

Statehouse Sidelights

Lotteries are good bets to give states pot of gold

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More states are betting on lotteries to give them the winning numbers for bolstering their sagging revenues.

A story by Elaine S. Knapp, editor of *In State Government News*, official organ of the Council of State Government, wrote to this effect in the latest issue of the magazine.



In all, there are 17 states and the District of Columbia participating in lotteries.

In the past two years, three more states and the District of Columbia have joined the 14 states with established lotteries, said Ms. Knapp. Still more states are considering lotteries and West Virginia will vote on a constitution amendment for a lottery in 1984.

A bill for establishing lottery was introduced in the Idaho Senate the past session but it was killed in the Senate, but only by a narrow 18-17 vote.

The measure sponsored by Sen. Vernon T. Lannen, D-Pinehurst, provided for approval by a majority of voters in the November, 1984, general election, for a proposed constitutional amendment to permit the plan.

If state revenues continue to sink it is possible such a proposal may receive the green light by the 1984 Idaho Legislature.

Lannen, one of the most liberal

senators in Idaho, vowed after a heated but good natured debate, "I live to fight another day." He said at that time there is still an opportunity the coming session to place the proposal on the ballot.

Lannen said a lottery would produce \$15 million or more a year for the state.

Arguments centered on whether lottery is actually gambling but the proposal cut across party lines. In the final lineup 12 Republicans and six Democrats, voted in opposition.

All six state senators of east Idaho, Republicans Vearl Crystal, Rigby; Ann Rydalch, Dane Watkins and J. Marsden Williams, all of Idaho Falls; and Mark G. Ricks, Rexburg; and Democrat Israel Merrill, Blackfoot — as could be expected — helped defeat the proposal.

Members of a special legislative committee studying Idaho's tax structure say they may look at everything from tax exemptions to a state lottery.

Lannen told this tax structure committee in its first meeting last Thursday that it should look into how much money a lottery would raise.

"It is a form of voluntary taxation," he said. "All of us down deep know full well" that the state has to raise more revenue if it does not make a temporary 1½-cent sales tax increase permanent.

Revenue from state lotteries runs into big money. The report noted that gross sales of state lotteries in the nation for 1982 totaled \$3.8 billion, up from \$3 billion in 1981 and \$2.4 billion in 1980.

An estimated 45 percent is paid

out in prize money and a percentage goes to various operating expenses as well. Lotteries operating in 14 states in 1980 returned \$1.2 billion to government, said Ms. Knapp. A minimum percentage return to the state is required in eight states — usually at least 30 percent.

New York, with a population of 17.5 million had lottery sales of \$648.6 million in fiscal 1982-83. On the other end, Vermont with only 511,456 population, had gross sales of \$41.1 million in 1982 and distributed \$2.1 million in prizes.

States having lotteries besides New York and Vermont include Arizona, Colorado, Illinois, Maryland, Michigan, New Hampshire, Ohio, Pennsylvania, Rhode Island, Washington, Connecticut, Delaware, Maine, Massachusetts, New Jersey and the District of Columbia.

Some of the revenues from Western States show Arizona with a gross of \$114 million and a net to the state of \$37 million, or 38 percent; Colorado, \$104.5 million with a state net of 35 percent; and Washington with a gross of \$145 million and net of \$52.7 million, or 40 percent, to the state. In most cases the prizes ranged from 40 to 50 percent.

Although any form of gambling, including lotteries, is repugnant to many Idahoans, other states said they instituted the system primarily because it produces state revenue. Other reasons hinge on the contention it is voluntary in nature as opposed to compulsory taxes, cuts into illegal gambling games, and actually increases retail business which sell the lottery tickets and reap sales from the winners.