



Economic Impact Analysis Virginia Department of Planning and Budget

11 VAC 15-22 – Charitable Gaming Rules and Regulations
Department of Agriculture and Consumer Services
October 9, 2009

Summary of the Proposed Amendments to Regulation

This regulatory proposal arises out of Chapter 264 of the 2007 *Acts of Assembly*. That law newly allowed electronic instant bingo, pull tabs, and seal cards to be used in charitable gaming. Consequently, the board is now amending its regulations as a first step towards allowing these products to be used in Virginia.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

In addition to some technical changes, the proposed regulation would add new definitions to clarify what a payment ticket and player terminal are and amend other definitions to include information on electronic games of chance systems, instant bingo, pull tab and seal card dispensing devices. The proposed text would also clarify the prohibitions on individuals under the age of 18, mandate who would have access to the stacker of a player terminal, and provide information on expiration dates.

The legislation allowing electronic instant bingo, pull tabs, and seal cards to be used in charitable gaming will likely lead to sales of these items in the Commonwealth. The manufacturers and distributors of these items will likely have some additional profit as a result. Some manufacturers and suppliers of competing items may encounter decreased demand as the electronic instant bingo, pull tabs, and seal cards become available for charitable gaming organizations in Virginia to purchase.

Businesses and Entities Affected

The proposed amendments potentially affect the 570 Charitable Gaming Organizations in the Commonwealth, as well as manufacturers and distributors of gaming products.¹

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments are unlikely to have a significant net impact on employment. The legislation permitting electronic instant bingo, pull tabs, and seal cards to be used in charitable gaming may have a small positive impact on employment for manufacturers and suppliers of these products that would likely be offset by a small negative impact on employment for manufacturers and suppliers of competing products.

Effects on the Use and Value of Private Property

The legislation allowing electronic instant bingo, pull tabs, and seal cards to be used in charitable gaming will likely lead to sales of these items in the Commonwealth. The manufacturers and distributors of these items will likely have some additional profit as a result. Some manufacturers and suppliers of competing items may encounter decreased demand as the electronic instant bingo, pull tabs, and seal cards become available for charitable gaming organizations in Virginia to purchase.

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to increase costs for small businesses. Some small manufacturers and suppliers of competing items may encounter decreased demand as the electronic instant bingo, pull tabs, and seal cards become available for charitable gaming organizations in Virginia to purchase.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The permitting of electronic instant bingo, pull tabs, and seal cards to be used in charitable gaming is mandated by statute. Thus there is no alternative method that would minimize adverse impact.

¹ Data source: Virginia Department of Agriculture and Consumer Services

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.