeMeetingDocument/256597>> (last visited November 17, 2022)

Indian Gaming Commission (NIGC), the Oregon State Police (OSP), and the gaming commission set up by each tribe.<sup>8</sup> Two tribes also operate Class II casinos.<sup>9</sup>

**Figure 1: Map of Class III Tribal Casinos in and Around Oregon**



Source: *Legislative Policy and Research Office*

**Oregon State Lottery.** The Oregon Lottery Commission was authorized by a constitutional referendum in 1984.<sup>10</sup> The Oregon State Lottery (Lottery) has broad authority to offer games.<sup>11</sup> Current offerings include video lottery terminals, jackpot games like Powerball and Mega Millions, keno, scratch-its, and sports betting through the mobile DraftKings application.<sup>12</sup>

<sup>8</sup> See U.S. Department of Interior – Indian Affairs – Oregon Gaming Compacts, <[https://www.bia.gov/as-ia/oig/gaming-compacts?year=all&field\\_us\\_state\\_s\\_\\_value=OR&field\\_tribe\\_s\\_\\_target\\_id=All](https://www.bia.gov/as-ia/oig/gaming-compacts?year=all&field_us_state_s__value=OR&field_tribe_s__target_id=All)> (last visited November 17, 2022)<sup>8</sup> See U.S. Department of Interior – Indian Affairs, Oregon Gaming Compacts, <[https://www.bia.gov/as-ia/oig/gaming-compacts?year=all&field\\_us\\_state\\_s\\_\\_value=OR&field\\_tribe\\_s\\_\\_target\\_id=All](https://www.bia.gov/as-ia/oig/gaming-compacts?year=all&field_us_state_s__value=OR&field_tribe_s__target_id=All)> (last visited November 17, 2022)

<sup>9</sup> Oregon Legislative Policy and Research Office, (2023). *Tribal Casinos in and Around Oregon Map*

<sup>10</sup> David Fang Yen, Office of Legislative Counsel, *Gambling Law in Oregon*, <<https://olis.oregonlegislature.gov/liz/202111/Downloads/CommitteeMeetingDocument/257346>> (last visited November 18, 2022)

<sup>11</sup> *Id.*

<sup>12</sup> Barry Pack, Oregon State Lottery, *The Oregon State Lottery*, <<https://olis.oregonlegislature.gov/liz/202111/Downloads/CommitteeMeetingDocument/255667>> (last visited November 18, 2022)



For the 2021–2023 biennium, it is estimated that the Lottery will return \$1.8 billion in revenue to the state, with approximately 82 percent of that coming from video lottery.<sup>13</sup> Lottery revenue goes to fund a variety of constitutional and statutory programs including the Education Stability Fund, the Parks and Natural Resources Fund, the Veterans' Services Fund, the Outdoor School Fund, and economic development programs among others.<sup>14</sup> Additionally, one percent of Lottery revenue is dedicated to gambling addiction treatment programs.<sup>15</sup>

**Oregon Racing Commission.** The Oregon Racing Commission (ORC) was established in 1933 to regulate the animal racing industry and related gambling.<sup>16</sup> Gambling on horse races occurs at county fairs and at off-site locations.<sup>17</sup> Greyhound racing has not occurred in Oregon for some time and the issuance of new race licenses was prohibited via statute in 2022.<sup>18</sup>

The ORC also licenses and regulates Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizer Hubs based in Oregon.<sup>19</sup> These online sites offer betting on horse and greyhound racing events held across the United States as well as in other countries.<sup>20</sup>

Finally, the ORC is authorized by statute to license locations for historical horse racing (HHR) machines.<sup>21</sup> These machines were previously operated at Portland Meadows.<sup>22</sup> 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.<sup>23</sup> HHR games were also briefly allowed to operate on the online Luckii application; however, the legislature withdrew the authorization for online HHR games in 2021.<sup>24</sup>

The ORC generates revenue through bets made at Oregon race meets and off-site betting locations.<sup>25</sup> The ORC also charges licensing fees on the racing hubs and taxes

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Connie Winn and Karen Parkman, Oregon Racing Commission, *Overview of the Oregon Racing Commission (ORC)*, <<https://olis.oregonlegislature.gov/liz/202111/Downloads/CommitteeMeetingDocument/255654>> (last visited November 18, 2022)

<sup>17</sup> *Id.*

<sup>18</sup> Fang Yen, *Gambling Law in Oregon*

<sup>19</sup> Winn and Parkman, *Overview of the Oregon Racing Commission (ORC)*

<sup>20</sup> *Id.*

<sup>21</sup> Fang Yen, *Gambling Law in Oregon*

<sup>22</sup> *Id.*

<sup>23</sup> Renee Stineman, Oregon Department of Justice, *OP-2022-1*, <<https://www.doj.state.or.us/wp-content/uploads/2022/02/OP-2022-1.pdf>> (last visited November 18, 2022)

<sup>24</sup> Fang Yen, *Gambling Law in Oregon*

<sup>25</sup> Legislative Fiscal Office, *2021-23 Legislative Approved Budget – Detailed Analysis*, <<https://www.oregonlegislature.gov/lfo/Documents/2021-23%20LAB%20Detailed.pdf>> (last visited November 18, 2022)

gross wagering receipts.<sup>26</sup> Most of this revenue is returned to the ORC to fund its operations and to help support race meets at county fairs.<sup>27</sup>

***Other Activities – Charitable and Social Games.*** Certain charitable, religious, and fraternal organizations may hold bingo, lotto, and raffle games, as well as Monte Carlo events, to benefit their organizations.<sup>28</sup> The Oregon Department of Justice oversees the licensing and regulation of these games.<sup>29</sup>

Private card games, referred to in statute as “social games” are also allowed in Oregon as long as the relevant local government authorizes them.<sup>30</sup> These games can be played in a private residence, club, or business.<sup>31</sup> When played in a club or business, the “house” cannot make income directly from the game, though it can charge an entrance fee and sell food and drinks.<sup>32</sup>

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<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> Elizabeth Grant, *Oregon Department of Justice, Nonprofit Gaming Regulation*, <<https://olis.oregonlegislature.gov/liz/202111/Downloads/CommitteeMeetingDocument/255538>> (last visited November 18, 2022)

<sup>29</sup> *Id.*

<sup>30</sup> Fang Yen, *Gambling Law in Oregon*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

## **Meetings and Materials**

The Committee met weekly throughout the 2023 legislative session, beginning on January 24, 2023.

See Table 1, on page 6, for dates, topics, and agenda items for each meeting.

See Section 2 on page 8, for meeting summaries including information shared with the committee by invited presenters.

See [Appendix A](#) for hyperlinked meeting material.

**Table 1: Meeting Dates, Topics, and Agenda Items**

Meeting Date	Topics	Agenda Items
January 24, 2023	<ul style="list-style-type: none"> <li>Organizational Meeting</li> <li>Oregon State Lottery (Lottery)</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of Committee Members</li> <li>Adoption of Committee Rules</li> <li>Introduction of Committee Measures</li> <li>Review of Joint Interim Committee on Gambling Regulation</li> <li>Overview of Oregon State Lottery</li> </ul>
January 31, 2023	<ul style="list-style-type: none"> <li>Gaming basics and national trends</li> <li>Problem gambling</li> </ul>	<ul style="list-style-type: none"> <li>Gambling 101 – National Trends</li> <li>Problem Gambling, Gambling Addiction, and Access to Treatment and Services</li> </ul>
February 7, 2023	<ul style="list-style-type: none"> <li>Lottery bonding</li> <li>Lottery contracted retailers</li> </ul>	<ul style="list-style-type: none"> <li>Overview of Bonding against Oregon State Lottery Revenue</li> <li>Overview of the Impact of Oregon State Lottery on Contracted Retailers</li> </ul>
February 14, 2023	<ul style="list-style-type: none"> <li>Oregon Lottery Commission</li> <li>Sports betting</li> </ul>	<ul style="list-style-type: none"> <li>Overview of Oregon Lottery Commission</li> <li>Overview of Sports Betting and E-Sports Betting</li> </ul>
February 21, 2023	<ul style="list-style-type: none"> <li>Gaming regulation</li> <li>Committee discussion</li> </ul>	<ul style="list-style-type: none"> <li>Oregon State Police Gambling Regulatory Activities</li> <li>Overview of Oregon DOJ Charitable Activities Section</li> <li>Committee Discussion about Future Agenda Topics</li> </ul>
February 28, 2023	<ul style="list-style-type: none"> <li>Sports betting</li> <li>Gaming machines</li> </ul>	<ul style="list-style-type: none"> <li>Overview of Sports Betting and E-Sports Betting, Continued</li> <li>Overview of Gambling Machines and Games</li> </ul>
March 7, 2023	<ul style="list-style-type: none"> <li>Public hearings of measures</li> </ul>	<ul style="list-style-type: none"> <li>HB 2261 – Public Hearing</li> <li>HB 3154 – Public Hearing</li> </ul>
March 14, 2023	<ul style="list-style-type: none"> <li>Oregon Racing Commission</li> <li>Public hearing</li> </ul>	<ul style="list-style-type: none"> <li>Overview of Oregon Racing Commission</li> <li>HB 3514 – Public Hearing</li> </ul>
March 21, 2023	<ul style="list-style-type: none"> <li>Work Sessions</li> <li>Tribal compacts</li> <li>Committee discussion</li> </ul>	<ul style="list-style-type: none"> <li>HB 2261 – Work Session</li> <li>History of Tribal Compacts and the “One Casino, One Tribe” Position</li> <li>HB 3514 – Work Session</li> <li>Committee Discussion about Future Agenda Topics</li> </ul>

Meeting Date	Topics	Agenda Items
March 28, 2023	<ul style="list-style-type: none"> <li>Public Hearing and Work Session</li> <li>Committee discussion</li> </ul>	<ul style="list-style-type: none"> <li>HB 3154 – Public Hearing</li> <li>HB 3514 – Work Session</li> <li>Committee Discussion about Future Agenda Topics</li> </ul>
April 4, 2023	<ul style="list-style-type: none"> <li>Work Sessions</li> </ul>	<ul style="list-style-type: none"> <li>HB 3154 – Work Session</li> <li>HB 3514 – Work Session</li> </ul>
April 25, 2023	<ul style="list-style-type: none"> <li>The “One Casino, One Tribe” Position</li> </ul>	<ul style="list-style-type: none"> <li>A Tribal Perspective: History of Tribal Compacts in Oregon and the “One Casino, One Tribe” Position</li> </ul>
May 9, 2023	<ul style="list-style-type: none"> <li>Impact of the Lottery on tribes</li> </ul>	<ul style="list-style-type: none"> <li>ECONorthwest Report Presentation: The Contribution of Indian Gaming to Oregon’s Economy in 2018 and 2019</li> </ul>
May 16, 2023	<ul style="list-style-type: none"> <li>Lottery retail contracts</li> </ul>	<ul style="list-style-type: none"> <li>Overview of Oregon State Lottery Retail Contracts</li> </ul>
May 23, 2023	<ul style="list-style-type: none"> <li>Video Lottery</li> <li>Committee discussion</li> </ul>	<ul style="list-style-type: none"> <li>Video Lottery Program Overview</li> <li>Committee Discussion about Future Agenda Topics</li> </ul>
May 30, 2023	<ul style="list-style-type: none"> <li>Problem gaming</li> <li>Sports betting</li> </ul>	<ul style="list-style-type: none"> <li>Oregon State Lottery Responsible Gaming Overview</li> <li>Sports Betting Refresher</li> </ul>

Source: Legislative Policy and Research Office

## Section 2: Meeting Summaries

The Committee met throughout the regular legislative session and focused on gaming, its impact, and its current regulatory structure. This section provides information about each meeting, including a summary and a list of the presenters. See [Appendix A](#) for hyperlinked meeting materials.

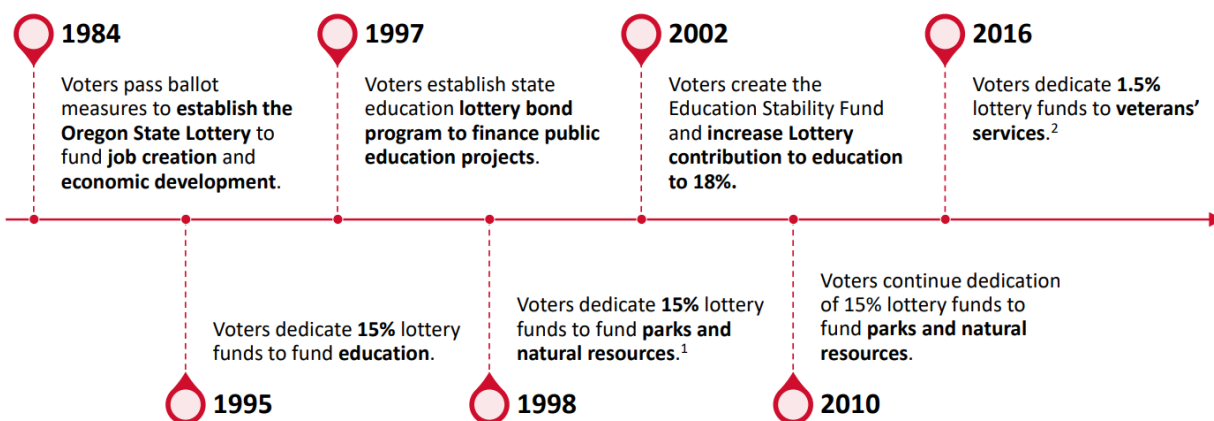
### Meeting 1: January 24, 2023

The first meeting served as the Organizational Meeting, during which the members adopted committee rules. The Committee reviewed the Joint Interim Committee on Gambling Regulation's work and its Interim Report. It also voted to introduce three legislative concepts as Committee measures. The Committee received invited oral testimony from the individuals listed below:

- Mike Wells, Interim Director, Oregon State Lottery
- Matt Shelby, Chief Communications Officer, Oregon State Lottery

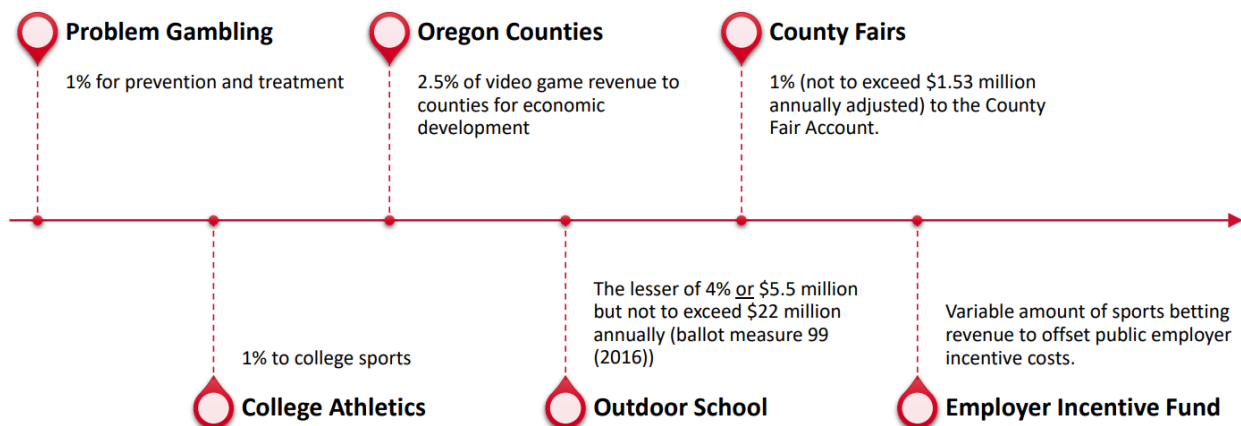
The Committee spent the balance of the meeting learning about the Oregon State Lottery. Mike Wells, Interim Director of the Oregon State Lottery, presented with Matt Shelby, Chief Communications Officer. The Committee learned about the establishment of the Oregon State Lottery through a constitutional amendment approved by voters and that the Lottery must be operated to produce the maximum amount of net revenues. The Committee learned the Lottery must be self-supporting and return at least 84 percent of total revenue back to the public in the form of prizes and funding for public programs. The Committee learned about the distribution of lottery revenue to constitutional and statutory beneficiaries after debt service (Figures 2 and 3).

**Figure 2: Constitutional Lottery Beneficiaries Added Over Time**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on January 24, 2023, PDF at 10, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/258960>.

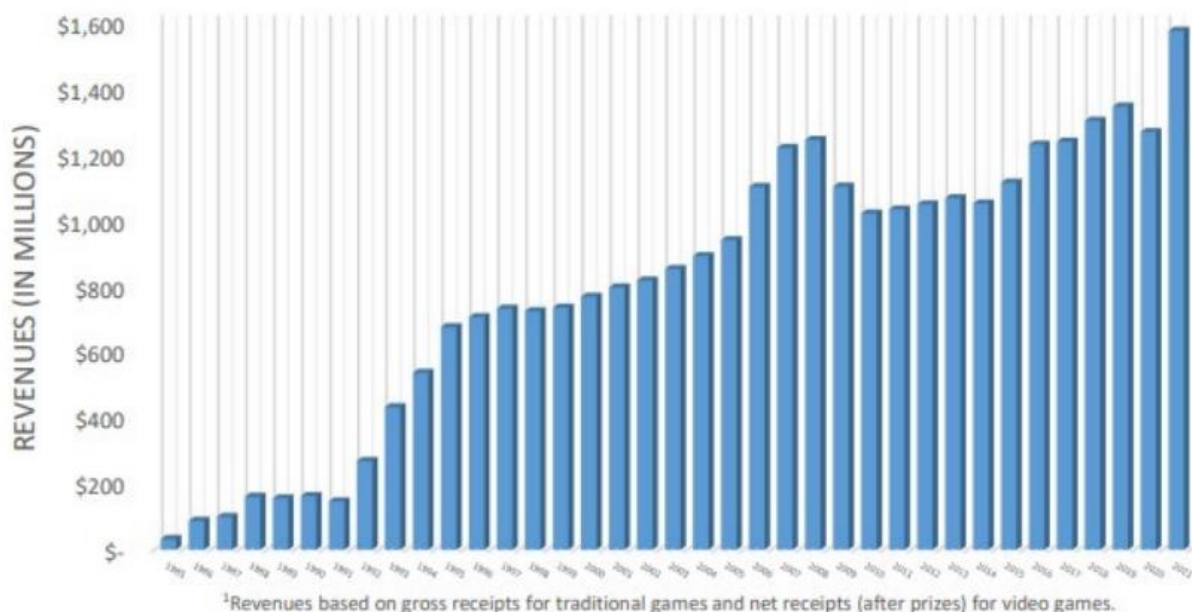
**Figure 3: Statutory Lottery Beneficiaries**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on January 24, 2023, PDF at 11, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/258960>.

Lottery staff presented data showing that Oregon's lottery revenues increased in 2021 after declining during 2019 and 2020 (Figure 4), and provided background on lottery revenue bonds.

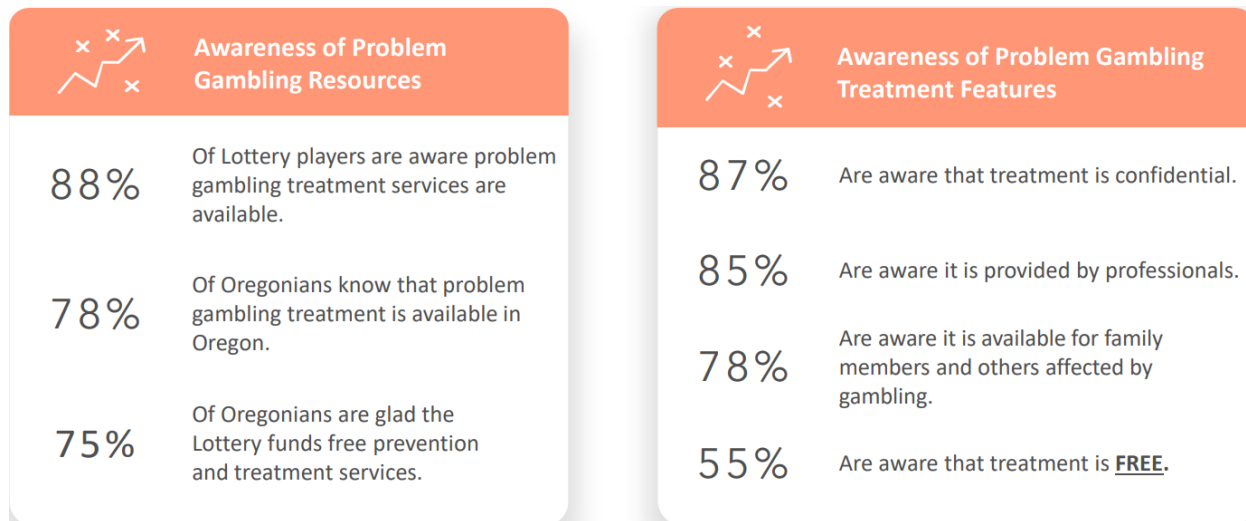
**Figure 4: Total Oregon Lottery Revenues by Fiscal Year, 1986-2021**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on January 24, 2023, PDF at 12, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/258960>.

They explained that the Lottery's ~3,800 contracted retail partners were responsible for more than \$1.6 billion in sales and earned more than \$310 million in commissions for the 2022 fiscal year. They also provided background on the Lottery's Responsible gaming Code of Practice and statistics on statewide problem gambling awareness (Figure 5).

**Figure 5: Problem Gambling Awareness**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on January 24, 2023, PDF at 22, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/258960>.

The Committee learned that the agency has "paused" video lottery applications while it finds a solution to ongoing inventory issues related to video lottery terminals.

## Meeting 2: January 31, 2023

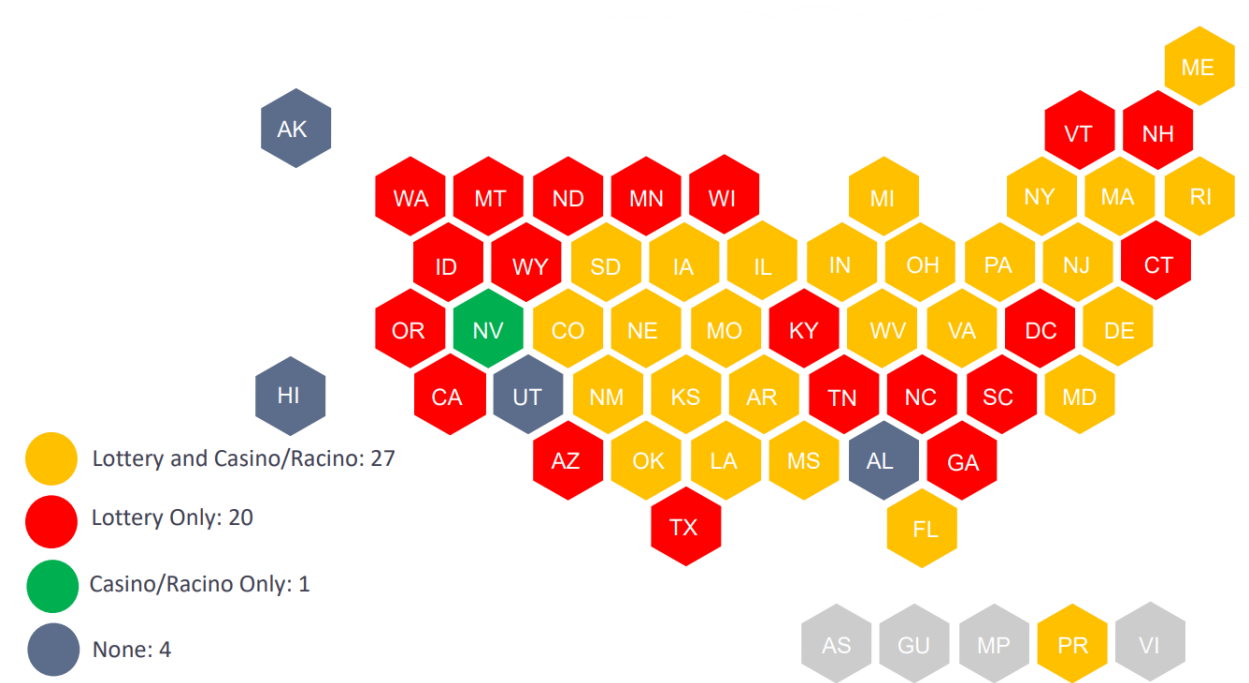
The Committee learned about two topics during this meeting: 1) national trends in gaming; and 2) problem gambling, gambling addiction, and access to treatment. The Committee received invited oral testimony from the following individuals:

- Jackson Brainerd, Program Principal, Fiscal Affairs Program, National Conference of State Legislatures (NCSL)
- Greta Coe, Problem Gambling Services Manager, Oregon Health Authority
- Nicole Corbin, Manager, Addiction Treatment, Recovery, and Prevention, Office of Behavioral Health Services, Oregon Health Authority
- Tim Murphy, Chief Executive Officer, Bridgeway Recovery Services, Inc.

Jackson Brainerd, Program Principal, Fiscal Affairs Program, National Conference of State Legislatures, presented information about national trends in state gaming. The Committee learned how the various states regulate gaming (Figures 6-8), and that most states that allow casino gambling require participants to be at least 21 years of age and most states that allow lotteries require participants to be at least 18 years of age.

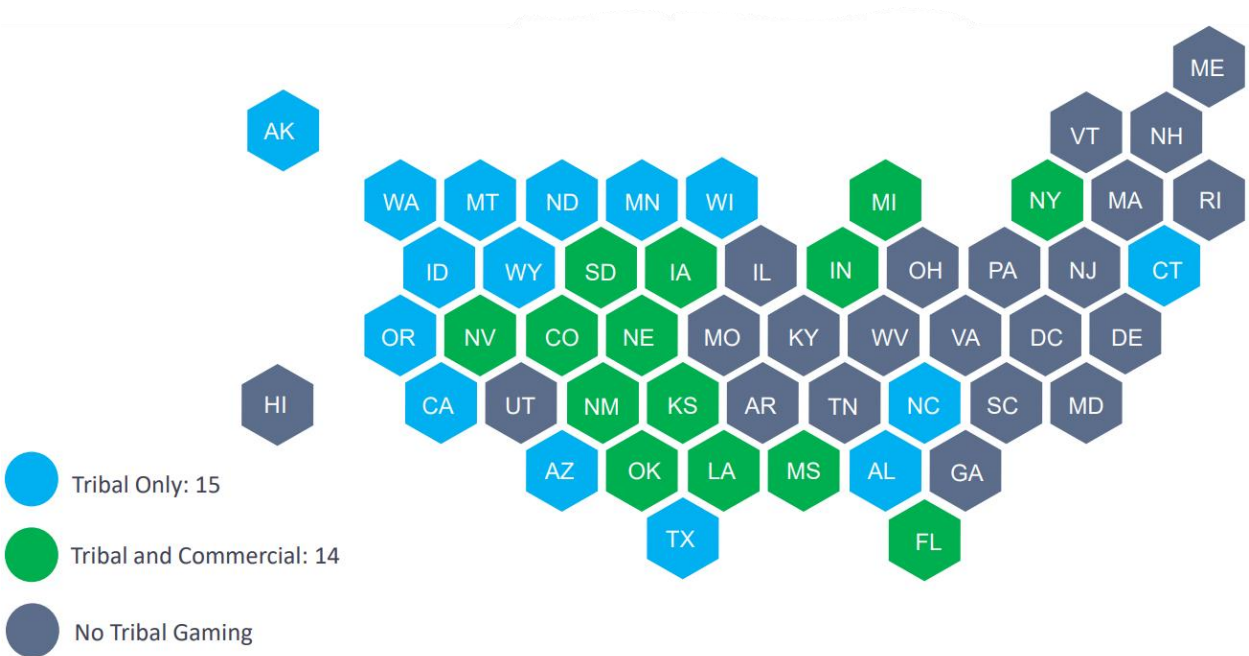


Figure 6: Legal Gambling in the States



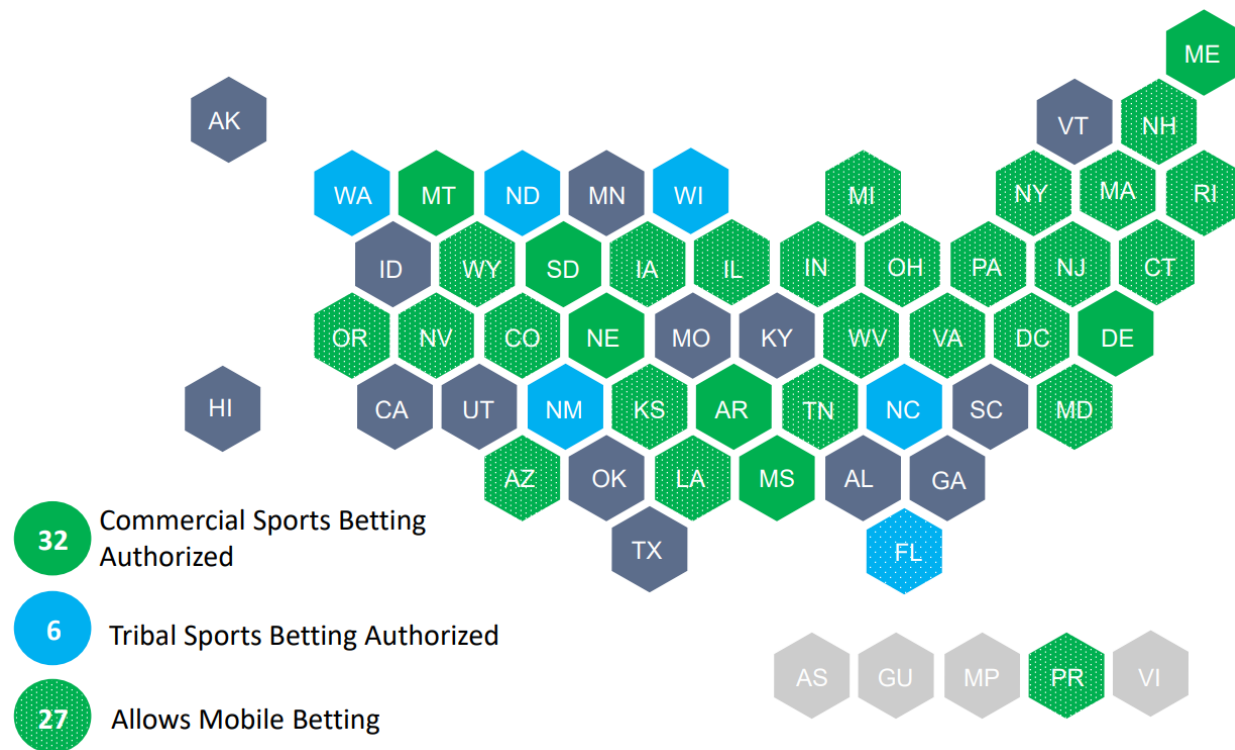
Source: Presentation by the National Conference of State Legislatures before the House Committee on Gambling Regulation on January 31, 2023, PDF at 2, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/259706>.

Figure 7: Tribal Gaming in the States



Source: Presentation by the National Conference of State Legislatures before the House Committee on Gambling Regulation on January 31, 2023, PDF at 3, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/259706>.

**Figure 8: Legal Status of Sports Betting in the States**



Source: Presentation by the National Conference of State Legislatures before the House Committee on Gambling Regulation on January 31, 2023, PDF at 19, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/259706>.

Mr. Brainerd explained that pre-pandemic gaming trends included signs of market saturation and that lotteries and casinos were looking to broaden their appeal to younger gamblers with new games and more opportunities. He also presented both casino and lottery revenues for several states which generally, but not uniformly, showed that gaming revenues declined from 2019 to 2020 and recovered in 2021 (Figure 9).

**Figure 9: Select State Lottery Proceeds (in thousands)**

	2016	2017	2018	2019	2020	2021	2016-2021 % change	2019-2020 % change
National	\$22,829,459	\$22,055,045	\$23,206,684	\$25,019,727	\$23,384,344	\$26,860,610	17.6%	-6.5%
Arizona	\$210,837	\$196,993	\$215,657	\$250,916	\$243,284	\$317,136	50.4%	-3.0%
California	\$1,979,117	\$1,910,944	\$2,118,289	\$2,296,810	\$1,904,290	\$2,460,358	24.3%	-17.1%
Colorado	\$141,371	\$133,050	\$140,231	\$164,032	\$140,130	\$167,506	18.4%	-14.6%
Idaho	\$52,312	\$48,919	\$54,603	\$60,849	\$55,915	\$72,550	38.6%	-8.1%
Illinois	\$717,789	\$725,980	\$652,204	\$747,734	\$690,984	\$769,562	7.2%	-7.6%
Maryland	\$692,928	\$528,994	\$579,787	\$614,150	\$595,511	\$698,510	0.8%	-3.0%
Montana	\$17,968	\$21,909	\$19,188	\$17,970	\$15,217	\$9,895	-44.9%	-15.3
New York	\$3,322,718	\$3,292,253	\$3,384,440	\$3,510,750	\$3,314,434	\$3,017,278	-9.1%	-5.6%
Oregon	\$614,724	\$694,769	\$722,998	\$738,944	\$576,156	\$630,486	2.5%	-22.0%
Texas	\$1,402,375	\$1,343,212	\$1,465,117	\$1,624,473	\$1,674,006	\$1,988,465	41.8%	3.0%
Washington	\$180,811	\$159,709	\$181,997	\$210,502	\$180,111	\$227,276	25.6%	-14.4%

Source: Presentation by the National Conference of State Legislatures before the House Committee on Gambling Regulation on January 31, 2023, PDF at 7, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/259706>.

Mr. Brainerd also presented information about four lottery case studies: California, Colorado, Idaho, and Washington (Figure 10).

**Figure 10: Lottery Case Studies: California, Idaho, and Washington**

California		Idaho	
<b>Major Games and Net Sales in FY 2021 (in millions)</b>		<b>Major Games and Net Sales in FY 2021 (in millions)</b>	
Scratchers: \$6,409.5 (76.1%)		PowerBall: \$26.3	Scratch Tickets: \$241.2
Mega Millions: \$529.1 (6.29%)		Pick 3: \$2.7	PullTab Tickets: \$2.0
PowerBall: \$408.3 (4.85%)		Mega Millions: \$19.8	TouchTab Tickets: \$64.8
SuperLotto +: \$261.4 (3.1%)		Weekly Grand: \$1.7	
Hot Spot: \$373.3 (4.4%)		Lucky for Life: \$3.3	
Fantasy 5: \$174.5 (2.1%)		Lotto America: \$2.3	
Daily 3: \$186.2 (2.2%)		Idaho Cash: \$1.8	
Daily Derby: \$37.9 (0.5%)		5 Star Draw: \$2.8	
Daily 4: \$37.8 (0.5%)		2by2: \$0.2	
		Pick 4: \$0.6	
		Raffle: \$2.5	
<b>Apportionment of Funds</b>		<b>Apportionment of Funds</b>	
Prizes: 66.6%		Prizes: 67.8%	
Costs/Operating Expenses: 11.3%		Operating Expenses: 12.7%	
State Proceeds Available: 22.1%		State Proceeds Available: 19.5%	
Washington		Colorado	
<b>Major Games and Net Sales in FY 2021 (in millions)</b>		<b>Major Games and Net Sales in FY 2021 (in millions)</b>	
Scratch: \$701.2 (73.8% of total sales)		Cash 5: \$15.9	
MegaMillions: \$70.9 (7.5% of total sales)		Cash 5 EZ Match: \$2.6	
PowerBall: \$57.8 (6.1% of total sales)		Colorado Lotto+: \$48.0	
Lotto: \$39.3 (4.1% of total sales)		Lucky For Life: \$15.5	
Hit 5: \$22.1 (2.7% of total sales)		Mega Millions: \$57.1	
Match 4: \$14.3 (1.6% of total sales)		Pick 3: \$15.9	
Pick 3: \$23.2 (2.4% of total sales)		Powerball: \$66.9	
Daily Keno: \$6.4 (0.7% of total sales)		Scratch: \$573.0	
<b>Apportionment of Funds</b>		<b>Apportionment of Funds</b>	
Prizes: 63.34%		Prizes: 69.7%	
Administration: 12.64%		Administration: 7.2%	
State Proceeds Available: 23.47%		State Proceeds Available: 23.0%	

Source: Presentation by the National Conference of State Legislatures before the House Committee on Gambling Regulation on January 31, 2023, PDF at 12-16, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/259706>.

Related to recent developments in gaming, Mr. Brainerd provided background on recent gaming expansions in other states and 2023 gaming proposals in other states. He focused on the recent movement by various states to expand sports betting, providing background on sports betting tax rates and licensing fees. He also focused on state efforts to address gambling addiction including self-exclusion lists, toll-free hotlines, and revenue dedicated to problem gambling issues.

The Committee heard two presentations about gambling addiction and access to services. The first was given by Greta Coe and Nicole Corbin from the Oregon Health Authority (OHA).<sup>33</sup> The Committee learned that as of 2015, an estimated 2.6 percent of Oregon adults (about 88,000) experienced moderate or serious problems with gambling, and an additional 5.4 percent of adults were at risk of problems with gambling. As of 2016, an estimated 2.2 percent of Oregon adolescents were at risk or met the definition of disordered gambling. OHA staff explained that Oregon's Problem Gambling Services system is financed by a dedicated allocation of one percent of the state's lottery revenue funds, approximately \$16 million per biennium, and integrated into the state's behavioral health system.

As of January 1, 2023, gambling disorder treatment is a Medicaid-covered service in Oregon with a federal match. Services include prevention and awareness programs in 34 counties; a statewide 24/7 helpline; and a range of treatment programs. All services are free, not only to the individual experiencing disordered or problem gambling, but also to individuals who are negatively impacted by that behavior, such as family and friends. Ms. Coe and Ms. Corbin also presented information about OHA's recent accomplishments and plans for future improvements.

The Committee then heard from a service provider—Bridgeway Recovery Services.<sup>34</sup> Tim Murphy, the Chief Executive Officer, explained that Bridgeway Recovery Services has a contract with OHA to provide treatment services, and that this is the only residential treatment program in Oregon. He stated that gambling not only brings in enormous revenue to the state, but that it also hurts people and destroys lives. He posed the question of how to reconcile these two facts. As one solution, Mr. Murphy requested that the Committee analyze the Lottery's advertising budget and consider eliminating state-funded lottery advertising. He suggested that if people were not constantly reminded about gambling, then they may not do it as often. He also said that gambling is stigmatized by society, so people are hesitant to seek treatment. He suggested that the state could do a better job of explaining that effective treatment is available.

### Meeting 3: February 7, 2023

The Committee received invited oral testimony from the individuals listed below:

- Jacqueline Knights, Director, Debt Management Division, Oregon State Treasury
- Renee Klein, Capital Finance and Planning Manager, Chief Financial Office, Oregon Department of Administrative Services
- Jerry Scott, President and Chief Executive Officer, Elmer's Restaurants, Inc.

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<sup>33</sup> Presentation by the Oregon Health Authority to the House Committee on Gambling Regulation on January 31, 2023. At <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/259650>

<sup>34</sup> Testimony of Executive Director, Tim Murphy, in Oregon State Legislature, House Committee on Gambling Regulation, on Problem Gambling, January 31, 2023. <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/261815> (last visited June 16, 2023).

- Julie Hoy, Owner, Geppetto's Italian Restaurant; Salem City Councilor, Ward 6
- Greg Astley, Director of Government Affairs, Oregon Restaurant and Lodging Association
- Bill Perry, Oregon Restaurant and Lodging Association

During this meeting, the Committee learned about bonding against Lottery revenue and about the impact of video lottery terminals (VLTs) on retailers who contract with the Lottery.

The Oregon State Treasury and the Oregon Department of Administrative Services presented information about the Lottery bond program—including the bond issuance process (Figure 11) and the flow of revenue (Figure 12)—and their respective roles in the process. They also discussed historical debt service coverage, the current projected debt profile, currently funded projects and their due diligence.<sup>35</sup>

**Figure 11: Lottery Revenue Bond Issuance Process**



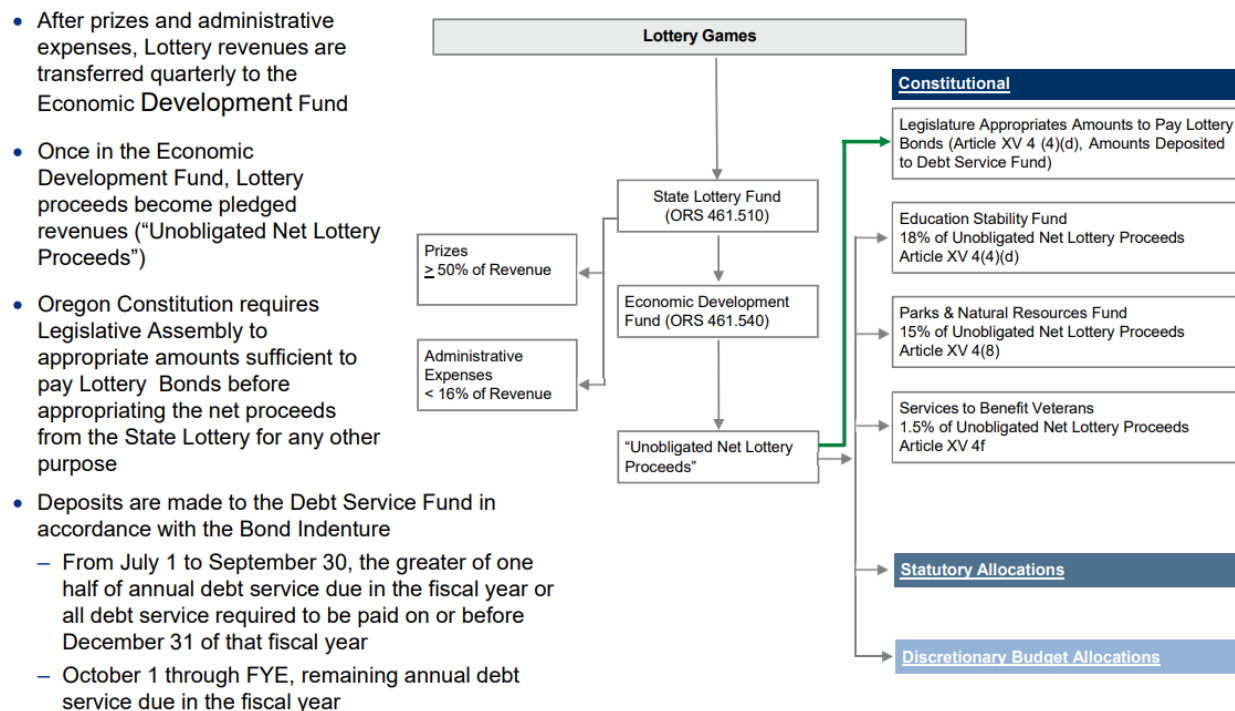
Source: Presentation by the Oregon State Treasury and Department of Administrative Services before the House Committee on Gambling Regulation on February 7, 2023, PDF at 5, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/260435>.

<sup>35</sup> Presentation by Jacqueline Knights, Director, Debt Management, Office of the State Treasurer; Renee Klein, Capital Finance and Planning Manager, Department of Administrative Services, Informational on Lottery Revenue Bond Program to the House Committee on Gambling Regulation, February 7, 2023). <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/260435> (last accessed on June 16, 2023).



**Figure 12: Lottery Bond Program Flow of Funds**

The payment of Lottery Revenue Bond debt service has a priority claim on Lottery Revenue after Prizes and Administrative Expenses



Source: Presentation by the Oregon State Treasury and Department of Administrative Services before the House Committee on Gambling Regulation on February 7, 2023, PDF at 6, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/260435>.

Next, the Committee received information about the impact of the Lottery on its contracted retailers from the perspective of two restaurant owners, and from the Oregon Restaurant and Lodging Association. Concerning business growth and sustainability, one owner stated that while Lottery revenue has allowed their business to expand, it is also the cause of the largest growing expense—safety and security. In contrast, the other owner stated that they are dependent on the Lottery to stay in business. Both owners stated that the Lottery helped their businesses survive the pandemic.

The Committee also learned that there is high demand for video lottery terminals (VLTs) with updated software/games, not only in the restaurants that already have them, but in those that are on the waiting list to receive them.

During this meeting, the members also discussed future agenda items.

### Meeting 4: February 14, 2023

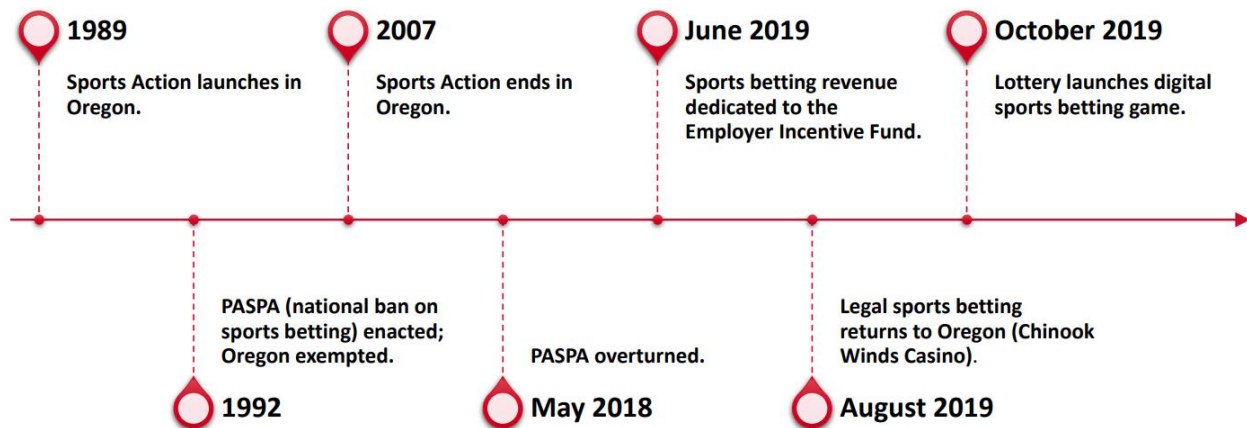
This meeting focused on the Oregon Lottery Commission (Commission) and sports betting. The Committee heard from the Commission, the Lottery, and DraftKings. The Committee received invited oral testimony from the individuals listed below:

- MardiLyn Saathoff, Chair, Oregon Lottery Commission
- Matt Shelby, Chief Communications Officer, Oregon State Lottery
- Kerry Hemphill, Sports Betting Product Manager, Oregon State Lottery
- Kevin Cochran, Director, Legal and Government Affairs, DraftKings Inc.

The Committee learned about the mission, functions, and history of the Commission, and its relationship with the Lottery in its oversight role. The members discussed VLTs and how the Commission and the Lottery are updating the software and redistributing the VLTs to contracted retailers. They also talked about the impact of the pandemic on the process of updating the VLTs, which caused significant delays. The members learned that the Lottery does not offer cash-less play, meaning that players are unable to use credit cards to play on the VLTs, and that the Lottery does not currently plan to offer that, due to technological limitations, and considering the public good. Members also asked about the Commission's strategic plan, best practices, and how market saturation is determined.

Next, the Committee received presentations about sports betting, as offered by the Lottery through DraftKings. The Committee heard that sports betting typically appeals to different players than those who prefer VLTs, which includes a population that is about 84 percent male that skews younger than the typical Lottery player. The Committee learned about the Lottery's history of sports betting and its transition to DraftKings in 2022 (Figure 13).

**Figure 13: Brief History of Oregon Sports Betting (excluding parimutuel)**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on February 14, 2023, PDF at 2, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/261117>.

The Lottery explained the differences in revenue between sports betting and VLTs and stated that sports betting is a complementary product that will never replace VLTs. The Committee also learned a key difference between sports betting offered in tribal casinos versus what the Lottery offers—tribal casinos offer sports betting in casinos only, and



also offer collegiate sports betting, and the Lottery offers fully digital geofenced sports betting, with a large library of offerings that does not include collegiate sports.

Next, the Committee heard from DraftKings. Due to time limitations, this presentation was brief. Please see the February 28 meeting summary for a continuation of this presentation.

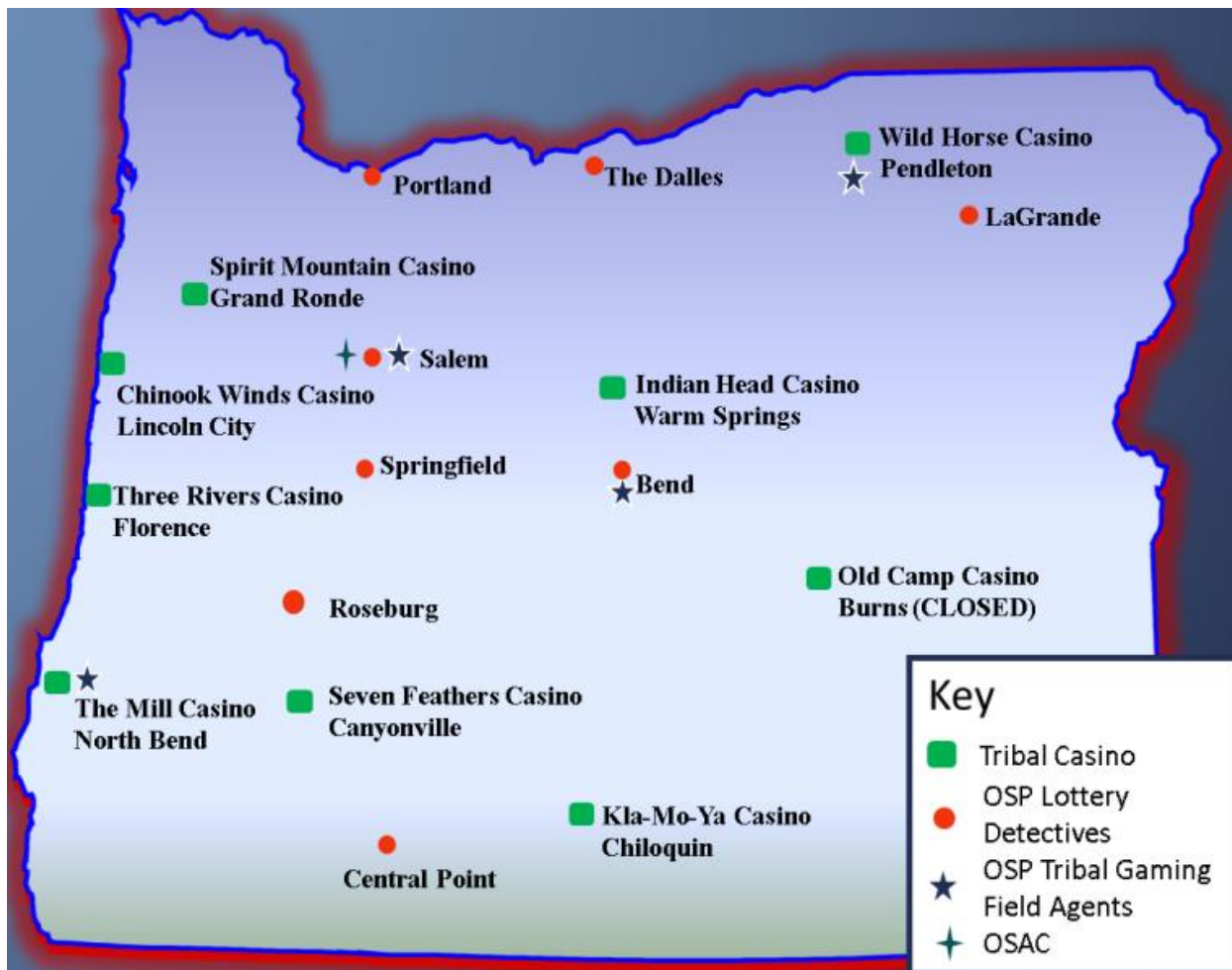
### **Meeting 5: February 21, 2023**

The Committee heard from the Oregon State Police (OSP) and the Oregon Department of Justice (DOJ) about their roles in regulating gaming in Oregon from the individuals listed below:

- Tim Fox, Captain, Gaming Enforcement Division, Oregon State Police
- Elizabeth Grant, Attorney in Charge, Charitable Activities Section, Oregon Department of Justice

The Committee learned that the OSP Gaming Enforcement Division regulates aspects of the Lottery, tribal gaming, and the Oregon State Athletic Commission, and learned about authority and staffing for each (Figure 14 on next page). Concerning tribal gaming, it learned that OSP provides support to tribal gaming commissions to ensure that all Class III casinos are operated with fairness, integrity, security, and honesty (FISH) —or that they maintain the FISH.

**Figure 14: OSP Gaming Enforcement**



Source: Presentation by the Oregon State Police before the House Committee on Gambling Regulation on February 21, 2023, PDF at 3, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/261901>.

The Committee also learned about nonprofit gaming, as regulated by the DOJ Charitable Activities Section. DOJ reported that relatively few of the state's approximately 23,000 registered charities engaged in significant gaming activity, which reported administering approximately 130 Bingo, 300 Raffle, and 50 Monte Carlo licenses that must be renewed by registered charitable organizations each year.<sup>36</sup>

<sup>36</sup> Presentation by Assistant Attorney General, Elizabeth Grant, Oregon Department of Justice, before the House Committee on Gambling Regulation on February 21, 2023. <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/262014> (last accessed June 16, 2023).

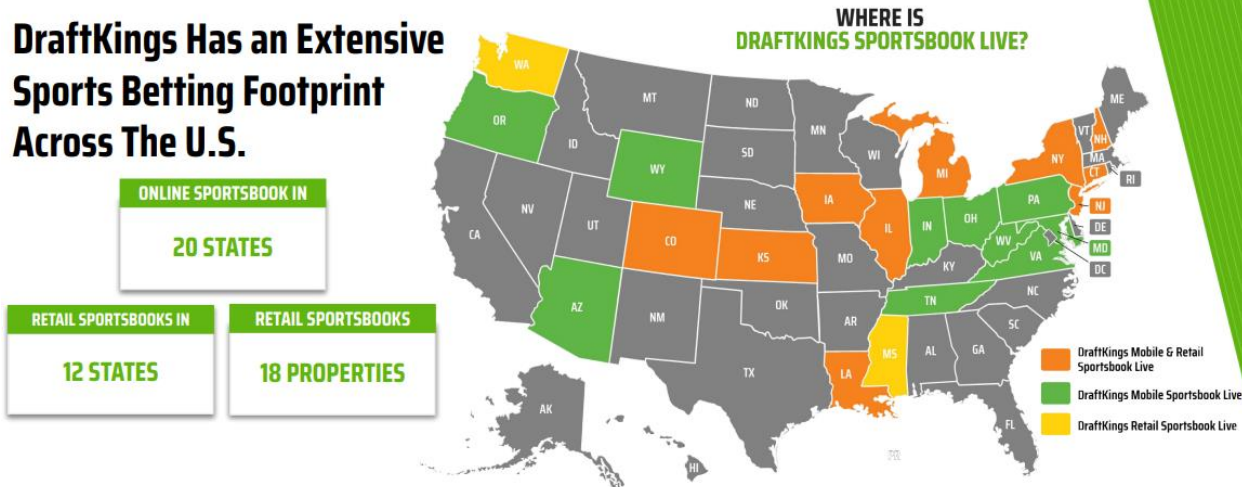
## Meeting 6: February 28, 2023

The Committee received invited oral testimony from the individuals listed below:

- Kevin Cochran, Director, Legal and Government Affairs, DraftKings Inc.
- Julie Heinz, Senior Manager, Responsible Gaming, DraftKings Inc.
- James Acres, President, Acres Bonusing Inc.

The beginning of this meeting served as a continuation of the sports betting presentation from DraftKings from February 14, as this presentation was abbreviated due to limited time. The Committee learned about DraftKings' activity in Oregon and nationwide (Figure 15), and heard its observations about collaboration, innovation, people and technology, and offerings.

**Figure 15: DraftKings National Sports Betting Services**



Source: Presentation by DraftKings before the House Committee on Gambling Regulation on February 28, 2023, PDF at 4, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/262713>.

The Committee learned that Oregon is the only state in which DraftKings offers its product and does not offer collegiate sports betting. The Committee also learned about DraftKings' Responsible Gaming Program and its missions and activities. DraftKings stated that player protection is important to the company and that education about problem gaming is critical.

The second part of this meeting focused on the categories of gaming—including interstate, non-tribal intrastate, and tribal—and the types of gambling machines and games. The Committee learned about the history and complexity of bingo, including how bingo machines often look like slot machines. The Committee was urged to not confuse games with regulatory regimes or technological implementations.

### **Meeting 7: March 7, 2023**

The Committee scheduled, and held, two public hearings: one for [House Bill 2261](#) (2023) and one for [House Bill 3154](#) (2023).

### **Meeting 8: March 14, 2023**

The Committee received invited oral testimony from Connie Winn, Executive Director, Oregon Racing Commission. The Committee learned that the Oregon Racing Commission (ORC) regulates all:

- on-track equine activities at the commercial racetrack;
- equine racing activities at the county fairs;
- equine and canine wagering and related activities at the Off-Track Betting locations; and
- equine and canine online wagering through the agency's licensed multi-jurisdiction account wagering hubs.

They learned about the agency's statutory authority and the wide range of public officials, regulators, licensed professionals, and professional associations that the ORC works with in carrying out its duties. The Committee learned that the ORC provides access to dog racing to people outside of Oregon through the agency's multi-jurisdictional totalizator hub that facilitates bets on international dog races. The Committee discussed both dog and horse racing, and how the county fair horse race purses are funded.

The Committee held a public hearing for [House Bill 3514](#) (2023). The Committee scheduled two possible work sessions, for the purpose of discussion, and, due to time, was unable to hold them. They were for [House Bill 2261](#) (2023) and [House Bill 3154](#) (2023).

### **Meeting 9: March 21, 2023**

The Committee received invited oral testimony from Danny Santos, Tribal Affairs Consultant, Office of the Governor. During this meeting, the Committee learned about the history of tribal compacts and the "one casino, one tribe" position. Mr. Santos said that the position he currently holds is the first ever in a Governor's office, and that he is helping to establish the Office of Tribal Affairs. He clarified that it is not meant to be a replacement or a substitution for the Legislative Commission on Indian Services; rather, it is a policy office that would work with other policy advisors and with the tribes on policies, such as that for tribal gaming.

Next, Mr. Santos talked about the history of the "one casino, one tribe" position, first taken by Governor Barbara Roberts and upheld by subsequent executives, and explained how that position was enshrined in compact agreements related to gaming on tribal land between each tribe and the State of Oregon. He stated that Governor Kotek is not in favor of expanding gaming and that she favors maintaining the status quo of

past Governors. He also stated that the current status of tribal gaming establishes winners and losers, meaning that isolated tribes are not able to maintain casinos, due to the lack of traffic, and therefore are not able to provide the same services as those which other casinos are able to provide. The Committee also learned that there are currently no compact negotiations taking place.

The Committee held two work sessions: one for [House Bill 2261](#) (2023) and [House Bill 3514](#) (2023). Finally, the Committee discussed future agenda topics, including the social impacts of gambling, bills in the Committee, and the following meeting's posted agenda.

### **Meeting 10: March 28, 2023**

The Committee scheduled a public hearing and a possible work session for [House Bill 3154](#) (2023). The possible work session was not held. For the public hearing, each of the nine federally recognized tribes in Oregon were invited to register to testify. See meeting 12 on April 25 for a summary of three tribes that presented to the Committee.

The Committee also scheduled a work session for [House Bill 3514](#) (2023). The work session was held, for the purpose of discussion only.

### **Meeting 11: April 4, 2023**

Two work sessions were held: one for [House Bill 3154](#) (2023) and one for [House Bill 3514](#) (2023). The Committee took action on both measures.

### **Meeting 12: April 25, 2023**

This meeting focused on the tribal perspective of the history of compacts in Oregon and the “one casino, one tribe” position. All nine federally recognized tribes in Oregon were invited to present, and three accepted. The Committee received invited oral testimony from the individuals listed below.

- Delores Pigsley, Tribal Chairman, Confederated Tribes of Siletz Indians
- Craig Dorsay, Tribal Attorney, Confederated Tribes of Siletz Indians
- Gail Hatcher, Vice Chairwoman, The Klamath Tribes
- Brenda Meade, Tribal Chair, Coquille Indian Tribe
- Scott Crowell, Tribal Attorney, Coquille Indian Tribe

Each tribe that presented provided a brief tribal history—including information about historic lands—and their history of tribal gaming, including about their Class II and Class III casino(s) and their respective compacts with the State of Oregon. They provided information about the significant impacts of gaming revenue, which is used to fund essential services, including health care, education, public safety, and other important programs.

Concerning the “one casino, one tribe” position, officials for the Confederated Tribes of Siletz Indians provided background on their own compact agreement with the state,

including a temporary provision enacted in 1999 and sunseting five years from enactment, wherein the tribe agreed to waive any right under Federal law to negotiate with the State for Class III gaming at any other location than the one authorized in Lincoln City. The tribal officials stated that a “one casino, one tribe” policy does not formally exist, and that some tribes promote this position due to, what those tribes may view as, competition to their casinos. The Klamath Tribes stated that they do not follow the “one casino, one tribe” position and explained that all tribes are different, said that what is good for one tribe may not be good for another, and expressed caution about where additional casinos may be located. Finally, the Coquille Indian Tribe also stated that the “one casino, one tribe” position does not exist and agreed that it is indeed due to the fear of competition.

Several additional issues were discussed, including the federal Indian Gaming Regulatory Act (IGRA) and its relationship to state regulations and compacts; purchasing tribal land back from the federal government; and how tribal land becomes viable for gaming activity.

### **Meeting 13: May 9, 2023**

The Committee learned about the 2022 report from ECONorthwest: [The Contributions of Indian Gaming to Oregon’s Economy in 2018 and 2019](#). The Committee received invited oral testimony from the individuals listed below:

- Gary George, Chairman, Oregon Tribal Gaming Alliance; Chief Executive Officer, Wildhorse Resort and Casino; Confederated Tribes of the Umatilla Indian Reservation
- Robert Whelan, Senior Economist, ECONorthwest

The Committee learned that while the report was authored by ECONorthwest, it was commissioned by the Oregon Tribal Gaming Alliance (Alliance). The Committee learned about the mission of the Alliance and that it has requested these reports for twenty years. These reports provide information about the number of people employed through tribal gaming, wages and taxes paid, generated revenue, the regulation of tribal gaming, tribal charitable contributions, and government services supported by tribal gaming revenue. The Alliance clarified that tribal gaming is done by the respective tribal governments—it is not private, which means that the revenue supports tribal services. The Alliance said that the Oregon State Lottery is the biggest casino in the state, and that the percentage of gaming revenue is steadily increasing at the expense of tribal gaming.

ECONorthwest provided a history, and observations, of gaming in Oregon (Figures 16, 17, and 18). The Committee learned about how Oregon’s regulatory burden differs for tribe and commercial casinos, and heard about how gaming revenue has changed, over time. The Committee discussed whether the gaming market is saturated, and how that would be determined, and the “one casino, one tribe” position.



**Figure 16: Tribal Gaming Visits, Revenues, and Expenditures, 2010-2019**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Visitation</b>										
Casino	8,667,843	7,641,372	7,486,128	7,413,556	7,206,260	7,456,610	7,318,084	6,896,843	7,253,300	6,614,500
Hotel room nights	364,528	393,031	395,384	410,199	419,160	425,695	431,592	427,746	421,959	434,440
<b>Revenues (thou. \$)</b>										
Gaming	\$478,800	\$466,979	\$474,273	\$477,019	\$476,532	\$499,586	\$515,632	\$499,309	\$528,661	\$537,726
Food & beverage	60,709	62,074	64,924	65,805	68,224	72,348	74,662	74,672	77,330	77,734
Hotel & lodging	32,231	34,902	33,381	34,886	34,886	37,192	41,935	42,317	40,584	43,038
Retail, golf, RV & other	17,284	17,097	17,832	18,710	17,849	18,716	23,848	25,379	23,604	25,319
Less complementaries	(14,755)	(19,849)	(24,873)	(26,197)	(30,459)	(34,407)	(36,897)	(39,307)	(41,880)	(41,895)
Total Net Revenue	\$574,269	\$561,203	\$565,536	\$570,224	\$567,033	\$593,435	\$619,180	\$602,370	\$628,299	\$641,921
<b>Major Expenditures (thou. \$)</b>										
Labor	\$217,294	\$211,731	\$212,912	\$202,809	\$201,627	\$208,507	\$204,169	\$209,112	\$229,589	\$238,332
Operating & regulatory	183,296	187,617	184,873	171,381	170,647	167,749	184,878	182,643	192,702	184,012
Capital expenditures	30,456	68,719	33,551	14,260	17,558	35,538	34,801	23,110	38,919	59,357
<b>To Tribal Govt. (thou. \$)</b>	<b>\$148,208</b>	<b>\$142,137</b>	<b>\$146,768</b>	<b>\$136,154</b>	<b>\$142,905</b>	<b>\$150,833</b>	<b>\$155,613</b>	<b>\$131,488</b>	<b>\$161,073</b>	<b>\$182,930</b>

Note: In 2012 the Warm Springs relocated gaming from their Kah-Nee-Ta resort to a standalone casino, thus, hotel revenues were no longer counted as being part of gaming operations since 2012. The hotel closed in 2018. In November 2018, the Sleep Inn at Kla-Mo-Ya opened.

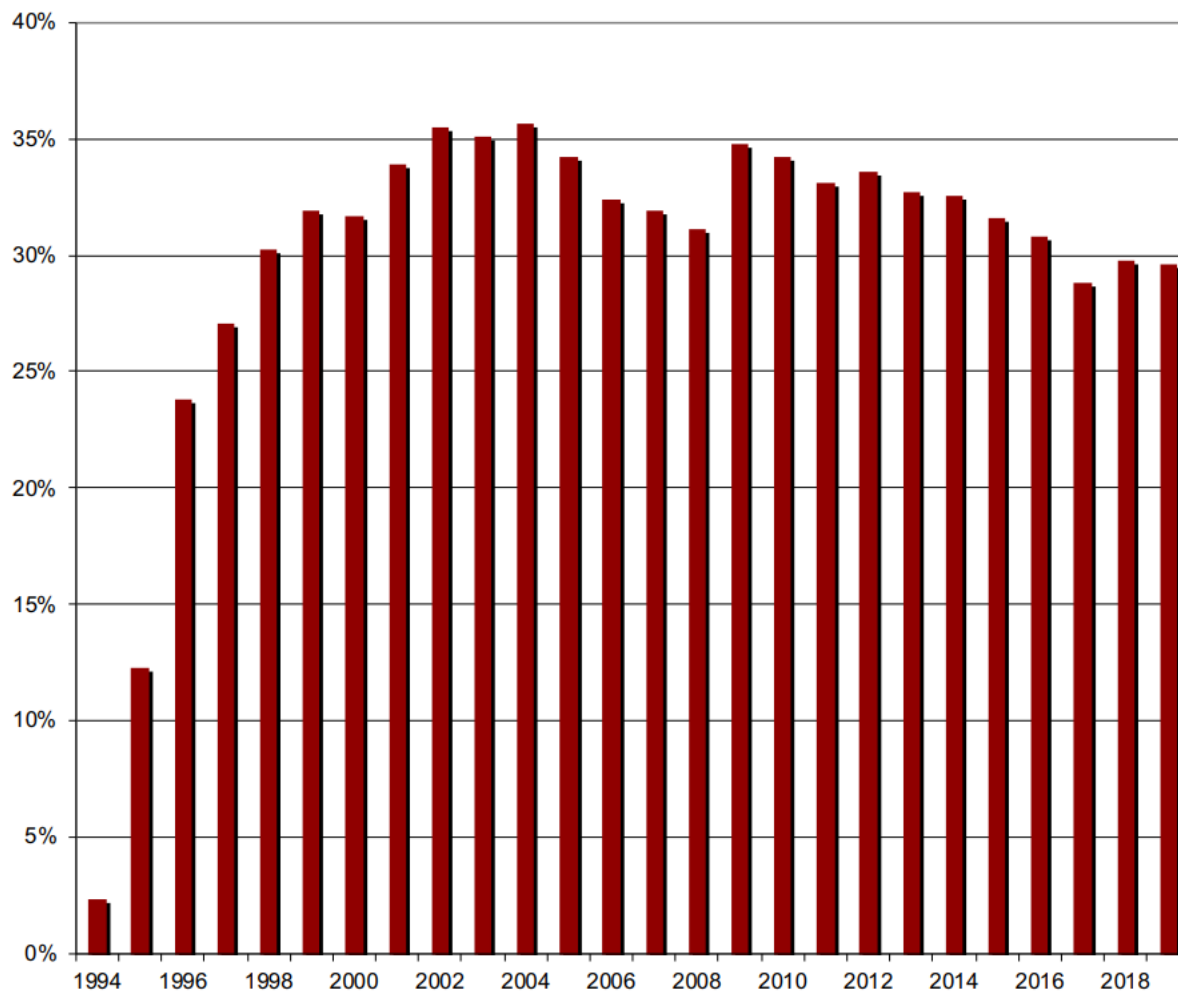
Source: ECONorthwest, "The Contributions of Indian Gaming to Oregon's Economy in 2018 and 2019: A Market and Economic Impact Analysis for the Oregon Tribal Gaming Alliance," (March 18, 2022) PDF at 24, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273165>.

**Figure 17: Gaming Revenues by Type in Oregon and by Oregonians, 2019**

Type of Gaming	Gaming Revenues in 2019	
	Conducted in Oregon	Done by Oregonians
<b>Oregon Lottery:</b>		
Scratch tickets	\$42,258,420	\$41,854,007
Megabucks lotto	15,932,552	15,809,499
Powerball lotto	20,266,202	20,258,095
Keno	32,951,836	32,506,452
Raffle	1,007,305	989,982
Pick-Four	717,331	710,925
Win for Life	834,270	828,157
Mega Millions	12,505,950	12,500,948
Lucky Lines	602,193	597,949
Scoreboard sports betting	2,924,333	2,702,084
Video games	990,708,888	966,436,521
Oregon Lottery Subtotal	\$1,120,709,280	\$1,095,194,619
<b>Other Gaming:</b>		
Indian casinos in Oregon	\$537,725,665	439,417,877
Charitable bingo	5,810,932	5,797,105
Charitable raffles	8,037,434	7,515,001
Charity casinos & fundraisers	258,268	253,103
Legal gaming outside OR	-	311,966,104
OR horse racing, OTB & Simulcasts	3,900,869	2,396,868
OR historic racing VLTs	1,231,167	935,687
OR parimutuel account wagering	7,545,987	7,545,987
Illegal Internet & other illegal	129,576,894	129,576,894
<b>TOTAL</b>	<b>\$1,814,796,497</b>	<b>\$2,000,599,245</b>
Increase from 2018	2.19%	2.12%
Gaming per person		\$474.33
Gaming as a share of income		0.89%

Source: ECONorthwest, "The Contributions of Indian Gaming to Oregon's Economy in 2018 and 2019: A Market and Economic Impact Analysis for the Oregon Tribal Gaming Alliance," (March 18, 2022) PDF at 32, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273165>.

**Figure 18: Tribal Casino Share of the Oregon Gaming Market, 1994-2019**



Source: ECONorthwest, "The Contributions of Indian Gaming to Oregon's Economy in 2018 and 2019: A Market and Economic Impact Analysis for the Oregon Tribal Gaming Alliance," (March 18, 2022) PDF at 31, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273165>.

The Committee also briefly discussed future agenda topics.



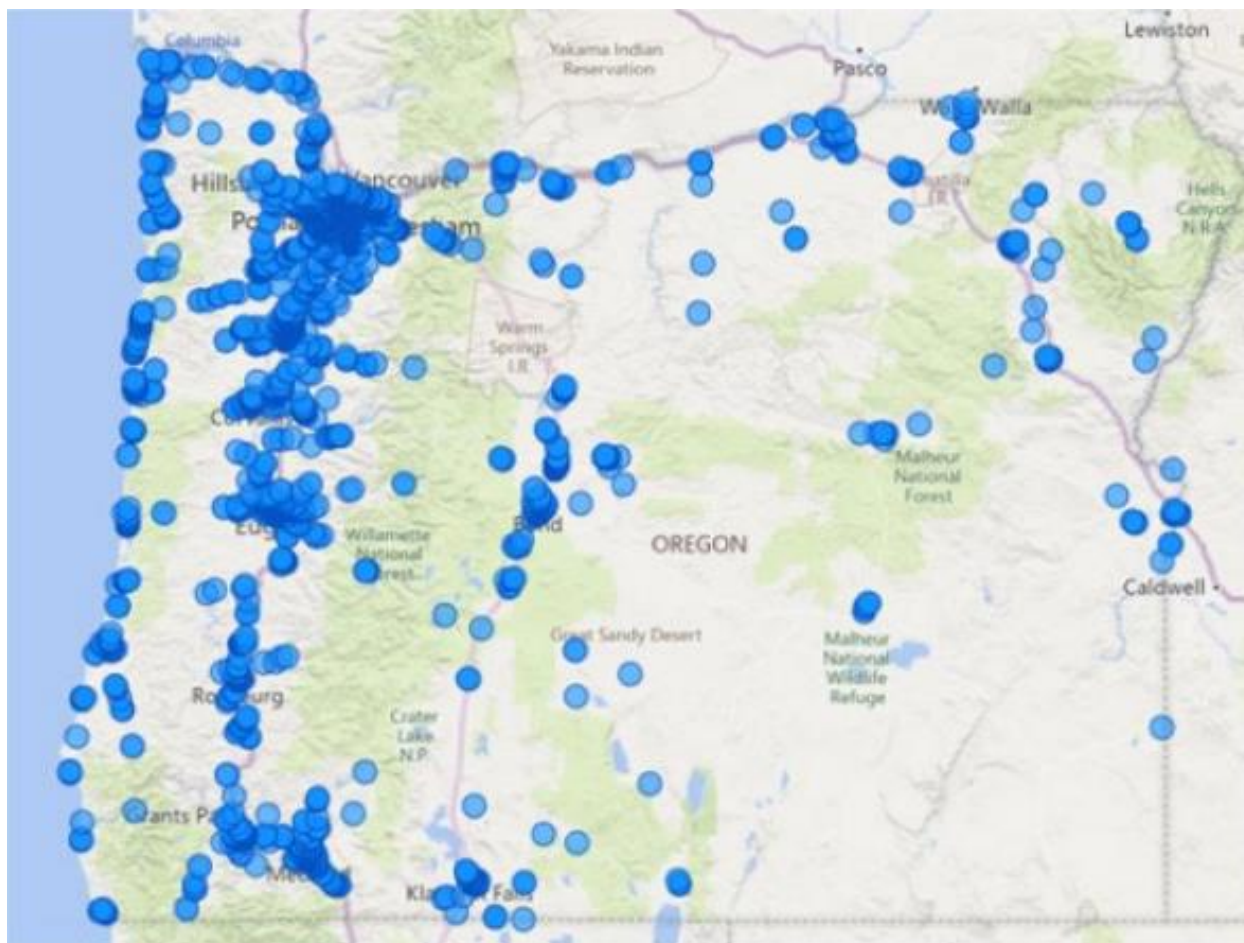
### Meeting 14: May 16, 2023

This meeting focused on Lottery retail contracts. The Lottery gave a presentation about its retailer network, its contract application process and requirements, and contract compliance activities and the casino prohibition. The Committee received invited oral testimony from the individuals listed below:

- Matt Shelby, Chief Communications Officer, Oregon State Lottery
- Tessa Hergenreter, Senior Manager, Retail Contracts, Oregon State Lottery
- Jesse Enright, Supervisor, Retail Contracts, Oregon State Lottery

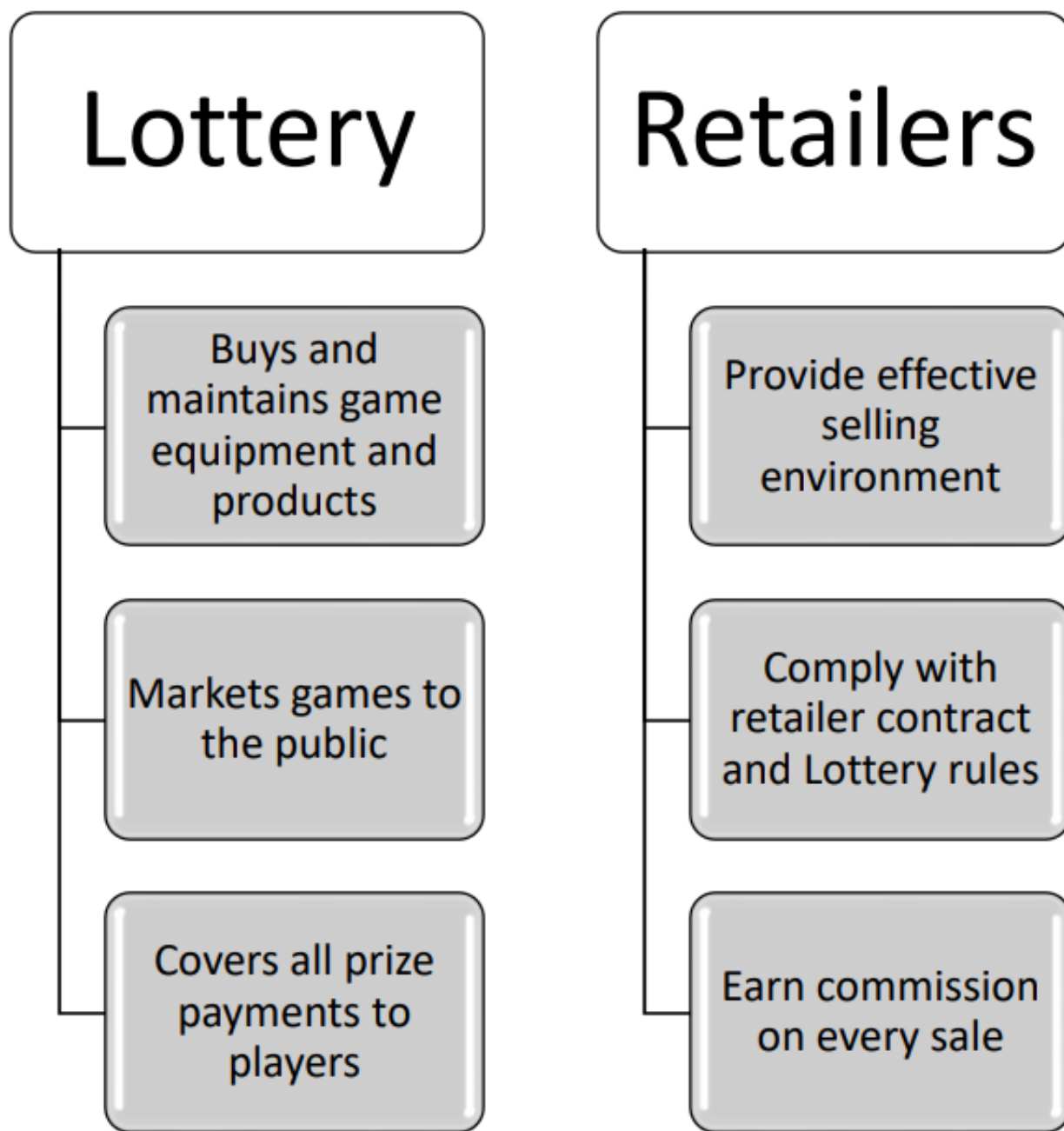
The Committee learned that about 3,800 businesses contract with the Lottery to sell games, that they are concentrated in the I-5 corridor (Figure 19), and about the relationship between the Lottery and retailers (Figure 20 on next page).

**Figure 19: Map of Lottery Retailers**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 16, 2023, PDF at 8, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273910>.

**Figure 20: Lottery Retailer Relationship**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 16, 2023, PDF at 5, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273910>.

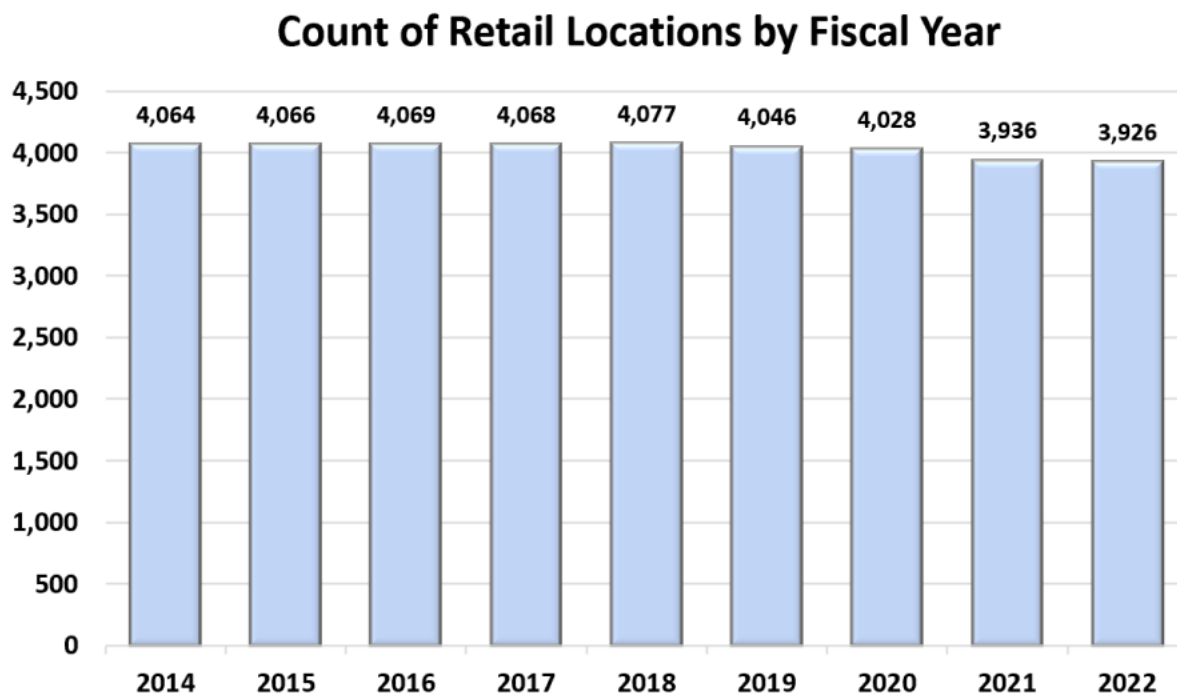
The Committee learned about the three types of contracts and the number of licenses (Figure 21 – see next page), the Lottery’s guiding principles, and contract compliance. The Lottery also provided information about the total sales, prizes, commissions, and transfers by county, and showed that the total number of retail locations had declined since 2015 (Figure 22 – see next page).

**Figure 21: Three Types of Retailer Contracts**

<b>Traditional</b>	<b>Draw games, Scratch-its, and Keno</b> <ul style="list-style-type: none"><li>• Convenience stores, gas stations, grocery stores, bars, and restaurants</li><li>• Earn 8% commission on sales plus bonuses</li><li>• 1,710 Traditional Only Retailers</li></ul>
<b>Video</b>	<b>Video Lottery Games (up to 6 VLTs)</b> <ul style="list-style-type: none"><li>• Bars, restaurants, taverns, delis, etc.</li><li>• Earn tiered commission on sales (1.34% - 2.20%)</li><li>• 526 Video Only Retailers w/ 10,865 VLTs</li></ul>
<b>Both</b>	<b>Traditional and Video</b> <ul style="list-style-type: none"><li>• 1,557 Traditional <u>and</u> Video Retailers</li></ul>

Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 16, 2023, PDF at 6, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273910>.

**Figure 22: Total Retail Locations, 2014-2022**



Analysis reflects counts of physical locations with sales recorded at some point throughout the fiscal year.

Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 16, 2023, PDF at 7, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/273910>.

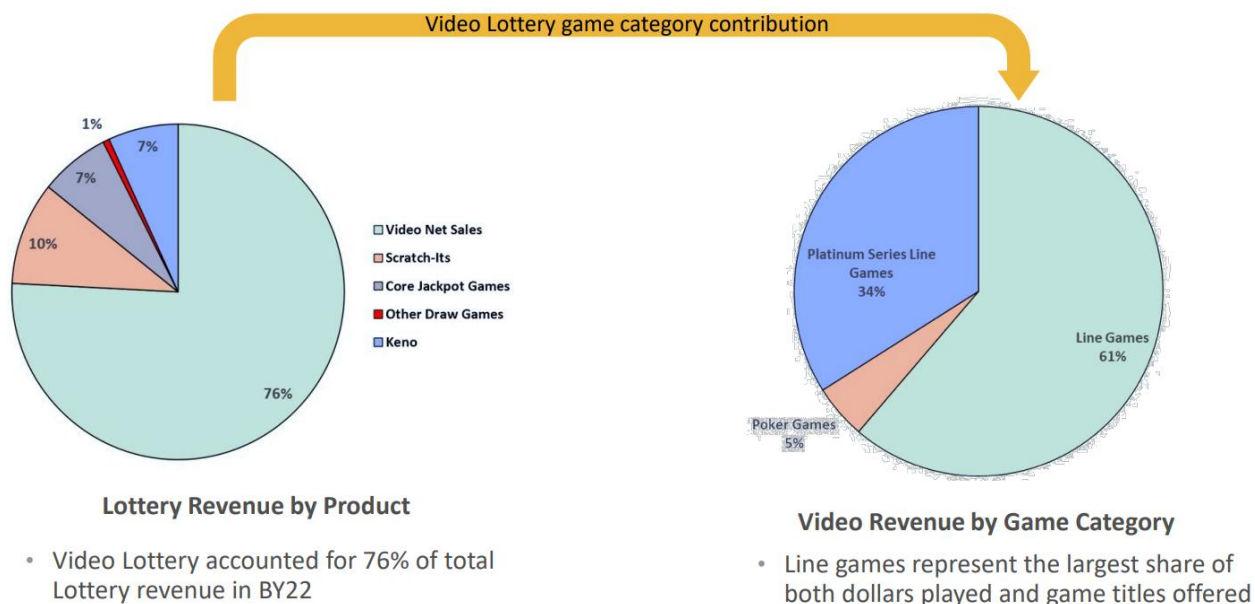
## Meeting 15: May 23, 2023

The Committee heard from the Lottery about its Video Lottery Program. The Committee received invited oral testimony from the individuals listed below:

- Lyndsey Peterson, Manager, Gaming Products Portfolio, Oregon State Lottery
- Spencer Haley, Manager, Operational Excellence, Oregon State Lottery
- Matt Shelby, Chief Communications Officer, Oregon State Lottery

The Committee learned that video lottery terminals (VLTs) were first adopted for use by the South Dakota Lottery in 1989, and eventually became part of nine Canadian provincial lotteries. The Committee learned that Oregon began to use VLTs in 1992, that video lottery made up 76 percent of Oregon Lottery revenue for July 2021 to June 2022 (Figure 23), and how record revenues of \$16.6 billion were expended for business year 2022 (July 2021 – June 2022) (Figure 24).

**Figure 23: Oregon Lottery Revenue by Product in Business Year 22 and Video Revenue by Game Category**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 23, 2023, PDF at 7, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274462>.



**Figure 24: Disposition of Video Lottery Sales for Business Year 2022 (July 2021 – June 2022)**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 23, 2023, PDF at 8, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274462>.

The Lottery staff also discussed the video lottery ecosystem, including its system and equipment (Figure 25), its games and content management (Figure 26 – see next page), its digital engagement and customer experiences process (Figure 27 – see next page), program support and process, and data.

**Figure 25: VLT Equipment**

- Diverse mix of terminals found in the market at any time, representing several gaming vendor partners
- Each multi-game VLT has 8-12 games available for play
- VLTs are currently cash in, ticket out
- Each model typically has 2,000 – 3,500 units in the market
- Retailers may have up to 6 VLTs in a single establishment
- New models are field tested prior to large-scale purchases



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 23, 2023, PDF at 14, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274462>.

**Figure 26: Games and Content Management**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 23, 2023, PDF at 20, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274462>.

**Figure 27: Digital Engagement and Customer Experiences**

	Adult Oregonians 21+ (n=1450)	Video Lottery Players (n=218)
Age	21 to 24: 7% 25 to 34: 18% 35 to 54: 34% 55 to 64: 14% 65 or older: 27%	6% 22% 50% 15% 7%
Gender Identity	Male: 48% Female: 51% Non-binary/Non-conforming: 1%	59% 41%
Ethnicity	Hispanic: 6% Non-Hispanic: 83% Caucasian/White: 2% African American/Black: 3% Asian/Pacific Isl.: 2% Native American: 4% Multi-Race/Other: 4%	9% 81% 3% 3% 1% 3%
Education	High School or less: 20% Some college/tech school: 42% Bachelor degree: 23% Graduate degree: 15%	23% 44% 23% 10%
Income	Under \$50K: 43% \$50K to less than \$75K: 17% \$75K to less than \$100K: 18% \$100K or more: 22%	40% 14% 24% 22%
Geography	PDX MSA / I-5 Corridor: 76% Deschutes County: 4% Other: 20%	79% 4% 17%

Source: 2022 AAU Tracking Study

### Players/Key Drivers of play...

- It's fun and exciting to play
- The chance to win more than you started with
- There's a chance to win a big, life-changing prize
- You like to dream about what you will do if you win
- More convenient to play than going to a casino

“ This is the best choice for my leisure time. The ease of being able to play anytime and anywhere. I kept winning, so I kept playing.

There is one close to my house. I budget to play once a week and sometimes we win, and sometimes we don't. We get our exercise. Way easier than going to an actual casino. ”

Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 23, 2023, PDF at 21, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274462>.

The Committee also discussed future agenda topics.

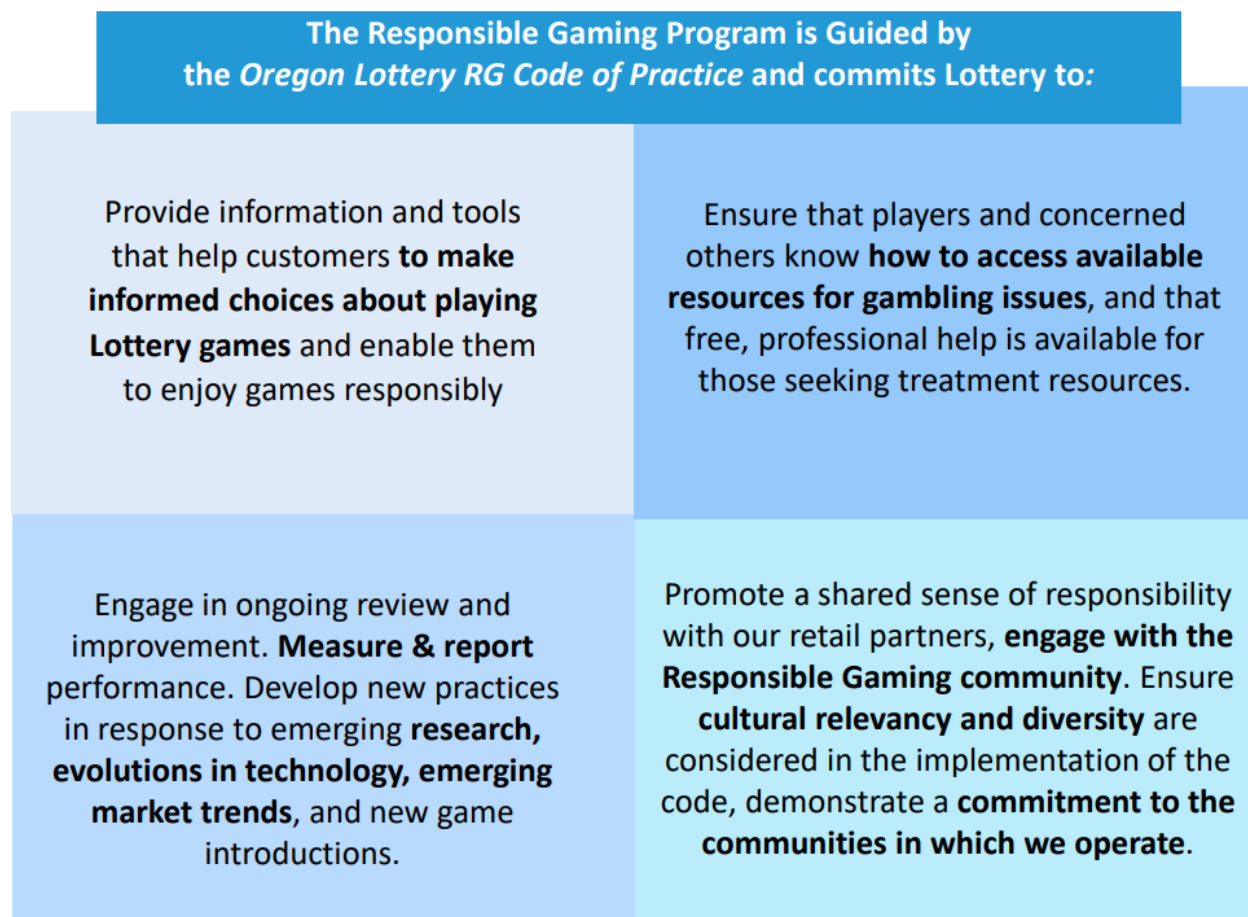
## Meeting 16: May 30, 2023

The Lottery gave two presentations during this meeting: one about its Responsible Gaming Program and one about sports betting. The Committee received invited oral testimony from the individuals listed below:

- Stacy Shaw, Senior Manager, Product Marketing, Oregon State Lottery
- Kerry Hemphill, Sports Betting Product Manager, Oregon State Lottery
- Matt Shelby, Chief Communications Officer, Oregon State Lottery

Concerning its Responsible Gaming Program, the Lottery addressed its commitment and the program's Code of Practice (Figure 28).

**Figure 28: Oregon Lottery Responsible Gaming (RG) Code of Practice**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 30, 2023, PDF at 3, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274967>.

The Committee learned about current key initiatives related to the Lottery's Responsible Gaming Code of Practice, including:

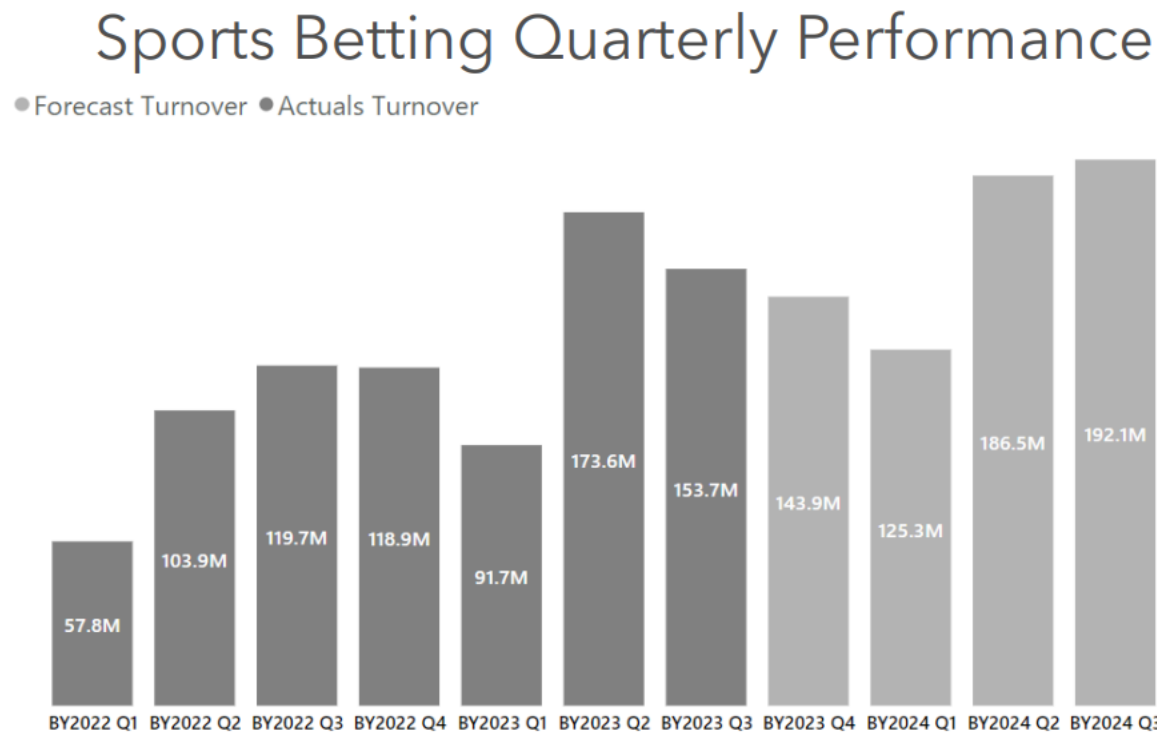
- **Investment in Research.** The October 2022 Brand Promise Study indicates Oregonians' knowledge of problem gambling program features remains stable, and Oregonians' interest in accessing responsible gaming tools and information to make healthy gambling decisions is up from the previous year.
- **Engagement.** The agency conducted interactive webinars for player- and retailer-facing staff and optional advanced training for specific retail types.
- **Treatment Referral Advertising and Promotion.** The Oregon Health Authority (OHA) administers treatment funds and manages service systems and it is the Lottery's role to ensure that players and those affected by problem gambling know about available resources and how to access them. The Lottery uses an "always on" digitally focused marketing strategy to promote resources, with 10 percent of the budget dedicated to multicultural advertising.
- **Digital Channel:** The Lottery currently offers digital sports betting through DraftKings. Customers are problem gambling resources including a self-assessment, voluntary limit settings, account history including cumulative spending, time out and self-exclusion options, and proactive problem gambling messaging.

The Committee learned that the Lottery's Responsible Gaming program is certified by the World Lottery Association at the highest level for responsible gaming organizations and designated by the National Council on Problem Gambling at the highest level as a "sustaining" program. The Lottery reiterated that treatment is free, not only for those engaging in problem gaming, but also to individuals who are negatively impacted by it—including friends and family members of those who are engaged in problem gaming. The Committee also learned that advertisements for treatment services are not branded as coming from the Lottery but are branded as Oregon Problem Gambling Resources through the OHA. The Lottery said that it built and maintains the site and funds the advertising but does not market it as a Lottery service. It said that it works closely with OHA on messaging and spends about the same amount of money on this as it does on advertising its games and brands advertising.

The Committee heard a refresher about sports betting. The Lottery explained that sports betting is placing a wager on the outcome of an event, including food-eating contests. It gave an overview of its history, talked about DraftKings, and about sports betting revenue (Figure 29 – see next page). The Committee learned that year-over-year growth in sports betting is largely driven by more customers, with over 17,000 new user registrations from January to March of 2023.



**Figure 29: Sports Betting Quarterly Performance, Actual and Forecast**



Source: Presentation by the Oregon State Lottery before the House Committee on Gambling Regulation on May 30, 2023, PDF at 5, <https://olis.oregonlegislature.gov/liz/2023R1/Downloads/CommitteeMeetingDocument/274968>.

The Committee received invited oral testimony from the individuals listed below:

- Stacy Shaw, Senior Manager, Product Marketing, Oregon State Lottery
- Kerry Hemphill, Sports Betting Product Manager, Oregon State Lottery
- Matt Shelby, Chief Communications Officer, Oregon State Lottery

## **Section 3: Considerations for Future Policy Development**

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This section contains items for policymakers to consider when developing the future of gaming and how it is regulated. These points reflect the Committee's primary areas of focus, as developed, over time, through information learned during Informational Meetings.

### **Tribal Gaming**

1. Historical revenue trends and the impact of the Oregon State Lottery (Lottery), over time
2. The history of tribal casinos, in relation to the Lottery
3. The history of the "one casino, one tribe" position, and whether it should be codified into law
4. The games tribes are allowed to conduct, as compared to the Lottery
5. Sports betting (including college sports betting) and the tribal gaming approach
6. The status of current tribal requests for new casinos
7. Tourism and its value to, and impact on, tribal casinos

### **Oregon State Lottery**

1. Historical revenue trends
2. Revenue projections and how they are developed
3. How Lottery revenue bonds are funded
4. How various programs are funded by Lottery revenue
5. Sports betting (including college sports betting) and its approach
6. Tourism and its value to, and impact on, the Lottery
7. The games the Lottery is allowed to conduct, as compared to tribes

### **Gambling Addiction and Treatment**

1. Number of people with reported problem gaming behavior and the number of people receiving addiction and treatment services
2. Availability of addiction and treatment services and resources and their capacity to provide services
3. Funding availability for addiction and treatment services
4. The future of addiction and treatment services

### **Oregon Racing Commission**

1. Its mission, purpose, and impact
2. Current revenue sources and levels, and current expenses
3. Ongoing revenue to county fairs for horse racing
4. Its future, including policy changes or whether it should continue

## **Other Considerations**

1. Mobile devices and whether this is the future of gaming
2. How Governor Kotek views the future of gaming
3. Past Governors' responses to gaming, beginning with Governor Kitzhaber in 1995

## Section 4: Recommendations

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This section contains recommendations for the future of gaming and how it is regulated.

### **Tribal Gaming**

1. Each Governor should have a page within their website with the current, latest, and/or active tribal compacts.
2. Each Governor should have a page within their website with publicly available and accessible information about tribal requests for new casinos.

### **Oregon State Lottery**

*To be determined.*

### **Gambling Addiction and Treatment**

*To be determined.*

### **Oregon Racing Commission**

*To be determined.*

### **Other**

1. Develop a definition of “casino” in statute.
2. Adopt the recommendations of the Secretary of State audit of the Oregon Racing Commission.

## Section 5: Constitutional and Statutory References to Gaming in Oregon

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This section contains documentation of all Oregon Constitution and statutory provisions related to gaming regulations (Table 2 – see next page). Results include a hyperlinked reference and a summary of the relevant text and are organized first by the related agency or authority, if any, and then numerically in ascending order, starting with constitutional provisions first then moving to statutory references. Related agencies and other authorities are:

- Oregon State Lottery
- Oregon Racing Commission
- Indian Gaming Regulatory Act
- Oregon Department of Justice
- Oregon Health Authority
- Oregon Liquor and Cannabis Commission
- General and Other

References were obtained using a text search of the [2022 edition of the Constitution of the State of Oregon](#) and the [2021 edition of the Oregon Revised Statutes](#). Results should be considered comprehensive but may not be exhaustive.

**Table 2: Gaming Regulations in the Oregon Constitution and Oregon Revised Statutes**

Authority	Topic	Reference	Summary
Oregon State Lottery	Lottery Funds	<a href="#">Or. Const. art. X-A sects. 2 and 4</a>	Authorizes additional uses of lottery funds during a declared catastrophic disaster.
	Lottery Funds	<a href="#">Or. Const. art. XI-L sect. 2</a>	Authorizes allocation of lottery funds for repayment of debts incurred to provide funds to finance capital costs of Oregon Health and Science University.
	Lottery Funds	<a href="#">Or. Const. art. XI-M sect. 2</a>	Authorizes allocation of lottery funds for repayment of debts incurred to provide funds for the planning and implementation of seismic rehabilitation of public education buildings.
	Lottery Funds	<a href="#">Or. Const. art. XI-N sect. 2</a>	Authorizes allocation of lottery funds for repayment of debts incurred to provide funds for the planning and implementation of seismic rehabilitation of emergency services buildings.
	Public Administration, Lottery Funds	<a href="#">Or. Const. art. XV sect. 4</a>	Establishes the State Lottery Commission to operate a State Lottery and dedicates net proceeds after prizes and administration costs to creating jobs, furthering economic development, financing public education in Oregon, or restoring and protecting Oregon's parks, beaches, watersheds, and native fish and wildlife.
	Public Safety	<a href="#">ORS 133.005 (2021)</a>	Defines "reserve officer" to include peace officer commissioned by the Oregon State Lottery Commission.
	Public Safety	<a href="#">ORS 162.305 (2021)</a>	Declares tampering with records of the Oregon State Lottery to be a Class C felony.
	Public Safety	<a href="#">ORS 164.377 (2021)</a>	Declares knowingly accessing or attempting to access Oregon State Lottery computer systems with nefarious intent to be a Class C felony under the Oregon Criminal Code.

Authority	Topic	Reference	Summary
<b>Oregon State Lottery</b>	Public Safety	<a href="#">ORS 166.715 (2021)</a>	Declares computer crimes related to the Oregon State Lottery to be an unlawful “racketeering activity” under the Oregon Criminal Code.
	Lottery Funds	<a href="#">ORS 173.420 (2021)</a>	Requires the Legislative Fiscal Officer to report the administrative costs and transfer rate of the Oregon Lottery Commission for each biennium.
	Public Safety	<a href="#">ORS 181A.195 (2021)</a>	Declares the Oregon State Lottery is not an authorized agency for the purposes of requesting a criminal records check from the Department of State Police for noncriminal justice purposes.
	Public Safety	<a href="#">ORS 181A.355(12), (14), and (18) (2021)</a>	Defines “law enforcement unit,” “police officer,” and “reserve officer” to include the Oregon State Lottery Commission and peace officers commissioned by the agency.
	Public Administration	<a href="#">ORS 192.345(23) (2021)</a>	Establishes that records or information related to the security procedures of the Oregon State Lottery are presumed exempt from public disclosure under Oregon’s public records law.
	Public Administration	<a href="#">ORS 238.005 (2021)</a>	Defines “police officer” to include enforcement agents of the Oregon State Lottery Commission for purposes of the Oregon Public Employees Retirement System.
	Public Administration	<a href="#">ORS 243.005 (2021)</a>	Defines “police officer” to include enforcement agents of the Oregon State Lottery Commission for purposes of certain life insurance benefits.
	Public Administration	<a href="#">ORS 244.045 and 244.050 (2021)</a>	Establishes ethics requirements for members of the Oregon State Lottery and the Oregon State Lottery Commissioner.



Authority	Topic	Reference	Summary
<b>Oregon State Lottery</b>	Campaign Finance	<a href="#"><u>ORS chapter 259(1)(j)(1) (2021)</u></a>	Campaign finance reforms enacted by voters as Ballot Measure 47 in 2006 and later found unconstitutional, identify campaign contributions from video poker operators as an example of “undue influence due to large campaign contributions.”
	Public Administration	<a href="#"><u>ORS 276A.230 to 276A.323 (2021)</u></a>	Exempts the Oregon State Lottery from the purview of the Office of Enterprise Information Services.
	Public Administration	<a href="#"><u>ORS 279A.025 (2021)</u></a>	Declares the Public Contracting Code does not apply to the contracting activities of the Oregon State Lottery Commission.
	Lottery Funds	<a href="#"><u>ORS 280.518 (2021)</u></a>	Requires any economic development program financed with proceeds from the Oregon State Lottery to “have displayed conspicuously [...] information specifying that the program is being financed by the state lottery.”
	Lottery Funds	<a href="#"><u>ORS 284.126 (2021)</u></a>	Subjects the portion of the Oregon Tourism Commission biennial budget funded by allocation of lottery funds to review and approval by the Legislative Assembly and future modification by the Emergency Board or Legislative Assembly.
	Lottery Funds	<a href="#"><u>ORS 284.801 (2021)</u></a>	Establishes that moneys in the Eastern Oregon Border Economic Development Board Fund include lottery bond proceeds allocated by the Legislative Assembly.
	Lottery Funds	<a href="#"><u>ORS 285A.198 (2021)</u></a>	Establishes that moneys in the Oregon Brownfield Properties Revitalization Fund include lottery bond proceeds allocated by the Legislative Assembly.
	Lottery Funds	<a href="#"><u>ORS chapter 285B (2021)</u></a>	Commits lottery funds for various economic development projects.
	Lottery Funds	<a href="#"><u>ORS chapter 286A (2021)</u></a>	Provides for the uniform administration of lottery bonds.

Authority	Topic	Reference	Summary
<b>Oregon State Lottery</b>	Public Administration	<a href="#"><u>ORS 291.227 (2021)</u></a>	Exempts the Oregon State Lottery Commission from maximum supervisory ratios for certain state agencies.
	Lottery Funds	<a href="#"><u>ORS 291.348 to 291.349 (2021)</u></a>	Requires the Oregon Department of Administrative Services to certify total of the State Lottery Fund each fiscal year, and to report State Lottery Fund Revenues to the Legislative Revenue Officer and the Legislative Fiscal Officer after sine die of each odd-numbered year regular session.
	Lottery Funds	<a href="#"><u>ORS 294.444 (2021)</u></a>	Requires county budgets to contain a summary of revenues and expenditures including total expenses for each program and revenues used to fund the programs including video lottery funds.
	Lottery Funds	<a href="#"><u>ORS 297.210 (2021)</u></a>	Authorizes the Secretary of State to audit the use of video lottery revenues transferred by the state to counties.
	Lottery Funds	<a href="#"><u>ORS 314.625 and 314.642 (2021)</u></a>	Clarifies treatment of lottery prizes for purposes of the Uniform Division of Income for Tax Purposes Act.
	Lottery Funds	<a href="#"><u>ORS 316.127 and 316.194 (2021)</u></a>	Clarifies treatment of lottery prizes for the purposes of Oregon's income tax and mandates the Oregon State Lottery Commission withhold and remit to the Department of Revenue eight percent of lottery prizes of \$1,500 or more for tax withholding.
	Lottery Funds	<a href="#"><u>ORS 320.005 to 320.150 (2021)</u></a>	Establishes a tax against net receipts of video lottery devices administered and enforced by the Department of Revenue, with assistance from the Oregon State Lottery. Based on population, 47.1 percent of tax receipts are remitted to county treasurers.
	Lottery Funds	<a href="#"><u>ORS 327.700 to 327.731 (2021)</u></a>	Establishes the education lottery bond program as an appropriate use of state lottery funds under the Oregon Constitution.

Authority	Topic	Reference	Summary
<b>Oregon State Lottery</b>	Public Administration	<a href="#">ORS 342.974 (2021)</a>	Requires the Oregon State Lottery Commission to collaborate with the Department of Education to honor and recognize the Oregon Education Support Professional of the Year.
	Lottery Funds	<a href="#">ORS 348.716 (2021)</a>	Establishes the Oregon Education Fund and appropriates moneys in the fund for public education lottery bond debt.
	Lottery Funds	<a href="#">ORS 367.080 (2021)</a>	Establishes that moneys in the Connect Oregon Fund include lottery bond proceeds.
	Lottery Funds	<a href="#">ORS 390.060 to 390.067 (2021)</a>	Establishes the state park lottery bonds program with the finding that the program is an appropriate use of state lottery funds under the Oregon Constitution.
	Lottery Funds	<a href="#">ORS 391.090 to 391.130 (2021)</a>	Finds light rail transit is an appropriate use of state lottery funds under the Oregon Constitution and allocates lottery funds to light rail projects.
	Lottery Funds	<a href="#">ORS 406.140 to 406.146 (2021)</a>	Dedicates one and one-half of one percent of the net proceeds from the Oregon State Lottery to the Veterans' Service Fund to finance specified Veteran-related programs.
	Lottery Funds	<a href="#">ORS 413.522 (2021)</a>	Establishes the Problem Gambling Treatment Fund which includes proceeds from the Oregon State Lottery.
	Lottery Funds	<a href="#">ORS 447.255 (2021)</a>	Declares it is the intent of the Legislative Assembly that any buildings for which the construction was paid for in whole or in part by lottery funds is accessible to and usable by persons with disabilities.
	Lottery Funds	<a href="#">ORS 456.576 (2021)</a>	Establishes the Self-Sufficiency Housing Fund which includes proceeds from lottery bonds.

Authority	Topic	Reference	Summary
<b>Oregon State Lottery</b>	Lottery Funds	<a href="#">ORS 458.720 (2021)</a>	Establishes the Community Development Project Fund which includes proceeds from lottery bonds.
	Public Administration	<a href="#">ORS chapter 461 (2021)</a>	Provides for the administration and operation of the Oregon State Lottery.
	Lottery Funds	<a href="#">ORS 468.423 to 468.440 (2021)</a>	Establishes the Water Pollution Control Revolving Fund and authorizes lottery bonds with the finding that the projects are an appropriate use of state lottery funds under the Oregon Constitution.
	Public Administration	<a href="#">ORS 479.940 (2021)</a>	Exempts certain electrical installation, maintenance, or repair of lottery equipment from the licensing requirements of Oregon's Electrical Safety Law.
	Lottery Funds	<a href="#">ORS 541.940 to 541.942 (2021)</a>	Establishes the Parks and Natural Resources Fund and dedicates 15 percent of the net proceeds from the Oregon State Lottery to the Fund.
	Lottery Funds	<a href="#">ORS 565.445 to 565.447 (2021)</a>	Establishes the County Fair Account and allocates lottery funds with the finding that the account is an appropriate use of state lottery funds under the Oregon Constitution.
	Public Administration	<a href="#">ORS 659A.320 (2021)</a>	Allows the Oregon State Lottery Commission to discriminate based on information in credit history with regard to individuals employed by the agency as peace officers.
	Lottery Funds	<a href="#">ORS 777.282 and 777.284 (2021)</a>	Establishes the Channel Deepening Account and allows lottery bond proceeds to be deposited into the account for payment of the Oregon nonfederal share.
<b>Oregon Racing Commission</b>	Public Safety	<a href="#">ORS 166.715 (2021)</a>	Declares certain crimes related to racing to be an unlawful "racketeering activity" under the Oregon Criminal Code.

Authority	Topic	Reference	Summary
<b>Oregon Racing Commission</b>	Public Safety	<a href="#">ORS 167.114 (2021)</a>	Exempts activities licensed and regulated by the Oregon Racing Commission from certain gambling offenses under the Oregon Criminal Code.
	Public Administration	<a href="#">ORS 183.635 (2021)</a>	Exempts Oregon Racing Commission from requirement to use administrative law judges assigned from the Office of Administrative Hearings.
	Public Administration	<a href="#">ORS 244.050 (2021)</a>	Establishes ethics requirements for the Oregon Racing Commission and the Executive Director of the Commission.
	Public Administration	<a href="#">ORS 305.410 (2021)</a>	Establishes that racing taxes are not tax laws under the purview of the Oregon Tax Court.
	Public Administration	<a href="#">ORS chapter 462 (2021)</a>	Establishes the Oregon Racing Commission and provides for the regulation of animal racing, exchange wagering, and off-race course mutuel wagering.
<b>Indian Gaming Regulatory Act</b>	Public Safety	<a href="#">ORS 181A.210 (2021)</a>	Establishes that Native American tribes authorized by the Indian Gaming Regulatory Act and the State of Oregon to conduct gambling operations on tribal land are “agencies” for the purpose of requesting and receiving background checks for individuals applying for employment at a tribal gaming facility.
	Public Administration	<a href="#">ORS 227.172 (2021)</a>	Aligns definition of “tribal casino” with provisions of the Indian Gaming Regulatory Act for purposes of Oregon’s city planning and zoning laws.
	Public Administration	<a href="#">ORS 244.045 (2021)</a>	Establishes ethics requirements for members of the Department of State Police related to gaming by a Native American tribe.
<b>Department of Justice</b>	Public Administration	<a href="#">ORS chapter 464 (2021)</a>	Establishes regulations for bingo, lotto, or raffle games or Monte Carlo events administered by the Department of Justice.

Authority	Topic	Reference	Summary
<b>Oregon Health Authority</b>	Public Health	<a href="#">ORS 413.520 and 413.522 (2013)</a>	Requires the Oregon Health Authority, in collaboration with counties, to administer a statewide gambling addiction program which is financed in part by lottery funds.
<b>Oregon Liquor and Cannabis Commission</b>	Public Safety	<a href="#">ORS 471.315, 471.610, 471.657 and 471.700 (2021)</a>	Authorizes confiscation and forfeiture of gambling devices for any violation of the Oregon Liquor Control Act. Authorizes revocation of any license if the licensee or an employee of the licensee is convicted of a gambling offense under the Oregon Criminal Code.
<b>General and Other</b>	Public Administration	<a href="#">ORS 30.740 and 30.780 (2021)</a>	Establishes civil liability for any person committing gambling offense under the Oregon Criminal Code and right to recover double losses resulting from prohibited games.
	Public Administration	<a href="#">ORS 79.0102 (2021)</a>	Includes winnings from lottery or other game of chance operated or sponsored by a state government in the definition of “account” for purpose of the Uniform Commercial Code.
	Public Safety	<a href="#">ORS 91.240 to 91.245 (2021)</a>	Prohibits renting any space for gambling purposes and establishes penalty for violations enforceable by the district attorney.
	Public Safety	<a href="#">ORS 105.555 (2021)</a>	Declares any place used and maintained for profit and the purpose of gambling or a lottery a nuisance subject to abatement.
	Public Safety	<a href="#">ORS 131.602 (2021)</a>	Establishes that gambling offenses under the Oregon Criminal Code are grounds for criminal forfeiture.
	Public Safety	<a href="#">ORS 163.575 (2021)</a>	Establishes that inducing or causing a person under 18 years of age to participate in gambling is a Class A misdemeanor.

Authority	Topic	Reference	Summary
General and Other	Public Safety	<a href="#">ORS 164.115 (2021)</a>	Establishes that the value of gambling chips and other token or imitation currency is the face value for the purposes of valuing property under the Oregon Criminal Code.
	Public Safety	<a href="#">ORS 166.715 (2021)</a>	Establishes that gambling offenses are a “racketeering activity” under the Oregon Criminal Code.
	Public Safety	<a href="#">ORS 167.108 to 167.167 (2021)</a>	Establishes gambling offenses for the Oregon Criminal Code.
	Public Safety	<a href="#">ORS 180.600 (2021)</a>	Defines “organized crime” as a conspiracy of two or more persons to engage in criminal activity relating to gambling.
	Public Safety	<a href="#">ORS 221.916 (2021)</a>	Authorizes mayor and city council at any regular council meeting to “prevent and suppress gaming and gambling houses, and all games of chance, including lotteries and pool selling.”
	Public Administration	<a href="#">ORS 399.115 (2021)</a>	Authorizes commanding officer to prohibit and abate as common nuisances all gambling within the limits of any space or facility of the Oregon Army National Guard.
	Public Administration	<a href="#">ORS 433.835 and 433.847 (2021)</a>	Prohibits business that offers video lottery games, social gaming, or betting on the premises from obtaining certification as a smoke shop.
	Public Administration	<a href="#">ORS 659A.130 (2021)</a>	Establishes that compulsive gambling is not an impairment for the purposes of employment discrimination.
	Public Health	<a href="#">ORS 676.553 and 676.866 (2021)</a>	Prohibits problem gambling treatment provider from accepting or paying referral fees and making certain representations in advertisements. Requires licensees to obtain regular suicide risk assessment training.



Authority	Topic	Reference	Summary
	Public Administration	<a href="#">ORS 708A.660 (2021)</a>	Establishes that savings promotion raffle is not subject to existing state laws with respect to gambling.
	Public Administration	<a href="#">ORS 725A.060 (2021)</a>	Prohibits certain lenders from conducting business where liquor or lottery tickets are sold or where gambling devices are located.
	Public Administration	<a href="#">ORS 807.240 (2021)</a>	Requires Oregon Department of Transportation to issue a hardship driver permit to a person who must operate a motor vehicle to get to or from a gambling addiction treatment program.

Table: Legislative Policy and Research Office

Source: [The Constitution of the State of Oregon](#), [Oregon Revised Statutes](#).

Notes: Results of keyword search for terms "lotter\*", "racing", "wager", "gaming", and "gambl\*". Results were manually reviewed for relevance; temporary provisions printed but not codified are not included.

## **Section 6: Appendices**

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### **Appendix A: Meeting Material**

Table 3 lists the meeting materials made available at Committee meetings and provides links to those materials posted on the Oregon Legislative Information System (OLIS).

**Table 3: Meeting Material**

Meeting Date	Meeting Material
January 24, 2023	<p>Staff</p> <ul style="list-style-type: none"> <li>• <a href="#">2023 HGAMRG Committee Rules (adopted)</a></li> <li>• <a href="#">Review of Joint Committee on Gambling Regulation – Oregon Tribal Casinos Map</a></li> <li>• <a href="#">Review of Joint Committee on Gambling Regulation – Glossary of Terms</a></li> <li>• <a href="#">Review of Joint Committee on Gambling Regulation – Final Interim Report</a></li> <li>• <a href="#">Review of Joint Committee on Gambling Regulation – Final Co-Chair Letter</a></li> </ul> <p>Mikes Wells, Interim Director; Matt Shelby, Chief Communications Office, The Oregon State Lottery</p> <ul style="list-style-type: none"> <li>• <a href="#">Overview of Oregon State Lottery – Mike Wells and Matt Shelby (presentation)</a></li> </ul> <p>Please see the meeting page for materials related to measures.</p>
January 31, 2023	<p>Jackson Brainerd, Program Principal, Fiscal Affairs Program, NCSL</p> <ul style="list-style-type: none"> <li>• <a href="#">Gambling 101 – National Trends – Jackson Brainerd (presentation)</a></li> </ul> <p>Tim Murphy, Chief Executive Officer, Bridgeway Recovery Services</p> <ul style="list-style-type: none"> <li>• <a href="#">Problem Gambling, Gambling Addiction, and Access to Treatment and Services – Tim Murphy (testimony)</a></li> </ul> <p>Greta Coe, Problem Gambling Services Manager, Oregon Health Authority</p> <ul style="list-style-type: none"> <li>• <a href="#">Problem Gambling, Gambling Addiction, and Access to Treatment and Services – Greta Coe (presentation)</a></li> </ul>
February 7, 2023	<p>Renee Klein, Department of Administrative Services; Jacqueline Knights, Oregon State Treasury</p> <ul style="list-style-type: none"> <li>• <a href="#">Bonding Against Oregon State Lottery Revenue – Renee Klein (list)</a></li> <li>• <a href="#">Bonding Against Oregon State Lottery Revenue – Renee Klein and Jacqueline Knights (presentation)</a></li> </ul>
February 14, 2023	<p>MardiLyn Saathoff, Chair, Oregon Lottery Commission</p> <ul style="list-style-type: none"> <li>• <a href="#">Overview of Oregon Lottery Commission – MardiLyn Saathoff</a></li> </ul> <p>Kevin Cochran, Director, Legal and Government Affairs, DraftKings Inc.</p> <ul style="list-style-type: none"> <li>• <a href="#">Overview of Sports Betting and E-Sports Betting – Kevin Cochran (presentation)</a></li> </ul> <p>Matt Shelby and Kerry Hemphill, Oregon State Lottery</p> <ul style="list-style-type: none"> <li>• <a href="#">Overview of Sports Betting and E-Sports Betting – Matt Shelby and Kerry Hemphill</a></li> </ul>
February 21, 2023	<p>Tim Fox, Captain, Gaming Enforcement Division, Oregon State Police</p> <ul style="list-style-type: none"> <li>• <a href="#">Oregon State Police Gambling Regulatory Activities – Tim Fox (presentation)</a></li> </ul>

Meeting Date	Meeting Material
	Elizabeth Grant, Attorney in Charge, Charitable Activities Section, Oregon Department of Justice <ul style="list-style-type: none"> <li>• <a href="#">Overview of Oregon DOJ Charitable Activities Section – Elizabeth Grant (presentation)</a></li> </ul>
February 28, 2023	James Acres, President, Acres Bonusing, Inc. <ul style="list-style-type: none"> <li>• <a href="#">Overview of Gambling Machines and Games – James Acres (presentation)</a></li> </ul> Kevin Cochran and Julie Hynes, DraftKings Inc. <ul style="list-style-type: none"> <li>• <a href="#">Overview of sport betting and e-sports betting – Kevin Cochran and Julie Hynes (presentation)</a></li> </ul>
March 7, 2023	Please see the meeting page for materials related to measures.
March 14, 2023	Connie Winn <ul style="list-style-type: none"> <li>• <a href="#">Overview of Oregon Racing Commission, Connie Winn (handout)</a></li> <li>• <a href="#">Overview of Oregon Racing Commission, Connie Winn (letter)</a></li> <li>• <a href="#">Overview of Oregon Racing Commission, Connie Winn (presentation)</a></li> </ul> Rep. David Gomberg, House District 10 <ul style="list-style-type: none"> <li>• <a href="#">Rep. David Gomberg (video link)</a></li> </ul> Rep. John Lively, House District 7 <ul style="list-style-type: none"> <li>• <a href="#">Rep. John Lively (article)</a></li> <li>• <a href="#">Rep. John Lively (letter)</a></li> <li>• <a href="#">Rep. John Lively (testimony)</a></li> </ul> Please see the meeting page for materials related to measures.
March 21, 2023	Danny Santos <ul style="list-style-type: none"> <li>• <a href="#">History of Tribal Compacts – Danny Santos (background)</a></li> <li>• <a href="#">History of Tribal Compacts – Danny Santos (presentation)</a></li> </ul> Rep. Boomer Wright, House District 9; Rep. Kim Wallan, House District 6 <ul style="list-style-type: none"> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Consultation Summary)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Consultation Draft)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Burns Compact)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Coos Compact)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Coquille Compact)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Cow Creek Compact)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Grand Ronde Compact)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Klamath Compact)</a></li> </ul>

Meeting Date	Meeting Material
	<ul style="list-style-type: none"> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Siletz Compact)</a></li> <li>• <a href="#">History of Tribal Compacts – Reps. Wright &amp; Wallan (Umatilla Compact)</a></li> </ul> <p>Staff</p> <ul style="list-style-type: none"> <li>• <a href="#">History of Tribal Compacts – (background on gambling in Oregon)</a></li> <li>• <a href="#">History of Tribal Compacts – (letter to committee)</a></li> </ul> <p>Please see the meeting page for materials related to measures.</p>
<a href="#">March 28, 2023</a>	Please see the meeting page for materials related to measures.
<a href="#">April 4, 2023</a>	Please see the meeting page for materials related to measures.
<a href="#">April 25, 2023</a>	<p>Anthony Broadman, Rob Greene</p> <ul style="list-style-type: none"> <li>• <a href="#">A Tribal Perspective – History of Tribal Compacts – Anthony Broadman and Rob Greene (letter)</a></li> </ul> <p>Craig Dorsay</p> <ul style="list-style-type: none"> <li>• <a href="#">A Tribal Perspective – History of Tribal Compacts – Craig Dorsay (Compact)</a></li> <li>• <a href="#">A Tribal Perspective – History of Tribal Compacts – Craig Dorsay (handout)</a></li> <li>• <a href="#">A Tribal Perspective – History of Tribal Compacts – Craig Dorsay (memo)</a></li> <li>• <a href="#">A Tribal Perspective – History of Tribal Compacts – Craig Dorsay (testimony)</a></li> </ul> <p>Scott Crowell</p> <ul style="list-style-type: none"> <li>• <a href="#">A Tribal Perspective – History of Tribal Compacts – Scott Crowell (testimony &amp; supplement)</a></li> </ul> <p>Staff</p> <ul style="list-style-type: none"> <li>• <a href="#">Gambling in Oregon (2003 Governor Kitzhaber Report)</a></li> </ul>
<a href="#">May 9, 2023</a>	<p>Robert Whelan</p> <ul style="list-style-type: none"> <li>• <a href="#">The Contributions of Indian Gaming to Oregon’s Economy in 2018 and 2019 – Robert Whelan (report)</a></li> </ul>
<a href="#">May 16, 2023</a>	<p>The Oregon Lottery</p> <ul style="list-style-type: none"> <li>• <a href="#">Overview of Oregon State Lottery Retail Contracts – The Oregon State Lottery (presentation)</a></li> </ul>
<a href="#">May 23, 2023</a>	<p>The Oregon Lottery</p> <ul style="list-style-type: none"> <li>• <a href="#">Video Lottery Program Overview – The Oregon State Lottery (presentation)</a></li> </ul>
<a href="#">May 30, 2023</a>	<p>Stacy Shaw</p> <ul style="list-style-type: none"> <li>• <a href="#">Oregon State Lottery Responsible Gaming Program Overview – Stacy Shaw (presentation)</a></li> </ul> <p>Matt Shelby and Kerry Hemphill</p>

Meeting Date	Meeting Material
	<ul style="list-style-type: none"> <li>• <a href="#">Sports Betting Refresher – Matt Shelby and Kerry Hemphill (presentation)</a></li> </ul> Rep. Lively, House District 7 <ul style="list-style-type: none"> <li>• <a href="#">Sports Betting Refresher – Rep. Lively, HD 7 (meeting material)</a></li> </ul>

Source: Legislative Policy and Research Office

