

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB571

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

2. Patron: Krizek

3. Committee: General Laws

4. Title: Horse racing and pari-mutuel wagering; prohibition on persons under 21 years of age, penalty.

5. Summary: Raises from 18 to 21 years of age the minimum age for a person to wager on or conduct any wagering on the outcome of a horse race or to be admitted into a satellite facility without being accompanied by such person's parent or legal guardian.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023	(\$245,400)	02280
2024	(\$245,400)	02280
2025	(\$245,400)	02280
2026	(\$245,400)	02280
2027	(\$245,400)	02280
2028	(\$245,400)	02280
2029	(\$245,400)	02280

8. Fiscal Implications: This bill would raise the age requirement for someone to wager on a horse racing with pari-mutuel wagering from 18 to 21 years of age on historical horse racing terminals at satellite wagering facilities. This change would reduce the amount of wagering and corresponding license tax to the Commonwealth from historical horse racing. Colonial Downs Group estimates that one percent of the wagers placed on historical horse racing are made by ages 18 through 20. Based on this estimate and the wagering on historical horse racing during the past 12 months, the license tax collected by the Virginia Racing Commission would be reduced by \$245,400 each year. This tax is deposited to the General Fund at the end of each fiscal year.

The penalty for a violation is a Class 1 misdemeanor. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both. There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail

population will increase costs to the state. The Commonwealth currently pays the localities \$4.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail. It also funds a portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2021), the estimated total state support for local jails averaged \$37.58 per inmate, per day in FY 2020.

9. Specific Agency or Political Subdivisions Affected: Virginia Racing Commission; courts

10. Technical Amendment Necessary: No.

11. Other Comments: SB366, as substituted, is the companion to this bill.