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FISCAL IMPACT REPORT

SPONSOR: Cordova DATE TYPED: 02/06/02 HB HJM 62
SHORT TITLE: Study Gambling Addiction SB _____
ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	See Narrative		

SOURCES OF INFORMATION

Gaming Control Board (GCB)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Joint Memorial 62 requests that the DOH, in cooperation with the GCB and statewide associations of Indian gaming interests, conduct a study on the cost and impact of problem gambling addiction on the State of New Mexico and its citizens. Also required is an assessment of resource needs for the prevention and treatment of problem gambling. A report is due to the legislative Health and Human Services Committee at its October 2002 meeting.

Significant Issues

The State of New Mexico approved a state run lottery in 1996, and casino and slot machine gambling in 1997. A study was completed by the University of New Mexico and the DOH Health about gambling-related problems in 1996. This study determined that there were over 40,000 serious problem gamblers. Since 1996 there have been no published follow-up studies on how gambling may have affected citizens in the state of New Mexico, and also how gambling may have affected the various Indian Tribes who have casinos within their reservations.

FISCAL IMPLICATIONS

HJM 62 does not allocate any funds to conduct this study and the DOH states that it does not have the resources or expertise in-house to conduct the study.

ADMINISTRATIVE IMPLICATIONS

HJM 62 would have a significant administrative impact on DOH because of the time and personnel involved in conducting a study on the cost and impact of problem gambling. The Gaming Control Board is a regulatory agency, which does not typically conduct studies; therefore, the majority of the administrative impact of a study such as this would fall on the DOH. Without additional personnel or funds to contract for outside consultant expertise, DOH could not complete a study of this magnitude.

TECHNICAL ISSUES

The GCB states that on Page 2, lines 10 through 14 should be changed to indicate that the DOH has participated in alliance activities. The alliance referred to is an informal organization and does not have formal membership requirement.

OTHER SUBSTANTIVE ISSUES

The GCB explains that the New Mexico Problem Gambling Alliance is an informal alliance of gaming interests dedicated to dealing with the problem gambling issues within the state of New Mexico. Participation in the alliance is voluntary. The alliance formed by New Mexico gaming Tribes is also voluntary and the Tribes are self-directed with their problem gambling programs and expenditure of funds dedicated to problem gambling issues. The racetrack and nonprofit gambling interests have their own programs dedicated to the problem gambling issues and are also self-directed.

The DOH has provided the following:

Costs related to gambling addiction may be varied and hard to quantify. For example, one 1997 study suggested that there may be an association between gambling and suicide in Las Vegas, Nevada. The study reported that Las Vegas had the highest levels of suicide in the nation both for residents and visitors. Visitors and residents of major gaming communities experience significantly elevated suicide levels. There have been no studies done on individual level gambling with suicide as an outcome; therefore, the Department of Health would have difficulty identifying the proportion of suicides that may be related to gambling. The 1996 DOH study reported an association between problem gamblers and heavy alcohol consumption. It is unknown, however, how much of an effect the gambling itself has on drinking, or whether there are some other factors, which drive both the gambling and the drinking behavior.

A study on the cost and impact of problem gambling in New Mexico could be beneficial. However, a study of this magnitude cannot be conducted by the DOH with no funding, even in collaboration with the Gaming Control Board, associations of Indian gaming and other interested parties. A thorough review of literature and national data on outcomes and costs of gambling may be more in the scope of this project.

DW/njw:ar