

VIDEO LOTTERY FUNDS TO COUNTIES:
ADJUSTMENT TO ALLOCATION

AOC requests that the allocation to counties for the current biennium of video lottery proceeds for badly needed economic development projects be adjusted based on the February 2016 revenue forecast for 2015-17. Please support the dash-2 amendments (2-12-16) to House Bill 5201.

Background:

- Under ORS 461.547, counties receive 2.5% of net receipts (after payment of prizes) from video lottery games. Ninety percent of these funds are distributed to each county in proportion to gross receipts from video lottery games from each county. Ten percent are distributed in equal amounts to each county. **These funds are dedicated for economic development projects.**
- **Beginning in the 2005-07 biennium, 50% of the costs of the Governor's Office administration of the Economic Revitalization Team (ERT)/Regional Solutions in the state budget has been funded from this county share.**
- **For the current 2015-17 biennium, the 2015 Legislature (HB 5029A) decided to allocate a fixed dollar amount from this source to counties, rather than the percentage allocation under ORS 461.547. The fixed amount is \$39,083,827, which equals 2.5% of video lottery proceeds projected in the May 2015 revenue forecast, minus one-half of funding for Regional Solutions.**
- For allocation/budget adjustments in the 2016 session, the **Legislature will use the February 2016 forecast**, released on February 10.
- Based on the February 2016 forecast of video lottery sales for the current biennium, 2.5% of net sales minus one-half of funding of administration of Regional Solutions (\$42,865,957 minus \$2,029,209), equals \$40,836,748. The adjustment to the allocation for counties would be plus \$1,752,921.
- The need for economic development resources, particularly in rural counties, is well documented. **AOC requests that the state 2015-17 allocation to counties be adjusted based on the February 2016 revenue forecast to \$40,836,748 for this current biennium. Please support the dash-2 amendments (2-12-16) to House Bill 5201.**