

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

revenues for VRC. In the case of the PGTSF, which is managed by DBHDS, the same amount would be subtracted from VRC revenues and added to DBHDS revenues.

In fiscal year (FY) 2024, the total handle was \$4.5 billion; due to increasing numbers of HHR terminals, the current estimate for the FY 2025 handle is \$5.4 billion. Current estimates put the FY 2026 handle at \$6.8 billion and the FY 2027 handle at \$7.6 billion. In FY 2026, VRC estimates a reduction in license tax revenue of \$2.7 million, with increases of \$1.0 million to the PGTSF and \$850,841 each to the Shenandoah County Agricultural Foundation and Great Meadow Foundation. In FY 2027, VRC anticipates a reduction of \$3.0 million, with \$1.1 million going to the PGTSF and \$953,003 each to the Shenandoah County Agricultural Foundation and Great Meadow Foundation.

Estimates for FY 2026 and FY 2027 were calculated using a three-year per capita average. VRC forecasts beyond FY 2027 are unavailable due to uncertainty around competition from casinos and how patrons may shift between these and HHR facilities, and for the purposes of this impact statement, the FY 2027 estimate is straight-lined in FY 2028-FY 2030.

It is anticipated that DBHDS can absorb any costs associated with the implementation of this bill. Any additional deposits into the Problem Gambling Treatment and Support Fund would be subject to appropriation.

Budget language directs the annual transfer to the general fund of any unexpended balances, less \$900,000 for annual startup expenses, in VRC's operating fund to the general fund. It is anticipated that the change in the allocation in this bill will impact the portion received by the Commonwealth as license tax revenue. Last year, VRC transferred \$27.8 million to the general fund. The reduction in nongeneral fund revenue to be received by VRC is anticipated to result in an equivalent reduction in the transfer to the general fund each year.

Other: This bill is the companion to SB889S1.