



Fiscal Impact Statement for Proposed Legislation

Virginia Criminal Sentencing Commission

House Bill 2747 (Patron – Feggans)

LD#: 25105308

Date: 01/22/2025

Topic: Electronic gaming devices

Fiscal Impact Summary:

- **State Adult Correctional Facilities:**
\$50,000 *
- **Local Adult Correctional Facilities:**
Cannot be determined
- **Adult Community Corrections Programs:**
Cannot be determined

- **Juvenile Correctional Centers:**
Cannot be determined**
 - **Juvenile Detention Facilities:**
Cannot be determined**
- **Provided by the Department of Juvenile Justice

* The estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities; therefore, Chapter 2 of the Acts of Assembly of 2024, Special Session I, requires the Virginia Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000.

Pursuant to § 30-19.1:4, fiscal impact statements prepared by the Virginia Criminal Sentencing Commission only include the estimated increase in operating costs associated with additional state-responsible prison beds and do not reflect any other costs or savings that may be associated with the proposed legislation.

Summary of Proposed Legislation:

The proposal establishes Article 3 of Chapter 40 of Title 58.1 to regulate electronic gaming devices, licensees, taxation, placement and compliance. The bill defines electronic gaming terminal and specifies the licensing requirements related to the distribution, operation, hosting, and play of electronic gaming terminal. The proposal also specifies powers and duties of the Virginia Gaming Commission (VGC) and any successor department or agency designated by the Virginia General Assembly in regulating electronic gaming terminals.

The proposal defines a number of new offenses. For example, it would be a Class 1 misdemeanor for anyone to make a false statement on any electronic gaming terminal license application. It would also be a Class 1 misdemeanor for any person under 21 years of age to play or operate any electronic gaming terminal or redeem any ticket generated from an electronic gaming terminal.

The proposal also defines several other offenses that would be punishable as Class 6 felonies, such as manufacturing, distributing, operating, or hosting an electronic gaming terminal without a license or unlawfully tampering with an electronic gaming device.¹

Finally, the proposal elevates existing misdemeanor offenses under § 18.2-326 (illegally gambling or engaging in interstate gambling), § 18.2-329 (owners, etc., permit continuing illegal gambling activity),

¹ All proposed felonies in this bill would be eligible for the enhanced sentence credits specified in § 53.1-202.3, whereby offenders serve a minimum of 67% of the sentence ordered by the court.

§ 18.2-330 (accessories to gambling activity), § 18.2-331 (illegal possession, etc., of gambling device) to a Class 6 felony.²

Analysis:

According to the Circuit Court Case Management System (CMS) for fiscal year (FY) 2019 through FY2024, two offenders were convicted of a felony under § 18.2-328 for operating an illegal gambling operation. It was the primary, or most serious, offense in one of these cases. The offender did not receive an active term of incarceration to serve after sentencing.

According to General District CMS data for the same period, there were 33 offenders convicted of a Class 3 misdemeanor under § 18.2-326 (illegally gambling or engaging in interstate gambling), a Class 1 misdemeanor under § 18.2-329 (owners, etc., permit continuing illegal gambling activity), a Class 1 misdemeanor under 18.2-330 (accessories to gambling activity), or a Class 1 misdemeanor under § 18.2-331 (illegal possession, etc., of gambling device) as the primary, or most serious, offense. Of these offenders, 87.9% did not receive any active term of incarceration, while the remaining 12.1% received a local-responsible (jail) sentence with a median sentence of approximately five days.

Existing data do not contain sufficient detail to determine the number of new felony convictions that may occur as the result of the proposal.

Impact of Proposed Legislation:

State adult correctional facilities. Because it creates several new felony offenses and increases penalties for existing misdemeanors to Class 6 felonies, the proposal may increase the future state-responsible (prison) bed space needs of the Commonwealth. Existing databases do not provide sufficient detail to estimate the number of new felony convictions likely to result from enactment of the proposal. Thus, the magnitude of the impact on prison beds cannot be determined.

Local adult correctional facilities. Similarly, the proposal may increase the local-responsible (jail) bed space needs of the Commonwealth; however, the magnitude of the impact cannot be quantified.

Adult community corrections programs. Because the proposal could result in felony and misdemeanor convictions and subsequent supervision requirements for an additional number of offenders, the proposal may increase the need for adult community corrections resources. Since the number of cases that may be affected cannot be determined, the potential impact on community corrections resources cannot be estimated.

Virginia's Sentencing Guidelines. The new felonies established by the proposal would not be covered by the Sentencing Guidelines as the primary, or most serious, offense. Such convictions, however, could augment the Guidelines recommendation (as additional offenses) if the most serious offense at sentencing is covered by the Guidelines. If enacted, the new felonies would not be defined as violent in § 17.1-805(C) for the purposes of the Guidelines. No adjustment to the Guidelines is necessary under the proposal.

Juvenile direct care. According to the Department of Juvenile Justice, the impact of the proposal on direct care (juvenile correctional center or alternative commitment placement) bed space needs cannot be determined.

Juvenile detention facilities. According to the Department of Juvenile Justice, the impact of the proposal on the bed space needs of juvenile detention facilities cannot be determined.

² All proposed felonies in this bill would be eligible for the enhanced sentence credits specified in § 53.1-202.3, whereby offenders serve a minimum of 67% of the sentence ordered by the court.

Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities; therefore, Chapter 2 of the Acts of Assembly of 2024, Special Session I, requires the Virginia Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000.

Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation cannot be determined for periods of commitment to the custody of the Department of Juvenile Justice.

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