



Vote YES on HB 2261!

**Ensure that the 2.5% of dedicated video lottery proceeds reach our Counties –
Continue key investments in local economic development.**

PROBLEM: Under ORS 461.547, the State must transfer 2.5% of net video lottery proceeds to counties for economic development investments. This legislative action by the 1991 Legislature was largely reflective of an agreement between counties and the state when counties gave up their authority to authorize, regulate and tax lottery gaming. The law also proscribes how the dollars are distributed – with 90% going to each county in proportion to the gross receipts from video lottery games from that county and 10% distributed in equal amounts to each county.

However, since 2011 this allocation to counties has not been distributed according to the formula the statute proscribes. The statute is regularly suspended and distributions based on a fixed appropriation with no “true up” or “true down” mechanism in place. Over the past several biennia, counties have lost over \$15 million in vital funding for economic development-related programs due to this practice...and on years when the forecasts don’t match receipts, like what we experienced during COVID, the State overpaid upwards of \$10M.

Biennium	Video Lottery Sales	2.5% of Video Lottery Sales	County Disbursement	Over/Under 2.5% Formula
2007-09	\$1,723,944,558	\$43,098,614	\$42,025,558	\$0
2009-11	\$1,421,058,679	\$35,526,467	\$29,503,328	\$0
2011-13	\$1,460,488,183	\$36,512,205	\$37,118,584	+\$1,534,716
2013-15	\$1,522,342,736	\$38,058,568	\$33,849,166	-\$2,276,567
2015-17	\$1,762,372,375	\$44,059,309	\$39,083,827	-\$2,946,273
2017-19	\$1,886,888,891	\$47,172,222	\$41,285,992	-\$4,024,256
2019-21	\$1,596,910,798	\$39,922,770	\$50,231,366	+\$10,308,596
2021-23**	\$2,438,354,321	\$60,958,858	\$54,209,527	-\$6,749,331

**Video Lottery Sales not final for the 2021-23 biennium.

SOLUTION: HB 2261 allows for the continued ease of administration with an initial fixed allocation with a “true-up” or “true-down” mechanism. This ensures the original legislative intent of 2.5% of net video lottery receipts reaches our counties for economic development purposes. When receipts are high, county payments increase. When they are low, county payments will be suspended in the 1st Quarter of the following biennium.

County Utilization of Economic Development Dollars

Examples

BAKER COUNTY – Contract for providing economic development expansion, retention and recruitment efforts for the county.

BENTON COUNTY – Support Corvallis-Benton County Economic Development organization to provide marketing services for business development; support the efforts of the Regional Accelerator an Innovation Network (RAIN); support DaVinci Days, a local series of activities and events promoting Science, Technology, Engineering, and Mathematics; support costs of Oregon Cascades West Council of Governments for project coordination of survey to solicit input from key private sector leaders on issues affecting business; support expenses of preliminary design and cost of Fairground Arena Design/Plan.

CLACKAMAS COUNTY – Provided financial support and staffing and state funding match for the Willamette Falls Legacy Project; participated in the Project Management Team for Metro 2040 to help with planning/zoning changes; Staffing costs to select consultants and prepare changes for business retention, recruitment and expansion effort of Clackamas County; Assisted businesses and property owners with economic development expansion efforts; Continued Employment Land assessment for tracking and analysis of needs; Supported Google site search for drone program to assist business recruitment; Managed and lead potential for a county land bank authority of brownfields; Support export initiatives for county businesses exploring new markets; supported media and production services for local film projects; Participating in Cross Laminated Timber production efforts, building on previous work.

CLATSOP COUNTY – Supported economic development agencies in county including OCZMA, Seaside Chamber, Cannon Beach Chamber, Astoria-Warrenton Chamber, Clatsop Economic Development Resources and Columbia Pacific Development (Col-Pac); supported continued development and marketing of the North Coast Business Park for industrial uses; supported a FEMA Study Review to completion.

COLUMBIA COUNTY – Support training, consultant, and donations for county economic development; support commissioner involvement with AOC and economic development meetings; support county transit, roads, parks, county museum, Columbia County Economic Development and the County Fair.

COOS COUNTY – Support commissioner participation in national and state association and economic development meetings; support federal lobbying of timber issues; support costs for county planning and zoning; support work with county fair; provide assistance to local non-profits, such as Tenmile Lakes Basin Partnership.

CROOK COUNTY – Provide assistance to the operational costs for several non-profits including Kids Center, Crook County Kids, Crook County High School Rodeo, Community Harvest, Fireworks Display, Relay for Life; Supported Economic Development of Central Oregon (EDCO), Chamber of Commerce, Crook County Fairgrounds, Pacific International Stock Growers, and Post-Paulina Fire Management.

CURRY COUNTY – Support county staffing related to economic development issues including expansion assistance for existing businesses and serving as a county resource for new business, examining development and/or sale of county surplus property; support to South Coast Development Corporation.

DESCHUTES COUNTY – support staff and commissioner efforts to sustain economic development efforts and community health; support Economic Development of Central Oregon (EDCO); provided grants and cooperative agreements with community partners and non-profits to improve Deschutes' economic framework, including

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tourism, public transit and stabilizing families.

DOUGLAS COUNTY – Support Partnership for Economic Development; county economic development administrative costs; the UCC Medical Education Program, North River Jet Boat Factory Expansion; Back Nine Industrial Property development and improvements; First Call Resolution site improvements; Makerspace feasibility study; tourism support for Food Truck Competition; payments for maintenance and loans for industrial properties.

GILLIAM COUNTY – Support to Port of Arlington to assist its business development efforts, by improving property; Support to Pioneer Community Development Corporation for affordable housing efforts throughout the county.

GRANT COUNTY – Support administrative costs for county economic development coordinator, working with cities and non profits for tourism, event planning and support to businesses; support to Grant County Fairgrounds and Airport to host events and increase tourism.

HARNEY COUNTY – Support a contract with an economic development firm to promote Harney County and its local businesses to expand, form business plans, seek funding and opportunities, including contacts in Oregon and nationally; support administrative costs of maintaining the county website.

HOOD RIVER COUNTY – Provide administrative costs for commissioners and staff participating in economic development activities, including workforce housing, agricultural operations, waste management, coordinating efforts with local cities, the port, community college, school districts, chamber of commerce, the economic development district, as well as related state and legislative activities.

JACKSON COUNTY – Support a positive economic development environment by funding security for businesses, and helping inmates overcome obstacles to employment by funding programs to address addiction problems, mental health issues and education, such as obtaining a GED.

JEFFERSON COUNTY – Contracted for full range of economic development services through the regional Economic Development of Central Oregon (EDCO), as well as membership costs and support from Central Oregon Intergovernmental Council.

JOSEPHINE COUNTY – Support administrative costs for commissioners and staff to support the traded sector businesses in the county.

KLAMATH COUNTY – Contracted for various economic development services from regional and county partners; grant awards to new and existing businesses to promote and sustain economic development; support costs of travel to related meetings, activities, and events.

LAKE COUNTY – Contracts to support the efforts of two area service providers to improve local natural resource utilization and business outreach and development; support Klamath Community College's workforce and education programs in the county; support small programs such as community celebrations, youth programs, and travel costs for attendance at regional economic development meetings.

LANE COUNTY – Support local education and workforce training; provide financial assistance to local businesses to retain and expand jobs; respond to state and regional leads for business recruitment; support administrative

costs of Lane County Economic Development.

LINCOLN COUNTY – Support with grants to agencies and organization in the county for specific economic development projects; supported AOC efforts to facilitate a statewide task force on Maritime Workforce Development; grant to a low-income housing development project in Yachats; contributed to the Regional Accelerator and Innovation Project (RAIN) entrepreneurial support of small businesses; support to Lincoln County Land Trust to provide affordable housing in the county; support to Oregon Coast Community College's SBDC for its small business activities; and support the Economic Development Alliance of Lincoln County.

LINN COUNTY – Supports a Linn County-developed program for paying increased wages of youth, who are under 18 years old, that are hired in the summer by county businesses.

MALHEUR COUNTY – Support for library services of small communities; support Malheur County Transit System; support county fair and event activities; support non-profit Poverty to Prosperity; match funding for a marine and park project; support costs of economic development dues and memberships; support Malheur County Soil and Water Conservation projects; support Snake River Economic Development Alliance; contracts with professional economic development firm to provide the full range of economic development services for the county, and supports the Malheur County Development Corporation.

MARION COUNTY – Pay Oregon Garden infrastructure bond payment to allow continued operations; provide economic development and tourism support through grants to North Santiam Canyon Economic Development Corporation; Oregon Garden Foundation; Strategic Economic Development Corp (SEDCOR), Travel Salem; support community projects for Cities of Detroit, Donald, Gates, Gervais, Jefferson, Mt. Angel, Turner and Woodburn; provide economic development, infrastructure, training and planning grants to Gilgamesh Brewing, Detroit Lake marinas, North Santiam Watershed Council, Megellan Advisors for Broadband Strategic Plan; Chemeketa Community College diesel mechanic program, and administrative costs for land use planning and public works efforts.

MORROW COUNTY – Support administrative costs for regional organizations that further economic development on behalf of the county, including Morrow County Tourism, Morrow County Fair, and Willow Creek Valley Economic Development.

MULTNOMAH COUNTY – Support costs for Capital projects including East County Courthouse, Downtown Courthouse, Health Department, and improvements to existing venues and new headquarters hotel; support reconstruction of Sellwood Bridge; develop infrastructure to support agricultural and multi-modal movement of good in rural areas; support six Neighborhood Prosperity Initiative areas with funding; support downtown retail by funding efforts at reduction of homelessness on the streets; support Levee Ready Columbia's upgrades for 45 levees; support event venues and operations; support shipment of cargo at Port of Portland; support workforce development for those needing apprenticeships, vocational training, internships, work skills training, and similar services.

POLK COUNTY – Support funding for regional economic development organizations including, SEDCOR and Travel Salem; support participation in chambers of commerce, Mid Valley Council of Governments, supports special projects for organizations including Dallas Youth Garden, FACES, Business Development Dallas Schools, Extension Service, support funding for a watermaster, county-wide trapper and to the Aurora/Extension Research Facility.

SHERMAN COUNTY – Contracts with Mid-Columbia Economic Development for a part-time economic

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development specialist to provide economic development services to the county and to cities of Wasco, Rufus, Moro and Grass Valley; assist with the Biggs Service District water system project; secured a grant for an economic development analysis for the cities, assist with the fiber optics project for the county, and support the John Day Territory Tourism group.

TILLAMOOK COUNTY – Supports local organizations that promote economic development throughout the County including Tillamook Futures Council, Tillamook County Department of Community Development, and the Tillamook Pioneer Museum.

UMATILLA COUNTY – Supports area business development, area tourism promotion, community enhancements and development projects, small business enhancement and startup, and area youth programs.

UNION COUNTY – Utilized to make a loan payment for purchase of 60 acres of industrial zoned property which is now readily available for businesses; support the operation and debt service payment of Buffalo Peak Golf Course; utilized for debt service payment on a loan to match an federal Economic Development Administration grant and a local bond for the development and job creation potential at the Union County Airport Light Industrial Park.

WALLOWA COUNTY – Support local groups and businesses to further tourism and local economic development opportunities, including public safety. Examples include support for a music festival, repair of tow cables at the small ski area, and housing for fire equipment in outlying, very rural areas of the county.

WASCO COUNTY – Supports administration of the county planning department which houses economic development activities, including collaboration with economic development entities in the region (e.g. Port of The Dalles, The Dalles Chamber and its economic development committees.); supports requests related to economic and residential development, reviews and processes development applications and land use responsibilities, including industrial land actions; supports the increase of tourism, recreational activity and visitation in the scenic area of the gorge; reviews and permits renewable energy projects.

WASHINGTON COUNTY – Supports membership in the local chambers of commerce and local economic development agencies; supports Adalente Mueres Public Education activities; supports many community events and sponsorships, supports the County Historical Society; supports community development county staffing, specific economic development studies, long range planning efforts, and code enforcement.

WHEELER COUNTY – Supports county staffing of an economic development coordinator including related activities; supports tourism events such as the Spray Rodeo, the Painted Hills Festival, and the Fossil Cruz-in Car Show; contracts with Wheeler County Development for management of a revolving loan fund for new and expanding businesses; helps to maintain the two county parks.

YAMHILL COUNTY – Supports five main activities including the County Fair, County Parks, the Strategic Investment Fund, an Economic development Small Grant Program; contracts with Salem Area Economic Corp (SEDCOR) for economic development services to the county.