

June 12, 2017

Hon. Richard Devlin, Co-Chair  
Hon. Nancy Nathanson, Co-Chair  
Joint Ways & Means Committee

Re: County Video Lottery Allocations of 2.5%

Co-Chairs Devlin and Nathanson:

AOC and counties write in support of a return to a legislative allocation of the full 2.5% video lottery moneys to counties for economic development activities (minus a reduction for administration of the Governor's Regional Solution program), based on the actual distribution formula established in ORS Chapter 461.547. This video lottery provision was established by the Legislature in 1991, in return for counties giving up their authority to authorize, regulate and tax gaming.

In the 2011 session, the Legislature suspended the formula calculation and moved to a fixed funding amount each quarter, the total of which would not exceed that forecast in the May revenue forecast of each long session. Since the 2011 change, the counties have lost funding in 3 of the 4 biennia. We are willing to accept the losses with the gains.

Though in 2011 the legislative sense may have been that they were serving the better interest of counties by moving to a fixed-funding amount, the results have not shown that to be true over time. We believe it is best to return to the "deal" laid out in ORS 461.547. We have indications you will make this decision in the final lottery allocation bill, and we seek your support for this change.

Sincerely,



Lincoln County Commissioner Bill Hall  
President, Association of Oregon Counties

Cc: Hon. Fred Girod, Co-Chair, Capitol Construction Subcommittee  
Hon. Paul Holvey, Co-Chair, Capitol Construction Subcommittee  
Subcommittee Members: Hon. Peter Courtney, Hon. Richard Devlin, Hon. Tina Kotek  
Hon. John Huffman, Hon. Greg Smith, Hon. Jennifer Williamson  
Ken Rocco, Legislative Fiscal Officer  
Steve Bender, Legislative Fiscal Analyst