

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** HB1977

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Greason

**3. Committee:** General Laws

**4. Title:** Problem Gambling Treatment Fund established.

**5. Summary:** Establishes the Problem Gambling Treatment Fund for the prevention and treatment of gambling addiction and other problems related to gambling, and for the administration of such programs. The Fund shall receive one-sixth of one percent of the gross lottery proceeds annually, subject to the constitutionally required four-fifths vote. The bill also allows advertising that says lottery proceeds benefit the prevention and treatment of gambling addiction and other problems related to gambling.

**6. Budget Amendment Necessary:** Yes. Item 132, Direct Aid for Public Education; the Department of Behavioral Health; Front Page – Lottery Proceeds Revenue Estimate; Part 3 – Lottery Proceeds Transfer Estimate.

**7. Fiscal impact estimates are preliminary.** See item 8, below.

**8. Fiscal Implications:** The proposed legislation directs the Department of Behavioral Health and Developmental Services (DBHDS) to develop a plan for the coordination and administration of statewide prevention and treatment of gambling addiction and other problems related to gambling, and the delivery of program services, by July 1, 2012. The proposal also establishes the Problem Gambling Treatment Fund, which would consist of one-sixth of one percent of the gross lottery proceeds. This new fund would support the program Behavioral Health and Developmental Services is directed to develop for the prevention and treatment of gambling addiction and other related problems.

One-sixth of one percent (0.167%) of gross Lottery revenues equates to approximately \$2.5 million per year. This would be a direct reduction to Lottery profits, and would reduce the funds available for the Lottery Proceeds Fund, which is used to support K-12 public education in Virginia. If these funds are not supplanted with general fund dollars, reductions to one or more Lottery funded programs will be required to account for the loss of Lottery proceeds.

The cost to DBHDS of developing a plan, and implementing a prevention and treatment program, to address gambling addiction and related problems is indeterminate, as information is not currently available on the extent of the issue.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Education, Direct Aid to Public Education; localities; and, the Department of Behavioral Health and Developmental Services.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** Passage of this bill may require additional guidance to the Department of Education on which programs to reduce or eliminate.

**Date:** 1/24/11