

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 962

SPONSOR: Senator Campbell

SUBJECT: Compulsive Gambling

DATE: March 2, 1999 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Barnes</u>	<u>Whiddon</u>	<u>CF</u>	<u>                    </u>
2.	<u>                    </u>	<u>                    </u>	<u>RI</u>	<u>                    </u>
3.	<u>                    </u>	<u>                    </u>	<u>FP</u>	<u>                    </u>
4.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
5.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

## I. Summary:

Senate Bill 962 establishes a compulsive gambling program in the Alcohol, Drug Abuse, and Mental Health Program Office in the Department of Children and Family Services (department) for public education, awareness, training, prevention, and treatment regarding problem and compulsive gambling. The bill requires that the department establish and contract for statewide telephone information and referral services for problem and compulsive gambling to be provided by an advocacy organization. An appropriation of \$2.5 million dollars from General Revenue funds establishes a non-reverting fund for the department to implement the program (specifying that \$500,000 of this amount must be distributed to an advocacy organization) and directs the Division of Pari-Mutuel Wagering to expend up to \$250,000 from the Pari-Mutuel Wagering Trust Fund for the compulsive gambling program.

The bill mandates the publication of the following statement on all lottery tickets and in pari-mutuel and bingo facilities and conspicuously displayed on certain premises accessible to the public: "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM HELP IS AVAILABLE. CALL 1-800-426-7711."

This bill substantially amends ss. 24.105, 24.112, 550.054, and 894.0931, Florida Statutes.

## II. Present Situation:

Pathological gambling is described in the *Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition*, published by the American Psychiatric Association, as an impulse control disorder resulting in a progressive failure to resist impulses to gamble to the extent that it becomes harmful to the person and to other persons and compromises, disrupts, or damages personal, family, or vocational pursuits. Characteristic problems associated with pathological gambling behavior include extensive indebtedness and consequent default on debts and other financial responsibilities, disrupted family relationships, inattention to work, and financially motivated illegal activities to pay for gambling.

Currently, a person with a gambling problem or with a compulsive gambling disorder may seek services from a mental health professional that are paid from either private insurance benefits or personal income. Representatives of the Department of Insurance maintain that private insurance coverage for treating persons with a compulsive gambling disorder is seldom available. According to the Alcohol, Drug Abuse and Mental Health Program Office of the department, very few if any public mental health or substance abuse providers have funds to serve persons who are diagnosed with a compulsive gambling disorder only. Persons with compulsive gambling problems are not considered to be a priority group to receive public mental health or substance abuse services specified in s. 394.75(4), F.S., unless he/she also suffers with an acute or chronic mental illness defined in s. 394.455(18), F.S., or a serious substance abuse problem specified in s. 397.311(16), F.S.

The National Council on Problem Gambling, Inc. is the primary advocacy group and was established in 1972 to support research, public education, training, referral and model program development to further the understanding and treatment of persons and families suffering from a serious gambling disorder. The Florida Council on Compulsive Gambling, Inc., established and incorporated in 1988, is a non-profit organization and an affiliate of the National Council on Problem Gambling and provides the following functions: 1) operates (since 1992) a referral hotline for compulsive gamblers and other interested persons or groups, 2) gathers statistics relating to problem gambling, 3) educates the public on the problems associated with gambling by developing and distributing printed material as well as providing speakers and workshops to interested groups and organizations, and 4) facilitates training for professionals and encourages treatment programs in Florida.

The department has no data to reasonably estimate the number of persons who have a problem with gambling or who have been diagnosed by a mental health professional or substance abuse professional as having a compulsive gambling disorder.

### **III. Effect of Proposed Changes:**

Senate Bill 962 establishes a compulsive gambling program in the Alcohol, Drug Abuse and Mental Health Program Office in the Department of Children and Family Services to address public education, awareness, training, prevention, and treatment of problem and compulsive gambling. The bill specifies the components of the program including a toll-free telephone number of a compulsive gambling advocacy organization that provides counseling referral services to families experiencing difficulties as a result of problem or compulsive gambling and conducting studies to identify adults and juveniles in Florida who are at risk of becoming problem or compulsive gamblers.

The bill amends s. 24.105, F.S., specifying the toll-free number (1-800-426-7711) that would appear on all lottery tickets, advertising, and marketing materials. The bill specifies that this requirement must be included in all contracts entered into with vendors pursuant to s. 24.111, F.S. All personnel and vendors of the Department of the Lottery would be required to receive training and education by an advocacy organization for problem and compulsive gambling. Many personnel and vendors of the Department of the Lottery do not come into contact with the general public and would not require training and education.

The bill amends s. 24.112, F.S., requiring every retailer to post the following statement in a conspicuous location on the premises: "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE. CALL 1-800-426-7711" This statement must also be printed on all advertising and marketing materials provided or conducted by the licensee and on all lottery tickets.

The bills amends s. 550.054, F.S., requiring each pari-mutuel facility licensee to post this statement on signs within 50 feet of each entrance and exit, within 50 feet of each credit location within the pari-mutuel facility, and within 50 feet of any facility at which an intertrack wager is placed. Each pari-mutuel facility licensee must print the statement on all advertising and marketing materials.

The bill amends s. 849.0931, F.S., requiring that this statement be displayed by each organization conducting bingo that is open to the public and on all advertising and marketing materials provided or conducted by the licensee.

The bill has no provision for competitively procuring the vendor to provide the information and referral system and deliver the training and education. The only known advocacy organization in Florida for problem and compulsive gambling is the Florida Council on Compulsive Gambling, Inc., who currently operates the information and referral service through the toll free telephone number specified in SB 962.

The bill appropriates General Revenue funds to the Alcohol, Drug Abuse, and Mental Health Program Office within the Department of Children and Family Services for the following purposes: 1) \$500,000 to establish a dedicated, nonreverting fund for distribution to an advocacy organization on problem and compulsive gambling to maintain the toll-free statewide hotline, to promote public awareness, and to conduct training activities on problem and compulsive gambling, and 2) \$2 million to establish a dedicated, nonreverting fund to conduct treatment programs for problem and compulsive gamblers. The Division of Pari-Mutuel Wagering within the Department of Business and Professional Regulation is directed to expend up to \$250,000 from the Pari-Mutuel Wagering Trust Fund under SB 962 for education, awareness, prevention, and treatment programs for problem and compulsive gamblers.

#### **IV. Constitutional Issues:**

##### **A. Municipality/County Mandates Restrictions:**

None.

##### **B. Public Records/Open Meetings Issues:**

None.

##### **C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

This bill could save money for those private citizens who use personal funds to obtain treatment for problems associated with compulsive gambling.

**C. Government Sector Impact:**

The bill appropriates \$2,500,000 from General Revenue funds to the Alcohol, Drug Abuse, and Mental Health Program Office for FY 1999-2000. The bill requires that the program office divert \$500,000 of this amount to an advocacy organization to implement the provisions contained in Section 1 of SB 962. The program office is directed to use the remaining \$2 million dollars to conduct treatment programs for problem and compulsive gamblers. This is a one-time appropriation as the bill does not create a permanent trust fund with an identified funding source.

The department reports that \$145,410 is needed in FY 1999-2000 for expenses and three management positions in the Alcohol, Drug Abuse, and Mental Health Program Office to implement the provisions of this bill.

The Pari-Mutuel Wagering Trust Fund is directed to use \$250,000 of existing funds for education, awareness, prevention, and treatment programs for problem and compulsive gamblers.

As stated earlier, the department has no data to reasonably estimate the number of persons who have a problem with gambling or who have been diagnosed by a mental health professional or substance abuse professional as having a compulsive gambling disorder. The legislative appropriation in SB 962 may not be sufficient to meet the full demand for information and referral, training, prevention, and treatment services as required under the provisions of this bill. According to the department, transferring existing General Revenue funds from the alcohol, drug abuse, and mental health budget to serve this population is not feasible because of the scarcity of public funds available for mental health and substance abuse treatment services. The demand for public funds needed to treat persons with serious mental health and substance abuse disorders as defined in chapters 394 and 397, F.S., exceeds the amount of funds currently available for community-based treatment and support services.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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