

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number HB2214

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Suit

3. Committee Courts of Justice

4. Title Virginia Charitable Gaming Commission; fair market rental value; minimum percentage to charity; waiver.

5. Summary/Purpose:

Allows a charitable gaming organization to count the rent paid for the rental of a bingo hall as a lawful part of the organization's percentage of gross receipts that are required to be used for charitable purposes ("use of proceeds"). The bill also requires the Commission to grant a waiver from the required "use of proceeds" if the organization has used at least five percent of its gross receipts for lawful charitable purposes for the last three years (or less if the organization has not conducted gaming for three years).

6. No Fiscal Impact. This bill has no fiscal impact on any state agency. However, it will reduce by an undetermined amount the funding that goes to charitable, community, educational, or religious purposes as a result of the conduct of charitable gaming.

7. Budget amendment necessary: No

8. Fiscal implications: Charitable gaming organizations are required, as a condition of receiving a permit, to use a set percentage of their gross receipts from gaming for charitable, community, educational, or religious purposes. If rent for use of a bingo facility is included as part of this set percentage, as allowed by this bill, the effect will be to reduce the amount that goes for charitable purposes.

The provision of this bill that allows an organization that fails to meet the "use of proceeds" percentage to apply for a waiver, and requires the gaming commission to grant the waiver if the organization has used at least five percent of its gross receipts for lawful charitable purposes. Currently, the required "use of proceeds" percentage ranges from five percent (for organizations with gross receipts less than \$150,000 or no prior gaming activity) to 12 percent (for organizations with gross receipts greater than \$500,000). The waiver allowed by this bill could result in effectively decreasing the "use of proceeds" percentage to five percent for all organizations. If this were to occur, it would significantly reduce the overall funding that goes to charitable purposes across the state.

9. Specific agency or political subdivisions affected: All organizations throughout the state that conduct bingo games under the regulation of the Charitable Gaming Commission.

10. Technical amendment necessary: No

11. Other comments: None

Date: 1/6/03vrn

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cc:SecretaryofAdministration