

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB527

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Krizek

3. **Committee:** General Laws

4. **Title:** Charitable Sports Raffle Act established; penalties.

5. **Summary:** Establishes the Charitable Sports Raffles Act for the purpose of authorizing athletic event drawings, defined in the bill, to be conducted by affiliated nonprofit organizations that conduct such drawings in accordance with regulations promulgated by the Department of Agriculture and Consumer Services. The bill places limits on when and where an athletic event drawing may be held and requires the prize amount of any such drawing to be 50 percent of the total amount collected from the sale of the tickets. The bill requires the organization to donate a certain percentage of the remaining funds in accordance with Department regulations and imposes certain civil and criminal penalties for violations of the provisions of the bill.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

8. **Fiscal Implications:** This bill will have an indeterminate fiscal impact on the Virginia Department of Agriculture and Consumer Services (VDACS). VDACS cannot determine the number of organizations that will conduct athletic event drawings and, as such, cannot determine the resources required by the agency to register, audit, and inspect affiliated nonprofit organizations conducting athletic event drawings. In addition, there may be an impact to the general fund, as those qualified organizations eligible to obtain a charitable gaming permit to conduct a raffle at a sporting event and subject to the Charitable Gaming Law's audit and administrative fee may opt to conduct an athletic event drawing instead. This bill establishes a new violation for which a civil penalty may be issued and directs the remittance of the penalty to VDACS. Any revenue that the new penalty established in this bill may generate is indeterminate and depends on the number of infractions.

Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both.

There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays the localities \$4.00 a day for each misdemeanant or otherwise local-responsible prisoner held in a jail. It also funds a large portion of the jails'

operating costs, e.g. correctional officers. The state's share of these costs varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2022), the estimated total state support for local jails averaged \$40.39 per inmate, per day in FY 2021.

Estimates of impact from public higher education institutions are not available.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Agriculture and Consumer Services, higher education institutions, courts, jails, localities, law enforcement agencies

10. Technical Amendment Necessary: No.

11. Other Comments: None