



HEATHER BUCH

Lane County Commissioner
East Lane District
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DATE: March 18, 2019
TO: House Committee on Economic Development
RE: HB 2320, relating to lottery revenues

Chair Lively and Members of the Committee:

HB 2320 represents the latest evolution of an issue that Lane County has been tracking for several legislative sessions. It refines the process for how video lottery dollars are allocated to counties for economic development purposes. Lane County is in support of HB 2320 as introduced. We are additionally in support of the dash 1 amendment to the measure. We ask that you schedule a work session for this measure.

Under the Oregon Constitution and ORS Chapter 461, the policy of the Legislature is to ensure that the non-award revenue is allocated in part for job creation and furthering economic development. ORS 461.547 specifically directs 2.5% of video lottery gaming net receipts to counties based on a formula which ensures each county receives adequate funding to develop an economic development program.

In spite of statute, it has been the practice of the legislature to suspend the formulaic allocation of these revenues and instead allocate a fixed dollar amount. After analysis of the fixed dollar practice versus a percentage based allocation, counties have shown that in most biennium our economic development programs are bearing the brunt of the practice. For Lane County, we think this methodology has resulted in approximately \$150,000 annual impact. These are dollars that we are not able to invest in community infrastructure development and in particular affect our focus on assisting our rural economic development initiatives.

While many automatically think of the metro areas of Lane County when it comes to economic development, we have a significant amount of rural territory in our region. From Oakridge to Florence, Cottage Grove to Coburg and up the McKenzie River – these communities are our partners in economic development and look to Lane County for assistance often.

HB 2320 creates both the opportunity and process necessary to “true-up” these funds and outline a procedure to periodically allow for adjustments to be made. It will provide the counties with the appropriate economic development funding and would be a welcome departure to the current practice.

Respectfully,

Heather Buch
Lane County Commissioner, East Lane District

SUBMITTED ELECTRONICALLY