



Economic Impact Analysis Virginia Department of Planning and Budget

**11 VAC 5-20 – Promulgate Review and Update of Administration Regulations
State Lottery Department
March 1, 2012**

Summary of the Proposed Amendments to Regulation

The State Lottery Department proposes to clarify existing requirements and update existing references.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposed changes include removal of numerous definitions not used in the regulations, expansion of the term “advertising media” to include internet and social media, clarification of some of current requirements, and update of certain existing references and removal of obsolete forms. None of the proposed changes will introduce a new requirement or remove an existing requirement. Thus, no significant economic impact is expected other than improving the clarity of the regulations.

Businesses and Entities Affected

The proposed regulations mainly apply to the department. In addition to the department, about 5,191 lottery retailers and approximately 3.1 million lottery players per year are subject to these regulations.

Localities Particularly Affected

No locality is expected to be particularly affected.

Projected Impact on Employment

No significant impact on employment is expected.

Effects on the Use and Value of Private Property

No significant impact on the use and value of private property is expected.

Small Businesses: Costs and Other Effects

While most of the licensed retailers are believed to be small businesses, no significant costs and other effects are expected.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations do not have adverse impact on small businesses.

Real Estate Development Costs

No significant impact on real estate development costs is expected.

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.H of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.H 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.H 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.