

**Department of Planning and Budget  
2025 General Assembly Session  
State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** HB2634   **Patron:** Wilt  
**Bill Title:** Charitable gaming; use of proceeds; charitable gaming adjusted gross receipts.

**Bill Summary:** Amends charitable gaming law to allow certain organizations, as a condition of receiving a charitable gaming permit or authorization to conduct electronic gaming, to use (i) with respect to charitable gaming, other than electronic gaming, a predetermined percentage of its charitable gaming adjusted gross receipts, not to exceed 25 percent, and (ii) with respect to electronic gaming, a predetermined percentage of its electronic gaming adjusted gross receipts, not to exceed 25 percent; however, at no time shall such predetermined percentage be calculated at an amount equal to less than 10 percent of its gross receipts derived from electronic gaming less the amount of prize money paid out to players. The bill has a delayed effective date of January 1, 2026.

**Budget Amendment Necessary:** Yes. See Fiscal Analysis.                 **Items Impacted:** Front page

**Explanation:** It is anticipated that this legislation would have an ongoing revenue impact to the general fund from the Virginia Department of Agriculture and Consumer Services (VDACS).

**Fiscal Summary:** VDACS anticipates a reduction in fee revenue of \$209,856 in 2026 and \$419,713 annually thereafter. This revenue is deposited to the general fund.

**General Fund Revenue Impact:**

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Front Page	0	(\$209,856)	(\$419,713)	(\$419,713)	(\$419,713)	(\$419,713)
<b>TOTAL</b>	<b>0</b>	<b>(\$209,856)</b>	<b>(\$419,713)</b>	<b>(\$419,713)</b>	<b>(\$419,713)</b>	<b>(\$419,713)</b>

**Fiscal Analysis:** This impact statement is preliminary. Qualified organizations submit their financial reports to VDACS via an online system. The change to the use of proceeds percentage requirement would require a one-time modification to the current online financial reporting system. The cost for this modification is estimated at \$50,000 in 2026, which VDACS can absorb.

Furthermore, § 18.2-340.31, Code of Virginia, requires the manufacturer of electronic gaming or pull-tab devices to pay audit and administration fees quarterly based on electronic gaming adjusted gross receipts, which is currently defined as gross receipts minus prizes paid out. Appropriation Act language directs the deposit of all fees paid by any organization conducting charitable gaming into the general fund. The totality of the fees is set at 0.75 percent of the electronic gaming adjusted gross receipts. This bill revises the definition of electronic gaming adjusted gross receipts by removing the contractually agreed upon percentage retained

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by the electronic gaming manufacturer that the percentage above is based on. Therefore, the agency anticipates an annual \$419,713 decrease in fees that are collected and deposited into the general fund. Due to the bill's effective date of January 1, 2026, a reduction of \$209,856 is expected in FY 2026.

**Other:** None.