

Governor's Recommendations – FY 2025 Budget Adjustment Act (BAA)
Proposals Related to Cannabis and the Department of Liquor and Lottery (DLL)
House Committee on Government Operations and Military Affairs
January 28, 2025

Section 51 of the Governor's Recommended BAA proposes several changes to revenue transfers to the General Fund from other funds. Three of these transfers pertain to policy areas within the Committee's jurisdiction – cannabis, sports wagering, and liquor. These transfers would align budgeted amounts more closely to actual revenues and resolve a deficit in the Liquor Control Fund.

D.101(b)(1)(A) – Cannabis Regulation Fund (21998)

Increase transfer to the General Fund by \$3,417,084.32, from \$12,000,000 to \$15,417,084.32.

As passed, the FY 2025 budget estimated a \$12,000,000 balance would be available in the Cannabis Regulation Fund to be transferred to the General Fund. This amendment would reflect the actual amount transferred after the close of FY 2024. Per 32 V.S.A. § 7909(a), 30% of the \$3,417,084.32 increase, or \$1,025,125, of additional funds is proposed to be appropriated in B.313 for substance abuse prevention.

DLL Fund Transfers

D.101(b)(1)(C) – Sports Wagering Enterprise Fund (50250)

Decrease transfer to the General Fund by \$860,838, from \$7,000,000 to \$6,139,162.

As passed, the FY 2025 budget estimated that \$7,000,000 of revenue from sports wagering receipts would be available to transfer to the General Fund. This downward adjustment is proposed by DLL due to a trend of increased winnings and payouts to players, as reported to DLL from the state's market operators. The adjustment would more closely align the transfer with the amount of expected available revenue.

D.101(b)(1)(D) –Liquor Control Fund (50300)

Decrease transfer to the General Fund by \$11,556,647, from \$21,100,000 to \$9,543,353.

As passed, the FY 2025 budget would transfer \$21,100,000 from the Liquor Control Fund to the General Fund. However, excessive prior year transfers and evolving market conditions have put the Liquor Control Fund in deficit. This reduction is expected to return the fund to a net balanced position at the end of FY 2025 and resolve the deficit.