JLARC
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMISSION

Fiscal Impact Review

2026 General Assembly Session

Bill number: SB 756 (Introduced) Casino gaming: eligible host localities

Review requested by: Senator Ebbin, Chair, Senate General Laws and Technology

Date: January 28, 2026

JLARC Staff Fiscal Estimates

JLARC staff concur with the Department of Planning and Budget's fiscal impact statement, which indicates that SB 756 would have no immediate fiscal impact on the state. SB 756 would add Fairfax County to the list of localities eligible to host a casino. The opening of a casino in Fairfax County would be contingent on a successful local referendum vote and the issuance of a casino operator's license by the Virginia Lottery. The timeframe for completing both steps means that no gaming revenues would be generated in the current or next biennium. Only minimal costs would be incurred by the Virginia Lottery prior to a local referendum, which could be absorbed by existing Virginia Lottery staff, and costs for evaluating applications for an operator's license would be offset by the required application fee.

If Fairfax County authorized a casino by referendum, a Fairfax casino could generate significant gaming revenue for the state, based on the 2019 JLARC review, *Gaming in the Commonwealth*.

An explanation of JLARC staff's review is included in the following pages.

Bill summary

SB 756 would add Fairfax County to the list of localities eligible to host a casino in the Commonwealth. The opening of a casino in Fairfax County would be contingent on approval through a local referendum vote and Virginia Lottery's issuance of a casino operator's license.

Fiscal implications

JLARC staff concur with the FIS published on 1/26/2026 for SB 756, which concluded that there would be no fiscal impact from the legislation in the next biennium, either in terms of state agency costs or state revenues. A successful referendum vote is required in Fairfax County before casino development could proceed, and the Virginia Lottery would need to issue an operator's license to the locality's preferred casino operator.

Administrative and regulatory expenses

The Virginia Lottery would need to perform administrative and regulatory work in FY27 or FY28 if a referendum were held in calendar year 2026, but this work is unlikely to have a fiscal impact because

- Virginia Lottery's initial responsibilities can be reasonably absorbed by its existing staff, and
- should there be a successful local referendum and subsequent application to the Virginia Lottery for a casino operator's license, the license fees ($50,000 per principal) are expected to offset administrative costs.

Virginia Lottery's initial responsibilities:

> The bill requires the Virginia Lottery to approve the locality to proceed with the referendum and certify the locality's chosen "preferred casino gaming operator," based on a preliminary review of the selected operator and the project. However, Virginia Lottery could use its existing staff resources to conduct this preliminary review. The work to be performed by Virginia Lottery for this requirement would likely occur in FY27.

Virginia Lottery's responsibilities assuming a successful referendum:

> The bill requires the locality's preferred casino gaming operator(s) to submit applications for an operator's license to the Virginia Lottery, if the referendum is successful. However, the application fee of $50,000 per principal should offset

Virginia Lottery's costs of evaluating the application. The work to be performed by the Virginia Lottery for this requirement would likely occur in FY27 or FY28.

Gaming revenues

If a local referendum is successful and the Virginia Lottery issues an operator's license, no gaming revenue from the project would be expected in the next biennium, and potentially not in the FY28–FY30 biennium, depending on how quickly an approved project proceeds[1].

However, a casino meeting the minimum capital investment requirement of SB 756 would likely generate more gaming revenue than any of the other five casinos already approved by the General Assembly. A 2019 JLARC report, *Gaming in the Commonwealth*, concluded that

> A casino in Northern Virginia is estimated to generate substantial additional positive fiscal and economic impact beyond that of the five SB 1126 casinos[2]. Because of the region's large population and prosperity, Northern Virginia would support a larger casino, which is projected to have total revenue (gaming and non-gaming), employment, and capital investment that are more than twice as large as the average of the five SB 1126 casinos.
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> When accounting for the small negative impact of a Northern Virginia casino on gaming revenue at other casinos, its $161 million in gaming tax revenue would result in a net gain of $155 million in statewide gaming tax revenue[3]. [Estimates are based on a higher tax rate than was adopted by the General Assembly[4].]
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> A Northern Virginia casino is expected to pose little competition to SB 1126 casinos because of its physical distance from the five localities[5].

[1] Based on the experience of the casinos that have already opened in Virginia, it could take 2–3 years for a temporary casino to open, and another 1–2 years for a permanent casino to open.
[2] SB 1126 (2019) authorized casinos in Richmond, Portsmouth, Norfolk, Danville, and Bristol.
[3] 2025 dollars.
[4] Also assumes a different tax structure (27% on adjusted gaming receipts) than what is currently authorized in state law (18% on first $200 million of adjusted gaming receipts, 23% for $201 million to $400 million, 8% over $400 million).
[5] The JLARC consultant's analysis concluded that only a Richmond casino's net gaming revenue would be meaningfully impacted by a Northern Virginia casino (- 5.5 percent); the other four SB1126 casinos would experience minimal impact. However, two local referenda to approve a Richmond casino were unsuccessful, and the General Assembly passed legislation in 2024 to replace Richmond with Petersburg as an eligible locality.

Budget amendment necessary? Not at this time.

Agencies affected: Department of Taxation; Virginia Lottery

Patron: Senator Surovell

Prepared by: Tracey Smith

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