

HOUSE COMMITTEE ON
TRADE AND ECONOMIC DEVELOPMENT

February 4, 2005 Field Trip

8:30 A.M. Oregon Lottery Commission

MEMBERS PRESENT: Rep. John Lim, Chair

Rep. Scott Bruun, Vice-Chair

Rep. Peter Buckley

Rep. John Dallum

Rep. Donna Nelson

MEMBER EXCUSED: Rep. Jeff Merkley, Vice-Chair

Rep. Chuck Riley

STAFF PRESENT: Jim Stembridge, Committee Administrator

Erin Seiler, Committee Assistant

MEASURES/ISSUES HEARD:

Tour of Oregon Lottery Commission – Field Trip

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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Tour of the Oregon Lottery Commission

500 Airport Road SE

Salem, OR 97301

Background

The Oregon Lottery Commission (OLC) is located in Salem and is responsible for developing, producing, and marketing its games; pay its winners and operating expenses; and to turn the remaining net profits over to the state.

Before touring the OLC, an informational meeting was held on January 24, 2005 at which time Dale Penn, director of the OLC, provided the Committee with an overview of the functions, responsibilities, and purpose of the OLC. Based on concerns and questions that arose during the January 24, 2005 meeting regarding the introduction of line games, problem gambling outreach programs, and how lottery revenue is used for economic development, the Director Penn suggested that the Committee come to the OLC to review outreach marketing materials and experience line games.

Prior to the tour of the facility Carole Bono, Assistant Director for Marketing, OLC, gave a brief presentation about the profile of the average Oregon Lottery player. She provided copies of the Oregon Lottery Player Profile Study that was conducted by the OLC in November 2004 (**EXHIBIT A**). The study indicated that the profile of an average lottery player largely matched the profile of an average Oregonian, as determined by the U.S Census Bureau. The biggest differences being the “education level” of lottery players versus the average Oregonian. Also, Ms. Bono provided copies of the Average Dollar Report by Gender and Age (**EXHIBIT B**). This report indicated that men over fifty years of age reported spending more dollars than any other demographic profiled.

During the tour of the OLC, the Committee was taken through the building security procedures and security monitoring rooms. In addition to the building security, they were shown how the OLC maintains the “security” of the Scratch-It and Lotto games. The Committee was taken into the OLC test laboratory, where scratch-It tickets are manipulated in every manner possible and tested with a number of common household products. However, a significant portion of the tour was spent in the “game room.” During this time the Committee was shown several of the new public awareness commercials created for their new Problem Gambling Outreach campaign, along with their new billboard, newspaper, and pamphlet campaign materials. During this time Ms. Bono explained that the OLC Problem Gambling Marketing campaigns were developed for the purpose of targeting specific segments of the population who have been identified, through research, at increasing risk of developing or possessing a gambling problem.

While in the “game room” Committee members were able to see the different types of video machines that are in approved lottery establishments and how the OLC problem gambling information should be properly displayed with the machine. Further, they were able to actually “play” video poker and the line games.

Director Penn explained **that close to three billion lottery dollars have been transferred to the State of Oregon General Fund since 1995 and that it is estimated that over the next two years another nine hundred and thirty-three million will be transferred to the State of Oregon.** He cited how

lottery dollars have been used for economic development purposes, including the restoration of tourist attractions and landmarks in Oregon State Parks. Further, he explained that the OLC is expanding its economic development activities by issuing capitol construction bonds to Tri-Met and several Special Districts in Oregon, primarily Water Districts.

The Committees' tour of the OLC lasted from 8:50 a.m. until 10:00 a.m.

EXHIBIT SUMMARY

A. Oregon Lottery Commission, Player Profile Study, Carole Bono, 5 pp

B. Oregon Lottery Commission, Average Dollar Report, Carole Bono, 1p

