



VIRGINIA LOTTERY

Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission

C a s i n o R e g u l a t o r y O v e r v i e w

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Virginia Casinos: History, Taxes & Process

- **Casino Gaming Authorized in 2020**
- Five authorized casinos – three operational
 - Bristol – Hard Rock Bristol opened July 2022 (Permanent November 2024)
 - Portsmouth – Rivers Portsmouth opened January 2023
 - Danville – Caesars Danville opened May 2023 (Permanent December 2024)
 - Norfolk – Virginia Lottery Board licensure hearing on October 29, 2025
 - Petersburg – Application Pending; Licensure investigation ongoing



Virginia Casinos: History, Taxes & Process

- **Process**

- City submits preferred gaming operator to Lottery to determine if project is financially feasible
- Locality applies to city clerk to hold referendum
- Referendum held (Yes or no to having a casino at particular address, referendum does not state the casino operator)
 - City may or may not hold public meetings to discuss their preferred casino operator but are not required to
 - Referendum Certified
- Applicant has 5 Calendar years from certification of referendum to receive a license from the Virginia Lottery Board
- Lottery staff has one year from time of completed application to conduct its review (by statute)
- Lottery Board Votes on and Issues License after a public hearing on the application review



Example Referendum Question

City of Portsmouth, November 3, 2020:

“Shall casino gaming be permitted at a casino gaming establishment in Portsmouth, Virginia located at 3606 Victory Boulevard and surrounding undeveloped properties called the "Entertainment District" located east of Victory Boulevard, south of Interstate 264, west of McLean Street and north of Greenwood Drive as may be approved by the Virginia Lottery Board?”



Casino Gaming Taxes

- 18% tax on first \$200M Adjusted Gaming Revenue annually (***calendar year***)
 - 6% of AGR (33% of total tax) to host locality – (for Bristol, Regional Improvement Commission; 12 counties and 2 independent cities in SWVA)
 - 0.8% of total tax to the Problem Gambling Treatment and Support Fund
 - 0.2% to the Family and Children's Trust Fund
 - Remaining revenues to be appropriated for public school construction, renovations, or upgrades
- 24% tax on next \$200M Adjusted Gaming Revenue annually (***calendar year***)
 - 7% of AGR (29% of total tax) to host locality – (for Bristol, Regional Improvement Commission)
 - 0.8% of total tax to the Problem Gambling Treatment and Support Fund
 - 0.2% to the Family and Children's Trust Fund
 - Remaining revenues to be appropriated for public school construction, renovations, or upgrades
- 30% tax on next \$200M Adjusted Gaming Revenue annually (***calendar year***)
 - 8% of AGR (27% of total tax) to host locality – (for Bristol, Regional Improvement Commission)
 - 0.8% of total tax to the Problem Gambling Treatment and Support Fund
 - 0.2% to the Family and Children's Trust Fund
 - Remaining revenues to be appropriated for public school construction, renovations, or upgrades



Casino Activity - Total

Tax Receipt Year	FY25	FY24	Change	FY25 Projection	Change
Total AGR	\$830,870,579	\$673,893,993	+ \$157.0M (+23.3%)		
Total Taxes	\$157,042,381 (18.9% of AGR)	\$123,763,525 (18.4% of AGR)	+ \$33.3M	\$138,061,328	+ \$19.0 (+ 13.7%)
Locality / Regional Improvement Commission	\$51,349,370 (32.7% of tax)	\$40,926,161 (33.1% of tax)	+ \$10.4M	\$44,534,219	+ \$6.8M
Problem Gambling Treatment & Support	\$1,256,339 (0.8% of tax)	\$990,108 (0.8% of tax)	+ \$0.3M	\$1,104,491	+ \$0.2M
FACT	\$314,085 (0.2% of tax)	\$247,527 (0.2% of tax)	+ \$0.1M	\$276,123	+ \$0.0M
School Construction Fund	\$104,122,587 (66.3% of tax)	\$81,599,729 (65.9% of tax)	+ \$22.5M	\$92,146,495	+ \$12.0M



HR - Bristol

Tax Receipt Year	FY25	FY24	\$ Change
Total AGR	\$215,026,950	\$163,659,375	+\$51.4 M (+ 31.4%)
Total Taxes	\$38,704,851	\$29,458,687	+\$9.2 M
Bristol RIC	\$12,901,617	\$9,819,562	+\$3.1 M
Problem Gambling Treatment & Support	\$309,639	\$235,670	+\$0.1 M
FACT Fund	\$77,410	\$58,917	+\$0.0 M
School Construction Fund	\$25,416,186	\$19,344,538	+\$6.1 M

Calendar Year 2024 AGR	Calendar Year 2025 AGR (thru September)
\$182.5M	\$190.9M



Rivers Portsmouth

Tax Receipt Year	FY25	FY24	\$ Change
Total AGR	\$310,602,975	\$279,951,663	+\$30.7 M (+ 11%)
Total Taxes	\$61,386,883	\$52,853,906	+\$8.5 M
Portsmouth	\$19,731,848	\$17,289,621	+\$2.4 M
Problem Gambling Treatment & Support	\$491,095	\$422,831	+\$0.1 M
FACT Fund	\$122,774	\$105,708	+\$0.0 M
School Construction Fund	\$41,041,166	\$35,035,746	+\$6.0 M

Calendar Year 2024 AGR	Calendar Year 2025 AGR (thru September)
\$309.6M	\$237.6M



Caesars Virginia (Danville)

Tax Receipt Year	FY25	FY24	\$ Change
Total AGR	\$305,240,653	\$230,282,955	+\$75.0 M (+33%)
Total Taxes	\$56,950,648	\$41,450,932	+\$15.5 M
Danville	\$18,715,905	\$13,816,977	+\$4.9 M
Problem Gambling Treatment & Support	\$455,605	\$331,607	+\$0.1 M
FACT Fund	\$113,901	\$82,902	+\$0.0 M
School Construction Fund	\$37,665,236	\$27,219,445	+\$10.4 M

Calendar Year 2024 AGR	Calendar Year 2025 AGR (thru September)
\$240.2M	\$290.5M



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Gaming Regulatory Fund

- Revenues from license fees paid by Casinos, Sports Betting Operators, and various suppliers
 - Casino license fee set in statute: \$15 million for a 10-year license
 - Sports betting operator license fee set in statute: \$200,000 for a 3-year license renewal
- *Currently*, cash in the Fund is sufficient to cover operations
 - Staff of over 100
 - Legal, Investigators, Auditors, Compliance, Responsible Gaming, Data Analytics, IT, Security
 - 24/7 Casino Compliance Staff on site at each facility
 - Gaming Regulatory Fund balance will cover costs through FY29
 - Fund will be depleted before the first casino license renewal is due in FY2033
- License fee revenue is **NOT** sufficient for ongoing sustained operations
 - Need to establish an ongoing source of revenue to sustain regulatory program oversight
 - Apportion gaming tax revenues, general fund appropriation, other
 - Current funding deficit of ~\$7M/year



VIRGINIA LOTTERY

Thank You

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