

Department of Planning and Budget 2009 Fiscal Impact Statement

1. **Bill Number:** HB2025

REVISED 1/21/09

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Marshall, D.W.

3. **Committee:** General Laws

4. **Title:** Charitable gaming; use of proceeds; audit fee

5. **Summary:** The bill allows proceeds from charitable gaming to be used for those expenses relating to the acquisition, construction, maintenance, or repair of any interest in real or personal property involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes. Currently, proceeds may be used only for real property. The bill also based the annual audit fee on net receipts and not gross receipts.

6. **Fiscal Impact Estimates:**

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	
2010	\$16,000	general fund
2011	\$0	general fund
2012	\$0	general fund
2013	\$0	general fund
2014	\$0	general fund
2015	\$0	general fund

6b. **Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	
2010	(\$1.8 million)	general fund
2011	(\$1.8 million)	general fund
2012	(\$1.8 million)	general fund
2013	(\$1.8 million)	general fund
2014	(\$1.8 million)	general fund
2015	(\$1.8 million)	general fund

7. **Budget Amendment Necessary:** Yes, the bill will reduce general fund resources available for appropriation.

8. **Fiscal Implications:** The bill modifies the definition used for determining the use of proceeds and for calculating the audit and administrative fee from “gross receipts” to “net receipts.” According to generally accepted accounting principles and the Internal Revenue Service, gross receipts are net receipts minus returns and allowances.

The Department of Agriculture and Consumer Services estimates that changing the basis for the audit and administrative fee, which is paid into the Commonwealth's general fund, will decrease revenue to the general fund by \$1.8 million annually. One-time costs of \$16,000 are needed for information technology services to make the necessary database modifications.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services, Division of Charitable Gaming.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/21/2009 dpbkbs

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cc: Secretary of Natural Resources