

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

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ORIGINAL

Bill Number: HB218

Patron: McQuinn, Carnegie, Henson and Pope Adams

Bill Title: Casino gaming; consideration of service permit application.

Bill Summary: Provides that the Virginia Lottery (the Department) may only consider the criminal record information of an applicant for a service permit for the eight years immediately preceding the date of the application. The bill also directs the Department to issue or deny any service permit within 30 business days of receipt; requires service permits to be renewed by the Virginia Lottery Board every 10 years; requires service permit application forms to include additional space for an applicant to include a written narrative detailing important facts regarding their application; and makes the service permit application fee refundable.

Budget Amendment Necessary: Yes **Items Impacted:** Item 479

Explanation: Two nongeneral fund positions are required for this bill.

Fiscal Summary: It is estimated that the provisions of this bill will require the Virginia Lottery (Lottery) to hire an additional two positions to process additional service permits, and respond to applications within 30 business days. The positions will be funded by a potential increase in service permit fees.

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
Virginia Lottery (172)						
Dedicated Special Revenue (09)	\$0	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000
TOTAL	\$0	\$255,000	\$255,000	\$255,000	\$255,000	\$255,000

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
Virginia Lottery (172)	0	2	2	2	2	2
TOTAL	0	2	2	2	2	2

Fiscal Analysis: Currently, the *Code* requires the Virginia Lottery Board to determine the service permit term, which is set at five years at the moment. This bill proposes a set term of 10 years, with annual renewals for

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persons between the ages of 18 to 21. The renewal amount of the permit still appears to be at the discretion of the Board, which will likely be reevaluated if this bill passes to ensure no loss in revenue. The bill also imposes new regulations on the application review process and timeframe, which Lottery expects will require additional personnel. The new regulations will allow applicants with a criminal history within a certain timeframe apply, which will need to be verified. As more individuals can apply with increased parameters, this may increase the workload of the applications to review. Additionally, there are new parameters that must be reviewed, and there is a new requirement of a 30 day turnaround on the application.

Estimates of additional personnel required to successfully implement the provisions of HB218, as provided by senior management of the Lottery gaming division based on their knowledge of current duties and workload, include an additional two investigators at an estimated annual cost of \$225,00 for salary and benefits, starting in fiscal year 2027. The fiscal impact is based on the average salaries and estimated benefits of current employees in comparable positions

Other: None.