

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB523H1

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

2. Patron: Krizek

3. Committee: General Laws

4. Title: Charitable gaming.

5. Summary: Amends charitable gaming law to allow, as a condition of receiving a charitable gaming permit or authorization to conduct electronic gaming, certain organizations to use a predetermined percentage of its receipts for expenses related to the rental of real property where such real property is involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes. The bill (i) prohibits the Department of Agriculture and Consumer Services (VDACS) from promulgating electronic gaming regulations that prohibit (a) devices that display spinning, rotating, or rolling reels or animations or flashing lights; (b) devices that accept vouchers; or (c) the purchase and play of an electronic pull tab with a single press or touch of a button. The bill also reduces the amount VDACS may collect as an audit and administration fee by one-half, provides for an additional fee to be collected and deposited to the Problem Gambling Treatment and Support Fund to support problem gambling treatment and support efforts in the Commonwealth, prohibits any qualified social organization that is subject to Department regulations from conducting electronic gaming in a separately demised premises that has a direct or indirect means of ingress to or egress from any adjacent space unless such space is used exclusively by members or guests of such qualified organization. Additionally, this bill allows a qualified organization to use a predetermined percentage of its receipts for those expenses relating to facility maintenance and upkeep, such as any rent or mortgage payment and utility expenses, and used for lawful religious, charitable, community, or educational purposes.

6. Budget Amendment Necessary: See Item 8.

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

8. Fiscal Implications: The fiscal impact of this bill is indeterminate. It is anticipated that this bill will reduce the amount of revenue generated by the audit and administration fee collected pursuant to § 18.2-340.31, Code of Virginia, by an estimated \$866,000 in each fiscal year. An estimate of the revenue the additional fee provided for in this bill may generate is indeterminate.

Currently, budget language in Item 94 of HB30, as Introduced, overrides the Code and directs the deposit of any and all fees paid by any organization conducting charitable gaming under a permit issued by VDACS to the general fund. As such, the revenue generated by the

additional fee established in this bill would be deposited to the general fund rather than the Problem Gambling Treatment and Support Fund.

VDACS receives \$2.3 million in general fund appropriation in each fiscal year to support the regulation of charitable gaming.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Agriculture and Consumer Services, Department of Behavioral Health and Developmental Services

10. Technical Amendment Necessary: No.

11. Other Comments: None