

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB689

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

2. Patron: Craig

3. Committee: Finance and Appropriations

4. Title: Exemptions to article; cruise ship gaming in the offshore waters of the Commonwealth.

5. Summary: Authorizes the conduct of cruise ship casino gaming in the offshore waters of the Commonwealth by a cruise ship operator that applies for and receives a permit from the Virginia Lottery. The bill sets an annual permit fee of \$50,000 for any cruise ship that uses a port or other point of anchorage in the offshore waters of the Commonwealth for the purpose of embarkation or disembarkation of cruise ship passengers and an annual permit fee of \$125,000 for any cruise ship that transits the offshore waters of the Commonwealth without making a stop in the Commonwealth and conducts casino gaming activities while in such waters.

6. Budget Amendment Necessary: See below.

7. Fiscal Impact Estimates: Preliminary; see below.

8. Fiscal Implications: This bill would allow cruise ship operators to apply for and receive a casino gaming permit from the Virginia Lottery. It is unknown how many cruise ship operators may apply for and be approved for a permit, making revenue from these fees difficult to estimate. Lottery indicates no revenue would be made from tax receipts as this activity would not be taxable.

Regulatory program costs are indeterminate as Lottery would have no enforcement authority in offshore waters and no visibility into the gaming operations on board.

9. Specific Agency or Political Subdivisions Affected: Virginia Lottery.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is a companion to HB1478.

January 30, 2024