

**76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: 3188 A
CARRIER: Rep. Wand**

**REVENUE: No Revenue Impact
FISCAL: Fiscal Impact Issued**

Action: Do Pass as Amended and be Printed A Engrossed
Vote: 6-0-2
Yeas: Bentz, Brewer, Read, Wand, Barnhart, Berger
Nays: 0
Exc.: Bailey, Gelser

Prepared By: Mazen Malik, Economist
Meeting Dates: 2/25, 3/11, 3/15

WHAT THE BILL DOES: Requires counties to deposit moneys received from State Lottery Fund for purpose of furthering economic development in dedicated fund. Directs counties to report to Oregon State Lottery Commission regarding use of moneys.

ISSUES DISCUSSED:

- Long term projects
- County economic development
- Counties use of the funds.
- Constitutional restrictions of the economic development funds.
- The dedication of revenue in separate accounts from the county general fund.
- Need amendments to require an FTE which might eat up most the funds the county gets.

EFFECT OF COMMITTEE AMENDMENTS: The amendment makes the requirement for hiring an employee to oversee the program permissive rather than prescriptive.

BACKGROUND:

ORS 461.547 Distribution of certain video lottery revenues to counties for economic development. (1) The Oregon State Lottery Commission shall transfer an amount equal to 2.5 percent of the net receipts from video lottery games allocated to the Administrative Services Economic Development Fund to counties for economic development activities. Ninety percent of the moneys shall be distributed to each county in proportion to the gross receipts from video lottery games from each county. Ten percent of the moneys shall be distributed in equal amounts to each county.

(2) As used in this section:

(a) "Gross receipts from video lottery games" means the amount of money inserted into video lottery games plus the value of any free game prizes used by players for subsequent games.

(b) "Net receipts from video lottery games" means the amount of money that is received from the operation of video lottery games after the payment of prizes but prior to any other payment.

Note: Section 36, chapter 885, Oregon Laws 2009, provides:

Sec. 36. Notwithstanding ORS 461.547, for the biennium beginning July 1, 2009, the amount that would otherwise be transferred to counties under ORS 461.547 each fiscal quarter shall be reduced by \$625,000 each quarter, and that amount shall be transferred to the Administrative Services Economic Development Fund.

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