

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB49

Patron: Reid

Bill Title: Pari-mutuel wagering; historical horse racing; percentage retained for distribution.

Bill Summary: Provides that with respect to all authorized historical horse racing terminals, of the amount that a horse racing licensee retains from wagering on historical horse racing pools and in addition to the current distribution required under law, 0.025 percent each shall be distributed to the Shenandoah County Agricultural Foundation and the Great Meadow Foundation to support the promotion, education, maintenance, and safety of horse racing at such facilities. The bill also increases the distribution percentage provided from the amount that a horse racing licensee retains from wagering on historical horse racing pools to the Problem Gambling Treatment and Support Fund from 0.01 percent to 0.025 percent.

Budget Amendment Necessary: No.

Items Impacted: N/A

Explanation: This bill involves the Virginia Racing Commission (VRC) and Department of Behavioral Health and Developmental Services (DBHDS); however, no budget action is required. See Fiscal Analysis section below.

Fiscal Summary: This bill directs approximately \$4.3 million in FY 2027 and \$3.2 million in FY 2028 from revenue anticipated to be generated from historical horse racing (HHR) to the Shenandoah County Agricultural Foundation, the Great Meadow Foundation, and the Problem Gambling Treatment and Support Fund (PGTSF) at DBHDS. This amount is anticipated to decrease each year thereafter. This may result in a reduction in the amount of revenue annually transferred from the State Racing Operations Fund to the general fund.

Fiscal Analysis: VRC estimates HHR handle will be \$6.598 billion in 2027, \$6.422 billion in 2028, \$6.019 billion in 2029, \$5.591 billion in 2030, and \$5.191 billion in 2031. VRC anticipates the revenue will decrease over time due to anticipated increased gaming competition.

Based on these estimates, it is anticipated that the PGTSF would receive an additional deposit of \$989,707 in 2027, \$963,282 in 2028, \$902,788 in 2029, \$838,701 in 2030, and \$778,665 in 2031. The Fund is subject to appropriation and is not anticipated to require additional resources from DBHDS without additional appropriation.

The Shenandoah County Agricultural Foundation and the Great Meadow Foundation, two private, nonprofit entities, would each receive \$1,649,511 in 2027, \$1,605,470 in 2028, \$1,504,646 in 2029, \$1,397,835 in 2030, and \$1,297,775 in 2031.

The increase in the distribution to the PGTSF and new distributions to the Shenandoah County Agricultural Foundation and the Great Meadow Foundation would result in a corresponding decrease to the distribution the Commonwealth receives as a license tax. Revenue received by the Commonwealth as the license tax is

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deposited to the State Racing Operations Fund at VRC. Revenue collected in excess of amounts appropriated to support VRC's operations is transferred to the general fund each fiscal year.

Section 3-1.01, Paragraph JJ. of HB30, as Introduced, transfers an estimated \$31.0 million each in FY 2027 and FY 2028 to the general fund. Chapter 725, 2025 Acts of Assembly, directs the transfer to the general fund of an estimated \$29.0 million in FY 2025 and \$31.0 million in FY 2026. In FY 2025, \$37.0 million was transferred to the general fund. It is anticipated that implementation of this legislation would not reduce the \$31.0 million transfer to the general fund each year as proposed in the introduced budget.

Other: This bill is the companion to SB159.