

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: HB2351

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Subramanyam

3. Committee: General Laws

4. Title: Virginia Lottery Board; compensation to licensed sales agents.

5. Summary: Provides that the amount of compensation paid to licensed sales agents of Virginia lottery tickets or shares shall be no less than six percent of sales and no more than one percent of the cash value of all prizes paid.

6. Budget Amendment Necessary: Yes, Item 137 and Item 495.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: This bill would increase the current five percent sales commission paid to lottery retailers to six percent and would retain the current one percent cashing commission paid. The increase in sales commission would directly reduce the profits remaining for transfer to the Lottery Proceeds Fund. Virginia Lottery notes that based on projected retail sales of \$2.5 billion annually, the additional one percent sales commission reduces profits by \$25 million annually. Any decrease in the amount transferred to the Lottery Proceeds Fund would require an equal increase in general fund appropriation to support Direct Aid to Public Education.

9. Specific Agency or Political Subdivisions Affected: Virginia Lottery and the Department of Education.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

January 23, 2023