

**Nongeneral Fund Expenditure Impact:**

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

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
ABC	0	28,052,308	17,387,544	17,387,544	17,387,544	17,387,544
<b>TOTAL</b>	<b>0</b>	<b>28,052,308</b>	<b>17,387,544</b>	<b>17,387,544</b>	<b>17,387,544</b>	<b>17,387,544</b>

**General Fund Revenue Impact:**

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
ABC	\$0	(28,052,308)	(17,387,544)	(17,387,544)	(17,387,544)	(17,387,544)
<b>TOTAL</b>	<b>\$0</b>	<b>(28,052,308)</b>	<b>(17,387,544)</b>	<b>(17,387,544)</b>	<b>(17,387,544)</b>	<b>(17,387,544)</b>

**Position Impact:**

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
ABC	0	85	85	85	85	85
OAG	0	1	1	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>

**Fiscal Analysis:**

**OAG:** According to the Office of the Attorney General (OAG), ABC would likely rely on OAG counsel to draft and amend regulations and provide other legal guidance. This process typically takes over a year and requires in-depth knowledge of gaming laws, particularly with regard to electronic gaming machines and their operations. The Office will need to hire an attorney to fulfill these duties. Within HB30/SB30, Item 50.C., the OAG can invoice for legal services to agencies wholly or partially non-generally funded. The OAG would need to invoice ABC for legal costs, otherwise the Office would need 1 attorney to provide services to VA ABC funded by the general fund equaling \$160,226 annually, including salary and benefits. Whether ABC is billed or general fund support is provided, the cost to the general fund will be the same.

**DOA:** According to DOA, this bill will result in minimal fiscal impact on the agency.

**TAX:** According to TAX, it will incur \$166,120 in fiscal year 2026, and \$12,500 in ongoing years, to update technology systems and implement changes required by the legislation.

**ABC:**

Cost: According to ABC, it will need \$10,750,000 in FY27 and \$1,750,000 in subsequent years for software and licensing; \$533,400 in FY27 and subsequent years to produce and administer stickers; \$998,000 in FY27 and \$698,000 in subsequent years for training and onboarding; \$1,480,400 in FY27 and \$400,000 in subsequent years for vehicles; \$464,640 in FY27 and \$400,000 in subsequent years for equipment; \$150,000 in FY27 for updates to the offices to accommodate additional staff; \$10,675,868 in FY27 and \$10,337,495 in subsequent years for 85 new Full Time Equivalent positions; and, \$3,000,000 in FY27 for temporary staffing until full implementation.

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Revenues: The actual amount of revenues brought in by skill games will vary depending on the final counts of machines put into play in any given month as well as the number of distributors, number of operators, number of non-truck stop establishments, and number of truck stop establishments.

Below are ABC's estimated revenues it would collect under the proposed bill depending on the number of machines that a distributor puts out for play per month. The revenues presented are based on the following assumptions: 2 distributors, 50 operators, 9,000 non-truck stop establishments, and one truck stop establishment.

Revenues for 10,000 Machines in Play per Month		
Category Of Revenue	Number of Category	Total Revenue
Total Tax Revenue (\$9,600 per machine)	10,000	\$96,000,000
ABC 6% portion of tax		<b>\$5,760,000</b>
Distributor fees (\$250,000)	2	<b>\$500,000</b>
Operator fees (\$25,000)	50	<b>\$1,250,000</b>
Establishments non-truck stop (\$1,000)	9000	<b>\$9,000,000</b>
Establishments truck stop (\$2,500)	1	<b>\$2,500</b>
<b>TOTAL ABC REVENUE</b>		<b>\$16,512,500</b>

Revenues for 20,000 Machines in Play per Month		
Category Of Revenue	Number of Category	Total Revenue
Total Tax Revenue (\$9,600 per machine)	20,000	\$192,000,000
ABC 6% portion of tax		<b>\$11,520,000</b>
Distributor fees (\$250,000)	2	<b>\$500,000</b>
Operator fees (\$25,000)	50	<b>\$1,250,000</b>
Establishments non-truck stop (\$1,000)	9000	<b>\$9,000,000</b>
Establishments truck stop (\$2,500)	1	<b>\$2,500</b>
<b>TOTAL ABC REVENUE</b>		<b>\$22,272,500</b>

Revenues for 35,000 Machines in Play per Month		
Category Of Revenue	Number of Category	Total Revenue
Total Tax Revenue (\$9,600 per machine)	35,000	\$336,000,000
ABC 6% portion of tax		<b>\$20,160,000</b>
Distributor fees (\$250,000)	2	<b>\$500,000</b>
Operator fees (\$25,000)	50	<b>\$1,250,000</b>

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Establishments non-truck stop (\$1,000)	9000	<b>\$9,000,000</b>
Establishments truck stop (\$2,500)	1	<b>\$2,500</b>
<b>TOTAL ABC REVENUE</b>		<b>\$30,912,500</b>

All gaming taxes collected shall accrue to the Virginia Small Business Economic Development Fund. Revenues from the Virginia Small Business Economic Development Fund shall be apportioned by the Comptroller as follows: Fifteen percent to the Department of Taxation for distribution to the locality in which the establishment operates; Two percent to the Problem Gambling Treatment and Support Fund; Seventy-five percent to the general fund; One percent to the Department of State Police to be used by the Office of the Gaming Enforcement Coordinator; One percent to the law-enforcement agencies that have primary law-enforcement responsibility in any locality in which skill game machines are located; and Six percent to the Authority to cover the costs incurred in administering and implementing the provisions of this chapter.

**Other:** This bill is a companion to SB661.