

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB1509

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

2. Patron: Davis

3. Committee: General Laws

4. Title: Charitable Gaming Board; Texas Hold'em poker events.

5. Summary: This bill allows a qualified organization to conduct Texas Hold'em poker events in conjunction with its charitable gaming activities. The conditions under which a qualified organization may manage, operate or contract with operators of, or conduct Texas Hold'em poker games and tournaments shall be prescribed by the Charitable Gaming Board. The bill provides that the initial regulations adopted by the Charitable Gaming Board pertaining to the conduct of Texas Hold'em events shall be exempt from the requirements of Article 2 (§ 2.2-4006 et seq.) of the Administrative Process Act (§ 2.2-4000 et seq.).

6. Budget Amendment Necessary: Yes, to Item 96 of HB30/SB30.

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	n/a	n/a	n/a
2019	\$250,000	4	General fund
2020	\$250,000	4	General fund
2021	\$250,000	4	General fund
2022	\$250,000	4	General fund
2023	\$250,000	4	General fund
2024	\$250,000	4	General fund

7b. Revenue Impact: Indeterminate.

8. Fiscal Implications: It is anticipated that this bill will result in an expenditure impact to the Department of Agriculture and Consumer Services (VDACS). The permitting and overseeing of Texas Hold'em poker tournaments would be a new gaming activity in Virginia. Currently, there are approximately 300 licensed bingo operators that could expand game offerings to include Texas Hold'em events. Additionally, the bill provides for qualified organizations to contract with operators to conduct Texas Hold'em poker games and tournaments, which may increase the number of charities participating in charitable gaming. According to VDACS, there are approximately 12,000 registered charities in Virginia. The bill also provides that qualified organizations may conduct these events up to three times per week and allows such events to be conducted outside of the conduct of bingo sessions.

As a result, VDACS anticipates that this bill will increase the number of qualified organizations conducting events, as well as the frequency and duration of such events. VDACS anticipates that four positions, including two licensing analysts and two auditors, will be required to properly oversee this new activity. As a result of ongoing budget reductions in the Charitable Gaming Regulation program, the additional responsibilities cannot be absorbed using existing resources. The department estimates that the total cost of the needed positions, including operating expenses, will be approximately \$250,000.

The revenue that will be generated through the payment of poker events and other fees, such as permits, and audit and administration fees, cannot be estimated at this time. Budget language in Item 99, Chapter 836, 2017 Acts of Assembly, and continued in HB30/SB30, directs that all fees paid by permitted organizations are to be deposited into the general fund.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services.

10. Technical Amendment Necessary: No.

11. Other Comments: SB992 is the companion to this bill.