



VIRGINIA LOTTERY

L o t t e r y a n d G a m i n g U p d a t e

September 19, 2023

Kelly Gee, Secretary of the Commonwealth

Tony R. Russell, Interim Director



- Every year, Lottery proceeds represent about 10% of Virginia's education budget
- The budget outlines how Lottery proceeds are spent.
- Historically:
 - 2/3 of Lottery proceeds go to specific programs
 - 1/3 of Lottery proceeds go directly to K-12 public schools

A win for education!

MORE THAN \$12 BILLION TO VIRGINIA'S K-12 PUBLIC SCHOOLS SINCE 1999





FY24 Lottery - First Two Months

	YTD FY24 August	% of Total	YTD FY23 August		
<u>Sales</u>				<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 192,449,282	21.8%	\$ 196,905,974	\$ (4,456,692)	-2.26%
Draw Games	\$ 246,435,325	27.9%	\$ 225,272,752	\$ 21,162,573	9.39%
iLottery Instant	\$ 445,395,253	50.4%	\$ 267,096,588	\$ 178,298,665	66.75%
Total	\$ 884,279,860	100.0%	\$ 689,275,314	\$ 195,004,546	28.29%
<u>Prize Expense</u>				<u>FY24 Rates</u>	<u>FY23 Rates</u>
Scratchers	\$ 136,954,952	20.5%	\$ 139,311,391	71.2%	70.8%
Draw Games	\$ 130,917,012	19.6%	\$ 122,531,140	53.1%	54.4%
iLottery Instant	\$ 400,154,766	59.9%	\$ 237,614,241	89.8%	89.0%
Total	\$ 668,026,730	100.0%	\$ 499,456,772	75.5%	72.5%
<u>Retailer Earnings</u>	\$ 22,245,857		\$ 22,754,921	5.5%	5.7%
<u>Admin Expenses</u>	\$ 33,724,309		\$ 27,882,873	3.8%	4.0%
<u>Other Income</u>	\$ 913,135		\$ 229,701		
<u>Profits</u>	<u>\$ 161,196,099</u>		<u>\$ 139,410,449</u>	<u>\$ Change</u>	<u>% Change</u>
				<u>\$21,785,650</u>	<u>15.63%</u>



FY24 Budget (HB/SB 6001)

The appropriations made in this act from nongeneral fund revenues are based upon the following:

	First Year	Second Year	Total
Balance, June 30, 2022	\$8,383,240,878	\$0	\$8,383,240,878
Official Revenue Estimates	\$45,429,302,663	\$45,043,705,919 \$47,405,121,153	\$90,473,008,582 \$92,834,423,816
Lottery Proceeds Fund	\$784,671,715	\$764,671,715 \$850,842,423	\$1,549,343,430 \$1,635,514,138

October 25, 2023, Virginia Lottery Board will review and approve a re-forecasted FY24 Revenue and Profit goals. This is submitted to the Governor for budget consideration.



Gaming Regulation - Taxes



Taxes from Sports Betting

- 15% tax - Distribution of tax revenue:
 - 97.5% to the General Fund
 - 2.5% to the Problem Gambling Treatment and Support Fund
- 2023 Appropriations Act included limits on the deductions for bonus and promotional play, when operators calculate their taxes for sports betting activity - no deductions allowed after an operator's first year.
- Tax collections for General Fund more than doubled in FY23
 - \$67M in FY23 vs \$27M in FY22
- Language continued in the recently approved budget

Sports Betting Tax Collections

Feb 2021 – August 2023 (collected on prior month's activity)





Sports Betting Activity and Taxes

FY23 / FY22

	FY23	FY22	% change
Total wagers	\$5,125,603,623	\$4,297,794,203	19.3%
Cash winnings	(\$4,578,714,607)	(\$3,913,893,356)	17.0%
Noncash Winnings	(\$22,993,298)	(\$152,343,649)	-84.9%
Other Deductions	(\$51,204,167)	(\$48,308,074)	6.0%
Total, Virginia Adjusted Gross Revenues	\$472,691,552	\$183,249,124	158.0%

	FY23 Taxes	FY22 Taxes	% change
General Fund	\$67,254,931.53	\$27,415,773.96	
Problem Gambling Treatment and Support Fund	\$1,724,485.43	\$702,968.58	
Total Taxes	\$68,979,416.96	\$28,118,742.54	145.3%



FY24 Sports Betting Taxes (2 months)

	FY24	FY23	% change
Total wagers	\$619,066,841	\$561,236,854	10.3%
Cash winnings	(\$553,927,421)	(\$509,247,264)	8.8%
Noncash Winnings	(\$2,145,346)	(\$8,231,026)	-73.9%
Other Deductions	(\$8,348,817)	(\$9,374,903)	-10.9%
Total, Virginia Adjusted Gross Revenues	\$54,645,257	\$34,383,661	58.9%

	FY24 Taxes	FY23 Taxes	% change
General Fund	\$7,853,546.00	\$4,808,958.05	
Problem Gambling Treatment and Support Fund	\$201,372.98	\$123,306.61	
Total Taxes	\$8,054,918.98	\$4,932,264.66	63.3%



Taxes from Casinos

- 18/23/30% tax on Adjusted Gaming Revenue - Distribution of tax revenue:
 - 6/7/8% of AGR to host locality
 - 0.8% of total tax to the Problem Gambling Treatment and Support Fund
 - 0.2% to the Family and Children's Trust Fund
 - 1% to the Virginia Indigenous People's Trust Fund (if casino operated by tribe)
 - Any remaining revenues shall be appropriated for public school construction, renovations, or upgrades
- HR Bristol opened in July 2022
- Rivers Portsmouth opened in January 2023
- Caesars Danville opened in May 2023



HR Bristol

2019 JLARC gaming study estimated \$130 million in annual net gaming revenues from a Bristol casino *at maturity*

First year of operations, Bristol's taxable revenues totaled **\$157M** (gaming activity July 2022 – June 2023)

	FY23 Total	Q1 FY24
Total Taxes	\$25,969,910	\$7,224,932
Bristol RIC	\$8,656,637	\$2,408,311
Problem Gambling Treatment	\$207,759	\$57,799
FACT – Family and Children's Trust Fund	\$51,940	\$14,450
Gaming Proceeds Fund – School Construction Fund	\$17,053,574	\$4,744,372



Rivers Portsmouth

2019 JLARC gaming study estimated \$167 million in annual net gaming revenues from a Portsmouth casino *at maturity*

In first partial-year operations, revenues totaled \$120M (January 2023 – June 2023)

	FY23 Total	Q1 FY24
Total Taxes	\$17,870,011	\$11,596,776
Portsmouth	\$5,956,670	\$3,865,592
Problem Gambling Treatment	\$142,960	\$92,774
FACT – Family and Children’s Trust Fund	\$35,740	\$23,194
Gaming Proceeds Fund – School Construction Fund	\$11,734,641	\$7,615,216



Caesars Danville

2019 JLARC gaming study estimated \$190 million in annual net gaming revenues from a Danville casino *at maturity*

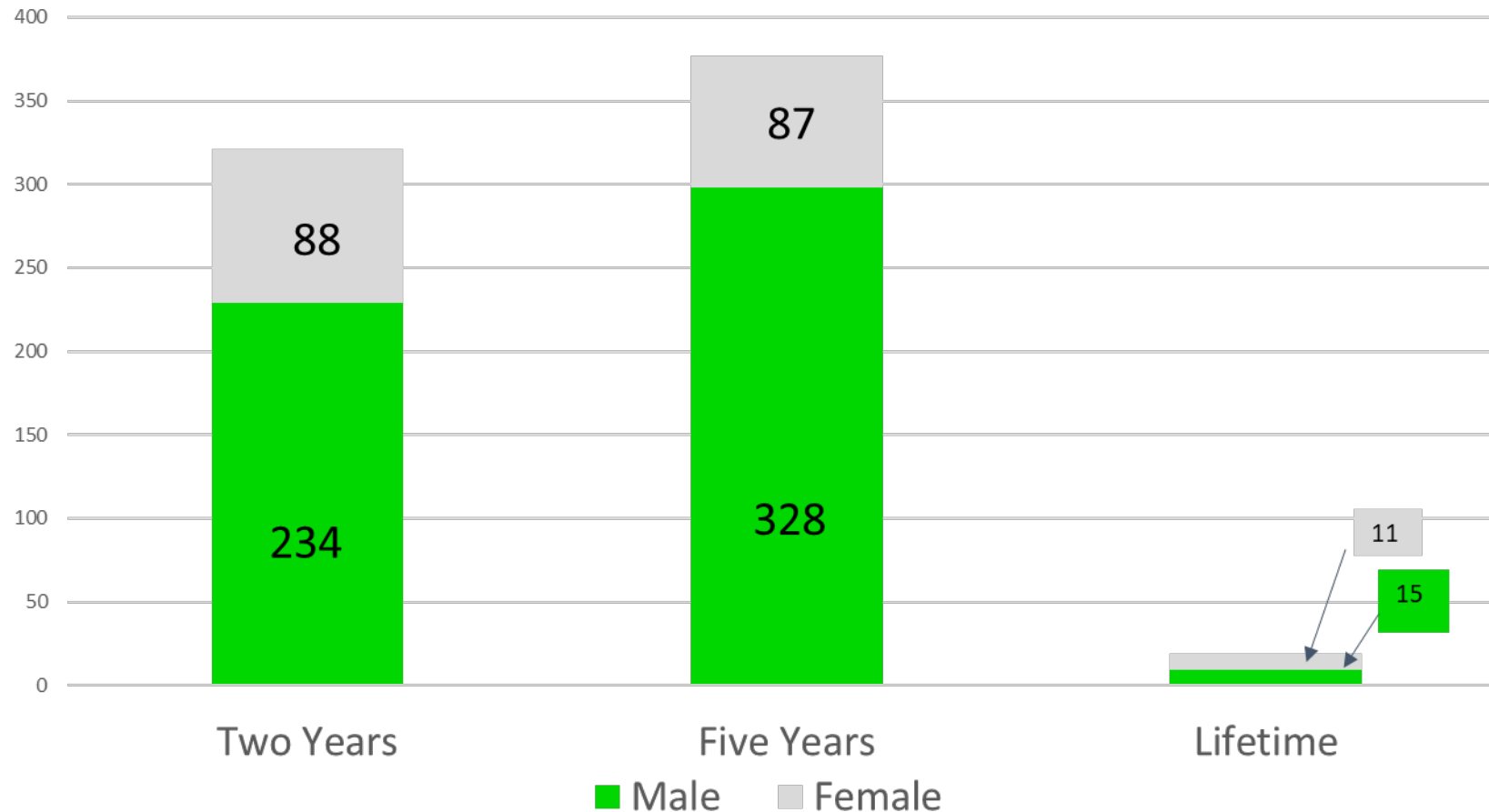
In first partial-year operations, revenues totaled \$31M (May 2023 – June 2023)

	FY23 Total	Q1 FY24
Total Taxes	\$2,146,565	\$10,795,793
Danville	\$715,522	\$3,598,598
Problem Gambling Treatment	\$17,173	\$86,366
FACT – Family and Children’s Trust Fund	\$4,293	\$21,592
Gaming Proceeds Fund – School Construction Fund	\$1,409,578	\$7,089,237



Voluntary Exclusion Program

Exclusion Period Breakdown (*as of September 14, 2023*)

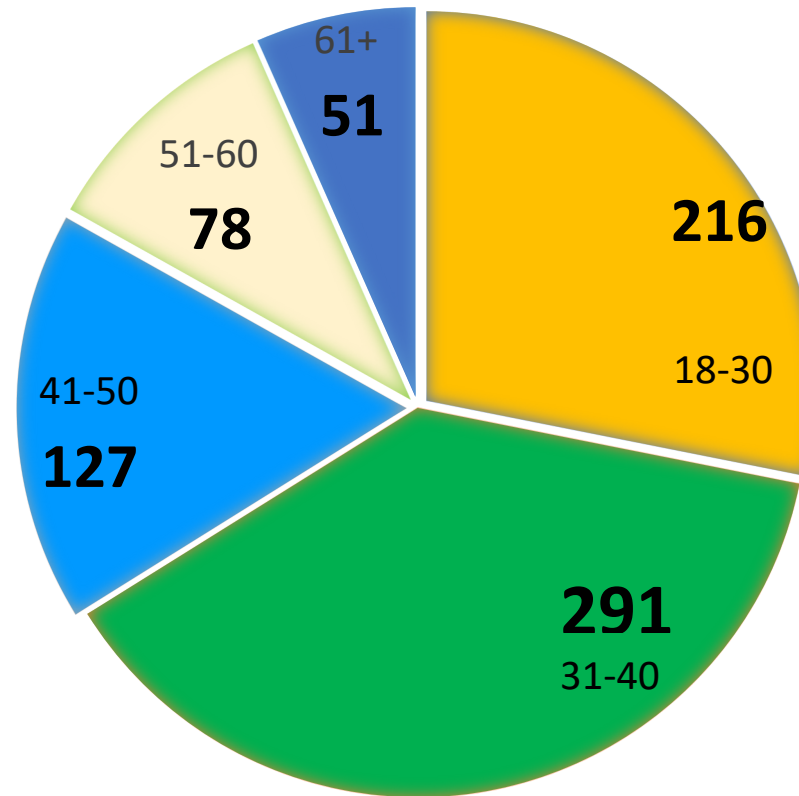




Voluntary Exclusion Enrollees By Age

(as of September 14, 2023)

■ 18-30 ■ 31-40 ■ 41-50 ■ 51-60 ■ 61+





VIRGINIA LOTTERY

Thank You

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