

VIDEO LOTTERY FUNDS TO COUNTIES:
RETURN TO THE STATUTE

AOC requests that the practice of “allocation” to counties based on a revenue forecast for biennial video lottery proceeds be ended; and that the shared video lottery funds be based once again on ORS 461.547.

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, investments badly needed by counties.**
- Beginning in the 2005-07 biennium, 50% of the costs of the Governor’s Office administration of Regional Solutions in the state budget has been funded from this county share.
- The 2011 Legislature suspended the statutory formula calculation for the 2011-13 biennium to provide counties with a fixed funding amount based on the May 2011 revenue forecast of 2.5% of video lottery sales minus one-half the cost of administration of Regional Solutions. The 2013 and 2015 Legislatures followed the same practice for their current biennium. **AOC respectfully requests that this practice stop, that the Legislature remove the allocation for the 2015-17 biennium, and that ORS 461.547 be permitted to operate.**
- AOC acknowledges that the allocation method worked to counties’ advantage in the 2011-13 biennium, protecting more than \$1.5 million that would have been lost to slumping sales. However, the loss in 2013-15 of nearly \$2.3 million of economic development funds due to allocation, and the very real potential of losing another \$2.9 million in 2015-17, convinces AOC to return to the original statutory deal. Counties know that this revenue source has its ups and downs, but it is what we agreed to.
- The need for economic development resources, particularly in rural counties, is well documented as urgent. ORS 461.547 was a wise policy decision at its adoption and remains so today.