

2024 SPECIAL SESSION I

INTRODUCED

24200221D

SENATE BILL NO. 6007

Offered June 16, 2024

1 A BILL to amend and reenact §§ 18.2-325, 18.2-331.1, 18.2-334, 18.2-513, 37.2-314.2, 58.1-4015.1, and
2 58.1-4048 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 18.2-
3 331.2, 18.2-331.3, 18.2-331.4, and 18.2-334.7, by adding in Title 58.1 a chapter numbered 42, containing
4 articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4226, and by
5 adding in Title 59.1 a chapter numbered 57, consisting of a section numbered 59.1-603, relating to
6 Gaming Commerce Regulation in the Commonwealth Act established; penalties.
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8

9 Patrons—Craig, Diggs, Reeves and Stanley

10 Referred to Committee on Commerce and Labor

11 Be it enacted by the General Assembly of Virginia:

12 1. That §§ 18.2-325, 18.2-331.1, 18.2-334, 18.2-513, 37.2-314.2, 58.1-4015.1, and 58.1-4048 of the Code of
13 Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections
14 numbered 18.2-331.2, 18.2-331.3, 18.2-331.4, and 18.2-334.7, by adding in Title 58.1 a chapter
15 numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200
16 through 58.1-4226, and by adding in Title 59.1 a chapter numbered 57, consisting of a section
17 numbered 59.1-603, as follows:

18 § 18.2-325. Definitions.

19 1. As used in this article, unless the context requires a different meaning:

20 "Electronic gaming device" means the same as that term is defined in § 58.1-4200.

21 "Gambling device" includes:

22 1. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other
23 papers, that are actually used in an illegal gambling operation or activity; and

24 2. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or
25 video versions thereof, including those dependent upon the insertion of a coin or other object for their
26 operation, that operates, either completely automatically or with the aid of some physical act by the player or
27 operator, in such a manner that, depending upon elements of chance, it may eject something of value or
28 determine the prize or other thing of value to which the player is entitled, provided, however, that the return
29 to the user of nothing more than additional chances or the right to use such machine is not deemed something
30 of value within the meaning of this subdivision, and provided further, that machines that only sell, or entitle
31 the user to, items of merchandise of equivalent value that may differ from each other in composition, size,
32 shape, or color shall not be deemed gambling devices within the meaning of this subdivision.

33 Such devices are no less gambling devices if they indicate beforehand the definite result of one or more
34 operations but not all the operations. Nor are they any less gambling devices because, apart from their use or
35 adaptability as such, they may also sell or deliver something of value on a basis other than chance.

36 "Gambling device" does not include an electronic gaming device authorized pursuant to the provisions of
37 Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

38 "Host location" means the same as that term is defined in § 58.1-4200.

39 "Illegal gambling" means the making, placing, or receipt of any bet or wager in the Commonwealth of
40 money or other consideration or thing of value, made in exchange for a chance to win a prize, stake, or other
41 consideration or thing of value, dependent upon the result of any game, contest, or any other event the
42 outcome of which is uncertain or a matter of chance, whether such game, contest, or event occurs or is to
43 occur inside or outside the limits of the Commonwealth.

44 For the purposes of this subdivision definition and notwithstanding any provision in this section to the
45 contrary, the making, placing, or receipt of any bet or wager of money or other consideration or thing of
46 value shall include the purchase of a product, Internet access, or other thing made in exchange for a chance to
47 win a prize, stake, or other consideration or thing of value by means of the operation of a gambling device as
48 described in subdivision 3 b, 2 of the definition of "gambling device," regardless of whether the chance to win
49 such prize, stake, or other consideration or thing of value may be offered in the absence of a purchase.

50 "Illegal gambling" also means the playing or offering for play of any skill game.

51 2. "Illegal gambling" does not include the playing or offering for play of any electronic gaming device
52 authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

53 "Interstate gambling" means the conduct of an enterprise for profit that engages in the purchase or sale
54 within the Commonwealth of any interest in a lottery of another state or country whether or not such interest
55 is an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of such
56 interest.

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59 3. "Gambling device" includes:

60 a. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other
61 papers, which are actually used in an illegal gambling operation or activity;

62 b. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or
63 video versions thereof, including but not limited to those dependent upon the insertion of a coin or other
64 object for their operation, which operates, either completely automatically or with the aid of some physical
65 act by the player or operator, in such a manner that, depending upon elements of chance, it may eject
66 something of value or determine the prize or other thing of value to which the player is entitled, provided,
67 however, that the return to the user of nothing more than additional chances or the right to use such machine
68 is not deemed something of value within the meaning of this subsection; and provided further, that machines
69 that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other
70 in composition, size, shape, or color, shall not be deemed gambling devices within the meaning of this
71 subsection; and

72 e. Skill games.

73 Such devices are no less gambling devices if they indicate beforehand the definite result of one or more
74 operations but not all the operations. Nor are they any less a gambling device because, apart from their use or
75 adaptability as such, they may also sell or deliver something of value on a basis other than chance.

76 4. "Operator" includes any person, firm, or association of persons, who conducts, finances, manages,
77 supervises, directs, or owns all or part of an illegal gambling enterprise, activity, or operation.

78 5. "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural person.

79 6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or
80 other device that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate,
81 or play a game, the outcome of which is determined by any element of skill of the player and that may deliver
82 or entitle the person playing or operating the device to receive cash or cash equivalents, gift cards, vouchers,
83 bills, tickets, tokens, or electronic credits to be exchanged for cash or cash equivalents whether the payoff is
84 made automatically from the device or manually. "Skill game" includes (i) a device that contains a meter or
85 measurement device that records the number of free games or portions of games that are rewarded and (ii) a
86 device designed or adapted to enable a person using the device to increase the chances of winning free games
87 or portions of games by paying more than the amount that is ordinarily required to play the game. "Skill
88 game" does not include any amusement device, as defined in § 18.2-334.6.

89 7. "Unregistered electronic gaming device" means any electronic gaming device that does not
90 conspicuously display on the face of the electronic gaming device a required registration label pursuant to
91 the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1. Any electronic gaming device without such a
92 registration label displayed may be inferred, subject to rebuttal, to be unregistered.

93 "Unregulated location" means any location that is not fully or partially regulated or operated by the
94 Virginia Lottery or the Virginia Lottery Board, the Department of Agriculture and Consumer Services, the
95 Virginia Alcoholic Beverage Control Authority, or the Virginia Racing Commission.

96 **§ 18.2-331.1. Operation of electronic gaming devices and gambling devices at unregulated locations; civil penalty.**

97 A. In addition to any other penalty provided by law, any person who conducts, finances, manages,
98 supervises, directs, sells, or owns an electronic gaming device or a gambling device that is located in an
99 unregulated location is subject to a civil penalty of up to \$25,000 for each electronic gaming device or
100 gambling device located in such unregulated location.

101 B. The Attorney General, an attorney for the Commonwealth, or the attorney for any locality may cause
102 an action in equity to be brought in the name of the Commonwealth or of the locality, as applicable, to
103 immediately enjoin the operation of an electronic gaming device or a gambling device in violation of this
104 section and to request an attachment against all such devices and any moneys within such devices pursuant to
105 Chapter 20 (§ 8.01-533 et seq.) of Title 8.01, and to recover the civil penalty of up to \$25,000 per device.

106 C. In any action brought under this section, the Attorney General, the attorney for the Commonwealth, or
107 the attorney for the locality may recover reasonable expenses incurred by the state or local agency in
108 investigating and preparing the case, and attorney fees.

109 D. Any civil penalties assessed under this section in an action in equity brought in the name of the
110 Commonwealth shall be paid into the Literary Fund. Any civil penalties assessed under this section in an
111 action in equity brought in the name of a locality shall be paid into the general fund of the locality.

112 **§ 18.2-331.2. Operating, placing, or possessing an electronic gaming device in an unregulated location; penalty.**

113 A. It is unlawful for any person to operate, place, or possess an electronic gaming device in any
114 unregulated location.

115 B. Any electronic gaming device operated, placed, or possessed in an unregulated location may be
116 inferred, subject to rebuttal, to be in violation of this section and is subject to immediate seizure by law
117 enforcement and may be forfeited to the Commonwealth in accordance with the procedures contained in

120 *Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.*

121 *C. Any person violating this section is guilty of a Class 1 misdemeanor.*

122 *D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the*
 123 *warrant, indictment, or information that such person has been before convicted of two or more offenses*
 124 *under this section and such prior convictions occurred before the date of the offense alleged in the warrant,*
 125 *indictment, or information, is guilty of a Class 6 felony.*

126 *E. Any person who is convicted of a felony offense under this section shall have his electronic gaming*
 127 *device license suspended for a period of two years. Any person who is convicted of a second felony offense*
 128 *under this section shall have his electronic gaming device license suspended for a period of 10 years, and any*
 129 *person who is convicted of a third or subsequent felony offense shall have his electronic gaming device*
 130 *license permanently suspended. The court shall order the suspension of such license upon conviction.*

131 **§ 18.2-331.3. Operating, possessing, or placing any unregistered electronic gaming device in any**
 132 **location; penalty.**

133 *A. It is unlawful for any person to offer for play in any location any unregistered electronic gaming device*

134 *B. Any electronic gaming device without a registration label displayed as required by Chapter 42 (§ 58.1-*
 135 *4200 et seq.) of Title 58.1 may be inferred, subject to rebuttal, to be in violation of this section and is subject*
 136 *to immediate seizure by law enforcement and may be forfeited to the Commonwealth in accordance with the*
 137 *procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.*

138 *C. Any person violating this section is guilty of a Class 1 misdemeanor.*

139 *D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the*
 140 *warrant, indictment, or information that such person has been before convicted of two or more offenses*
 141 *under this section and such prior convictions occurred before the date of the offense alleged in the warrant,*
 142 *indictment, or information, is guilty of a Class 6 felony.*

143 *E. Any person who is convicted of a felony offense under this section shall have his electronic gaming*
 144 *device license suspended for a period of two years. Any person who is convicted of a second felony offense*
 145 *under this section shall have his electronic gaming device license suspended for a period of 10 years, and any*
 146 *person who is convicted of a third or subsequent felony offense shall have his electronic gaming device*
 147 *license permanently suspended. The court shall order the suspension of such license upon conviction.*

148 **§ 18.2-331.4. Offering for play electronic gaming devices in excess of the statutory limits; penalty.**

149 *A. It is unlawful for any person to offer for play, in a single location, an electronic gaming device that is*
 150 *in excess of the licensing requirements or statutory limits proscribed in Chapter 42 (§ 58.1-4200 et seq.) of*
 151 *Title 58.1 regardless of whether such electronic gaming device is properly registered.*

152 *An electronic gaming device may be relocated from one location to another location or warehoused and*
 153 *subsequently placed in a host location provided that the number of electronic gaming devices offered for play*
 154 *in a single proscribed location does not exceed the licensing requirements or statutory limits for the number*
 155 *of games that may be offered for play at that location.*

156 *B. Any electronic gaming devices, whether registered or not, that are operating in excess of such licensing*
 157 *requirements or statutory limits are subject to immediate seizure and may be forfeited to the Commonwealth*
 158 *in accordance with the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.*

159 *C. Any person violating this section is guilty of a Class 1 misdemeanor.*

160 *D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the*
 161 *warrant, indictment, or information that such person has been before convicted of two or more offenses*
 162 *under this section and such prior convictions occurred before the date of the offense alleged in the warrant,*
 163 *indictment, or information, is guilty of a Class 6 felony.*

164 *E. Any person who is convicted of a felony offense under this section shall have his electronic gaming*
 165 *device license suspended for a period of two years. Any person who is convicted of a second felony offense*
 166 *under this section shall have his electronic gaming device license suspended for a period of 10 years, and any*
 167 *person who is convicted of a third or subsequent felony offense shall have his electronic gaming device*
 168 *license permanently suspended. The court shall order the suspension of such license upon conviction.*

169 **§ 18.2-334. Exception to article; private residences.**

170 *Nothing in this article shall be construed to make it illegal to participate in a game of chance conducted in*
 171 *a private residence, provided that such private residence is not commonly used for such games of chance and*
 172 *there is no operator as defined in subsection 4 of § 18.2-325.*

173 **§ 18.2-334.7. Exemptions to article; electronic gaming devices.**

174 *Nothing in this article shall be construed to make it illegal to play any electronic gaming device or*
 175 *conduct any related activity that is lawful under Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.*

176 **§ 18.2-513. Definitions.**

177 *As used in this chapter:*

178 *"Criminal street gang" means the same as that term is defined in § 18.2-46.1.*

179 *"Enterprise" includes any of the following: sole proprietorship, partnership, corporation, business trust,*

181 criminal street gang, or other group of three or more individuals associated for the purpose of criminal
182 activity.

183 "Proceeds" means the same as that term is defined in § 18.2-246.2.

184 "Racketeering activity" means to commit, attempt to commit, or conspire to commit or to solicit, coerce,
185 or intimidate another person to commit two or more of the following offenses: Article 2.1 (§ 18.2-46.1 et
186 seq.) of Chapter 4, § 18.2-460; a felony offense of § 3.2-4212, 3.2-4219, 10.1-1455, 18.2-31, 18.2-32, 18.2-
187 32.1, 18.2-33, or 18.2-35, Article 2.2 (§ 18.2-46.4 et seq.) of Chapter 4, § 18.2-47, 18.2-48, 18.2-48.1, 18.2-
188 49, 18.2-51, 18.2-51.2, 18.2-52, 18.2-53, 18.2-55, 18.2-58, 18.2-59, 18.2-77, 18.2-79, 18.2-80, 18.2-89, 18.2-
189 90, 18.2-91, 18.2-92, 18.2-93, 18.2-95, 18.2-96, or 18.2-103.1, Article 4 (§ 18.2-111 et seq.) of Chapter 5,
190 Article 1 (§ 18.2-168 et seq.) of Chapter 6, § 18.2-178 or 18.2-186, Article 6 (§ 18.2-191 et seq.) of Chapter
191 6, Article 9 (§ 18.2-246.1 et seq.) of Chapter 6, § 18.2-246.13, Article 1 (§ 18.2-247 et seq.) of Chapter 7, §
192 18.2-279, 18.2-286.1, 18.2-289, 18.2-300, 18.2-308.2, 18.2-308.2:1, 18.2-328, 18.2-331.2, 18.2-331.3, 18.2-
193 331.4, 18.2-346, 18.2-346.01, 18.2-348, 18.2-348.1, 18.2-349, 18.2-355, 18.2-356, 18.2-357, 18.2-357.1,
194 18.2-368, 18.2-369, or 18.2-374.1, Article 8 (§ 18.2-433.1 et seq.) of Chapter 9, Article 1 (§ 18.2-434 et seq.)
195 of Chapter 10, Article 2 (§ 18.2-438 et seq.) of Chapter 10, Article 3 (§ 18.2-446 et seq.) of Chapter 10,
196 Article 1.1 (§ 18.2-498.1 et seq.) of Chapter 12, § 3.2-6571, 18.2-516, 32.1-314, 58.1-1008.2, 58.1-1017, or
197 58.1-1017.1; or any substantially similar offenses under the laws of any other state, the District of Columbia,
198 or the United States or its territories.

§ 37.2-314.2. Problem Gambling Treatment and Support Fund.

200 A. As used in this section:

201 "Compulsive gambling" means persistent and recurrent problem gambling behavior leading to clinically
202 significant impairment or distress, as indicated by an individual exhibiting four or more of the criteria as
203 defined by the Diagnostic Statistical Manual of Mental Disorders in a 12-month period and where the
204 behavior is not better explained by a manic episode.

205 "Problem gambling" means a gambling behavior that causes disruptions in any major area of life,
206 including the psychological, social, or vocational areas of life, but does not fulfill the criteria for diagnosis as
207 a gambling disorder.

208 B. There is hereby created in the state treasury a special nonreverting fund to be known as the Problem
209 Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be
210 established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of §
211 58.1-4038, *moneys required to be deposited into the Fund pursuant to subsection B of § 59.1-603*, and
212 moneys required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1 shall
213 be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in
214 the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of
215 each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be
216 used solely for the purposes of (i) providing counseling and other support services for compulsive and
217 problem gamblers, (ii) developing and implementing compulsive and problem gambling treatment and
218 prevention programs, and (iii) providing grants to support organizations that provide assistance to compulsive
219 and problem gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer
220 on warrants issued by the Comptroller upon written request signed by the Commissioner.

§ 58.1-4015.1. Voluntary exclusion program.

221 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

222 B. The regulations shall include the following provisions:

223 1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
224 program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of
225 this article; (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino
226 gaming that may be allowed under the laws of the Commonwealth; (iv) *playing any electronic gaming device*
227 *authorized pursuant to Chapter 42 (§ 58.1-4200 et seq.)*; (v) participating in charitable gaming, as defined in
228 § 18.2-340.16; (vi) participating in fantasy contests, as defined in § 59.1-556; or (vii) wagering on
229 horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in
230 administering the voluntary exclusion program pursuant to the provisions of this section.

231 2. A person who participates in the voluntary exclusion program may choose an exclusion period of two
232 years, five years, or lifetime.

233 3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
234 program may not petition the Board for removal from the program for the duration of his exclusion period.

235 4. The name of a person participating in the program shall be included on a list of excluded persons. The
236 list of persons entering the voluntary exclusion program and the personal information of the participants shall
237 be confidential, with dissemination by the Department limited to sales agents and permit holders, as defined
238 in § 58.1-4030, and any other parties the Department deems necessary for purposes of enforcement. The list
239 and the personal information of participants in the voluntary exclusion program shall not be subject to
240 disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may
241

242 disseminate the list to other parties upon request by the participant and agreement by the Board.

243 5. Sales agents and permit holders shall make all reasonable attempts as determined by the Board to cease
 244 all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall
 245 not preclude sales agents and permit holders from seeking the payment of a debt incurred by a person before
 246 entering the program. In addition, a permit holder may share the names of individuals who self-exclude
 247 across its corporate enterprise, including sharing such information with any of its affiliates.

248 **§ 58.1-4048. Gaming Regulatory Fund.**

249 There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming
 250 Regulatory Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the
 251 Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other
 252 funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on
 253 moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,
 254 including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in
 255 the Fund. Moneys in the Fund shall be used solely to offset the Department's costs associated with (i) the
 256 conduct of investigations required by § 58.1-4032, 58.1-4043, 58.1-4104, 58.1-4109, 58.1-4116, 58.1-4120,
 257 or 58.1-4121 or any other provision of this article *or*, Chapter 41 (§ 58.1-4100 *et seq.*), *or* Chapter 42 (§ 58.1-
 258 4200 *et seq.*) and (ii) the enforcement of regulations promulgated by the *Virginia Lottery* Board pursuant to
 259 subdivisions A 14 and 15 of § 58.1-4007, subdivision 2 of § 58.1-4102, and §§ 58.1-4103, 58.1-4202, *and*
 260 58.1-4204. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants
 261 issued by the Comptroller upon written request signed by the Director.

262 **CHAPTER 42.**

263 **VIRGINIA GAMING COMMERCE REGULATION ACT OF 2024.**

264 **Article 1.**

265 **General Provisions.**

266 **§ 58.1-4200. Definitions.**

267 *As used in this chapter, unless the context requires a different meaning:*

268 *"ABC retail location" means a business location for which a valid authority retail license has been issued
 269 to a business by the Virginia Alcoholic Beverage Control Authority or the Board of Directors of the Virginia
 270 Alcoholic Beverage Control Authority pursuant to Title 4.1.*

271 *"Board" means the Virginia Lottery Board established in the Virginia Lottery Law (§ 58.1-4000 *et seq.*).*

272 *"Category" means the type of license granted by the Department, to include a manufacturer, distributor,
 273 operator, or host location license.*

274 *"Commercial motor vehicle" means the same as that term is defined in § 46.2-341.4.*

275 *"Department" means the independent agency responsible for the administration of the Virginia Lottery
 276 pursuant to Article 1 (§ 58.1-4000 *et seq.*) of Chapter 40 and the regulation of sports betting pursuant to
 277 Article 2 (§ 58.1-4030 *et seq.*) of Chapter 40, casino gaming pursuant to Chapter 41 (§ 58.1-4100 *et seq.*),
 278 and electronic gaming devices pursuant to this chapter.*

279 *"Director" means the Director of the Virginia Lottery.*

280 *"Distributor" means any person registered with the Board that sells, leases, offers, or provides and
 281 distributes electronic gaming devices to an operator for use or play in the Commonwealth, and buys or leases
 282 electronic gaming devices from a manufacturer licensee. No distributor shall contract directly with a host
 283 location.*

284 *"Electronic gaming" means activity using an electronic gaming device as authorized under this chapter.*

285 *"Electronic gaming device" means a physical terminal, machine, or other device, including electronic or
 286 computerized devices, that requires the insertion of a coin, currency, ticket, token, or similar object to
 287 operate, activate, or play a game, the outcome of which shall be determined by the predominant skill of the
 288 player, and that may deliver or entitle the person playing or operating the device to receive cash in excess of
 289 the cost of operating, activating, or playing the game. "Electronic gaming device" does not include any
 290 amusement device, as defined in § 18.2-334.6, any mobile telephone device, charitable games authorized
 291 pursuant to Article 1.1:1 (§ 18.2-340.15 *et seq.*) of Chapter 8 of Title 18.2, sports betting authorized under
 292 Article 2 (§ 58.1-4030 *et seq.*) of Chapter 40, casino gaming authorized under Chapter 41 (§ 58.1-4100 *et
 293 seq.*), or historical horse racing authorized pursuant to Chapter 29 (§ 59.1-364 *et seq.*) of Title 59.1.*

294 *"Gaming tax" means the tax imposed on electronic gaming device.*

295 *"Gross profits" means all revenue generated from the play of electronic gaming devices minus prizes or
 296 cash winnings paid out to successful players.*

297 *"Host location" means a business establishment at which electronic gaming devices are placed, operated,
 298 and offered to the public for play in the gaming area by an operator licensee. "Host location" includes truck
 299 stops, as defined in this chapter, and any ABC retail location.*

300 *"Independent testing laboratory" means a laboratory selected by the Director with a national reputation
 301 for honesty, independence, and timeliness that is demonstrably competent and qualified to scientifically test
 302 and evaluate electronic gaming devices for compliance with this chapter and to otherwise perform the*

303 functions assigned to it by this chapter. No manufacturer, operator, distributor, or host location licensee
304 shall have any ownership interest in any independent testing laboratory approved by the Director.

305 "Individual" means a natural person.

306 "Inducement" means anything of value offered, given, transferred, or paid, directly or indirectly, by a
307 manufacturer, distributor, procurement agent, operator, or any employee, agent, contractor, or other person
308 acting on behalf of any manufacturer, distributor, operator, or procurement agent to any host location
309 licensee or any applicant for a host location license pursuant to this chapter, or to any employee, investor,
310 owner, or officer of a host location licensee or applicant for a host location license as an enticement to
311 solicit, enter into, grant, execute, renew, extend, or maintain a use agreement by and between a host location
312 licensee and a distributor licensee, including any cash, incentive, marketing or advertising cost, gift, food,
313 beverage, loan, financing arrangement, prepayment of gross revenue, or any other contribution payment that
314 offsets a host location licensee's capital or operational costs, or as otherwise determined by the Board.

315 "Inducement" does not include costs paid by a distributor or operator licensee related to:

316 1. Costs for structural changes or modular materials or equipment used to meet minimum standards for
317 the gaming area as required by the Board or to maintain the security of the gaming area, the electronic
318 gaming devices, and ticket redemption terminals.

319 2. Surveillance equipment, alarm systems, and similar equipment or systems intended to monitor and
320 secure the electronic gaming devices, the ticket redemption terminals, and the gaming area and the perimeter
321 of the host location licensee's establishment, and any means of ingress and egress thereto.

322 3. Any wiring or rewiring of the gaming area necessary to operate electronic gaming devices, ticket
323 redemption terminals, or ancillary equipment.

324 4. Any software updates to the electronic gaming devices or ticket redemption terminals or ongoing
325 maintenance of electronic gaming devices, ticket redemption terminals, network connections, site controllers,
326 chairs, tables, supports, or other ancillary equipment necessary to operate the electronic gaming devices and
327 the ticket redemption terminals in the gaming area.

328 5. Any requirement established by the Board regarding minimum standards for the operation of electronic
329 gaming devices, ticket redemption terminals, in whole or in part, by the distributor or operator licensee.

330 "Licensee" or "license holder" means any person holding a manufacturer, distributor, operator, or host
331 location license pursuant to Article 2 (§ 58.1-4205 et seq.).

332 "Locality" means a county, city, or town, as those terms are defined in § 15.2-102.

333 "Lottery" means the lottery or lotteries established and operated pursuant to Chapter 40 (§ 58.1-4000 et
334 seq.).

335 "Manufacturer" means any person that manufactures and sells or leases electronic gaming devices or
336 software and hardware for electronic gaming devices to distributors.

337 "Operator" means a person registered with the Board to place or service electronic gaming devices at the
338 premises of a host location by (i) purchasing or leasing electronic gaming devices from a licensed
339 manufacturer or distributor; (ii) providing the placement, repair, maintenance, replacement, or removal of
340 electronic gaming devices to host locations; (iii) maintaining and servicing such devices; and (iv) facilitating
341 data collection and data and financial reporting as required by this chapter and as determined by the Board.

342 "Person" means any individual, group of individuals, firm, company, corporation, partnership, business,
343 trust, association, or other legal entity.

344 "Player" means an individual who plays an electronic gaming device.

345 "Procurement agent" means a person licensed by the Board that acts as an agent, either as an employee
346 or as an independent contractor of a manufacturer or manufacturers, distributor or distributors, operator or
347 operators, and shares in the gross profits, is paid a commission, or is otherwise compensated for the purpose
348 of soliciting or procuring a use agreement among two or more licensees in different categories.

349 "Profits after taxes" means the gross profit minus the tax imposed upon all gross profits generated from
350 the play of electronic gaming devices pursuant to §§ 58.1-4217 and 58.1-4218.

351 "Regulation" means any statement of general application having the force of law, affecting the rights or
352 conduct of any person, adopted by the Board in accordance with the authority conferred on it by applicable
353 laws.

354 "Single play" means the period beginning when a player activates and pays for the interactive gameplay
355 function of an electronic gaming device and ending at the time when the gameplay function or series of free
356 subgames thereunder will not continue without payment by the player of additional consideration.

357 "Successful player" means an individual who wins a payout on one or more plays of an electronic gaming
358 device.

359 "Ticket redemption terminal" means a terminal where a voucher dispensed by an electronic gaming
360 device may be redeemed for cash or a cash equivalent.

361 "Truck stop" means an establishment that (i) is equipped with diesel fuel islands used for fueling
362 commercial motor vehicles and has sold, on average, at least 50,000 gallons of diesel or biodiesel fuel each
363 month for the previous 12 months, or is projected to sell an average of at least 50,000 gallons of diesel or

364 biodiesel fuel each month for the next 12 months; (ii) has a convenience store; (iii) is situated on not less
 365 than three acres of land that the establishment owns or leases; and (iv) has parking spaces dedicated to
 366 commercial motor vehicles.

367 "Use agreement" means a written agreement conforming to the regulations established by the Board and
 368 those minimum requirements set forth in this chapter among two or more licensees in different categories.

369 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4204 that
 370 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision
 371 B 1 of § 58.1-4204 by placing their names on a voluntary exclusion list and following the procedures set forth
 372 by the Board.

373 **§ 58.1-4201. Powers and duties of the Director related to electronic gaming devices; reporting.**

374 A. The Director shall have the following powers and duties related to the regulation of electronic gaming
 375 devices:

376 1. Issue licenses under Article 2 (§ 58.1-4205 et seq.) and supervise all activities licensed under the
 377 provisions of this chapter, including the manufacture, distribution, operation, hosting, and playing of
 378 electronic gaming devices;

379 2. Suspend, revoke, or refuse to renew any license issued pursuant to Article 2 (§ 58.1-4205 et seq.) or the
 380 rules and regulations adopted pursuant to this chapter;

381 3. Inspect, investigate, and have free access to the offices, facilities, or other places of business of any
 382 licensee and compel the production of any books, documents, records, or memoranda of any licensee for the
 383 purpose of satisfying himself that this chapter and Board regulations are strictly complied with;

384 4. Order such audits and inspections as deemed necessary;

385 5. Certify monthly to the State Comptroller and the Board a full and complete statement of electronic
 386 gaming device revenues for the previous month;

387 6. Assess and collect civil penalties for violations of this chapter and Board regulations;

388 7. Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate Committee
 389 on Finance and Appropriations, House Committee on Finance, and House Committee on Appropriations the
 390 total electronic gaming device revenues and expenses for the previous month and make an annual report,
 391 which shall include a full and complete statement of electronic gaming device revenues and expenses and a
 392 list of all licensees licensed pursuant to this chapter, to the Governor and the General Assembly, including
 393 recommendations for changes in this chapter as the Director and Board deem prudent;

394 8. Require training for host location licensees and the employees of any host location licensee as
 395 necessary on any topic the Director deems appropriate, including technical operations, security, problem
 396 gambling identification measures, and age verification procedures;

397 9. Establish monthly reporting requirements for each electronic gaming device on the amounts wagered
 398 and amounts awarded on the last 500 plays and the last 100 plays for each electronic gaming device; and

399 10. Do all acts necessary and advisable to carry out the purposes and provisions of this chapter.

400 B. Upon request by the assessing official of a locality, the Director shall provide to such assessing official
 401 of such locality a statement of the amount of the gaming tax collected in such locality pursuant to Article 4 (§
 402 58.1-4218 et seq.) from each electronic gaming device, from each host location, and from all electronic
 403 gaming devices and host locations in the aggregate.

404 **§ 58.1-4202. Powers and duties of the Board related to electronic gaming devices.**

405 In addition to the regulations adopted pursuant to § 58.1-4007, the Board shall promulgate regulations
 406 related to electronic gaming devices that:

407 1. Develop such forms, licenses, identification cards, and applications as are necessary or convenient for
 408 the administration of this chapter;

409 2. Establish requirements for all licensees under this chapter for the form, content, and retention of all
 410 records and accounts;

411 3. Establish procedures for the collection of all fees levied pursuant to this chapter and set due dates for
 412 the payment of such fees;

413 4. Establish a process for the approval or disapproval of electronic gaming devices and games offered on
 414 such devices;

415 5. Establish cash handling procedures for operator and host location licensees that require such licensees
 416 to keep separate accounts for gaming and nongaming transactions;

417 6. Establish standard terms between licensees in different categories;

418 7. Establish rules and regulations that ensure transparency with respect to operational, transactional,
 419 and financial information provided to licensees that allow such licensees to be able to verify appropriate
 420 distributions of profits after taxes pursuant to the user agreement among any such licensees;

421 8. Establish rules and regulations to ensure public safety and protocols to deter criminal activity within
 422 and around the host location's premises;

423 9. Promulgate regulations that establish limitations on excessive ATM fees for players in host locations;

424 10. Establish rules and regulations related to the level of substantial skill and the differential level of skill

425 that meets the definition of "electronic gaming device" in § 58.1-4200;
426 11. Establish rules and regulations for the licensing of procurement agents;
427 12. Establish a process for accepting license applications, including consideration of the aggregate cap
428 on the number of electronic gaming devices as well as regional diversity and population;
429 13. Require inspections of all licensees at a frequency determined by the Board;
430 14. Require appropriate surveillance equipment, alarm systems, or similar equipment or systems intended
431 to monitor and secure the gaming area and electronic gaming devices, ticket redemption terminals,
432 electronic identification terminals, and the perimeter of the host location licensee's establishment, and any
433 means of ingress and egress thereto;
434 15. Establish a program of periodic testing and inspection for all electronic gaming devices;
435 16. Prohibit licensees and their affiliates from advertising or marketing their products and services
436 related to electronic gaming devices to players or potential players. However, (i) licensees shall be allowed
437 to describe their products and services on a website operated and maintained by the licensee and (ii) host
438 location licensees shall be allowed to advertise on one sign located at the host location, provided that such
439 sign is no larger than three feet in height by three feet in width;
440 17. Require host location licensees to post at least one sign in a conspicuous location at the entrance of
441 any gaming area on the premises of its establishment. Such sign shall include (i) language that makes it clear
442 that only individuals 21 years of age or older may play an electronic gaming device; (ii) a toll-free telephone
443 number for problem gambling assistance that has been approved by the Virginia Council on Problem
444 Gambling or another organization that provides assistance to problem gamblers; and (iii) the toll-free
445 telephone number and website for the illegal gaming tip line established by the Office of the Gaming
446 Enforcement Coordinator in the Department of State Police for members of the public to report concerns
447 about, or suspected instances of, illegal gaming activities. The Board shall also distribute written guidance to
448 host location licensees that shall be used to educate host location employees on how to recognize intoxicated
449 individuals; and
450 18. Provide guidelines and recommendations necessary and advisable to carry out the purposes and
451 provisions of this chapter.

452 **§ 58.1-4203. Adoption of local ordinance or referendum to prohibit electronic gaming devices.**
453 A. For the purposes of this section, "locality" means any county or city. "Locality" does not include any
454 town.
455 B. The governing body of a locality may hold a referendum on the question of whether electronic gaming
456 devices shall be prohibited in the locality.
457 C. If a local ordinance to prohibit electronic gaming devices has been adopted by the locality, a
458 referendum with the opposite purpose may not be conducted for at least one calendar year from the effective
459 date of the ordinance.
460 D. A referendum may be called for either by resolution of the governing body of a locality or upon a
461 petition of qualified voters equal in number to at least 2.5 percent of the number registered in the jurisdiction
462 on January 1 preceding its filing or by at least 5,000 qualified voters in the jurisdiction, whichever is less.
463 Upon the filing of a petition or passage of a resolution by the local governing body, the court shall order the
464 election officials of the county or city on the date fixed in the order to conduct a referendum on the question.
465 The clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in
466 the county, city, or town once a week for three consecutive weeks prior to the referendum.

467 The regular election officers of such locality shall open the polls at the various voting places in such
468 locality on the date specified in such order and conduct such election in the manner provided by law. The
469 election shall be by ballot, which shall be prepared by the electoral board of the locality and on which shall
470 be printed the following question:

471 "Shall electronic gaming devices, also known as "skill games" be prohibited at lottery retailers or ABC
472 retail locations, which may include convenience stores, gas stations, truck stops, and other locations in
473 _____ (name of locality) as may be authorized by the Virginia Lottery?"

474 Yes
475 No"

476 In the blank shall be inserted the name of the locality in which such election is held. Any voter desiring to
477 vote "Yes" shall mark in the square provided for such purpose immediately preceding the word "Yes," leaving
478 the square immediately preceding the word "No" unmarked. Any voter desiring to vote "No" shall mark in the
479 square provided such purpose immediately preceding the word "No," leaving the square immediately
480 preceding the word "Yes" unmarked.

481 The ballots shall be counted, the returns made and canvassed as in other elections, and the results
482 certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an
483 order proclaiming the results of such election and a duly certified copy of such order shall be transmitted to
484 the Department and to the governing body of such locality.

485 E. No license requirement, license fee, permit fee, sticker fee, or tax shall be imposed by any locality upon

486 *an electronic gaming device manufacturer, distributor, operator, or host location relating to the ownership,*
 487 *placement, use, or operation of electronic gaming devices or associated equipment.*

488 **§ 58.1-4204. Voluntary exclusion program.**

489 *A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.*

490 *B. The regulations shall include the following provisions:*

491 *1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion*
 492 *program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions*
 493 *of Chapter 40 (§ 58.1-4000 et seq.) or 41 (§ 58.1-4100 et seq.); (ii) participating in sports betting, as defined*
 494 *in § 58.1-4030; (iii) engaging in any form of casino gaming authorized under the provisions of Chapter 41 (§*
 495 *58.1-4100 et seq.); (iv) playing any electronic gaming device authorized under the provisions of this chapter;*
 496 *(v) participating in charitable gaming, as defined in § 18.2-340.16; (vi) participating in fantasy contests, as*
 497 *defined in § 59.1-556; or (vii) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the*
 498 *request of the Department, shall assist in administering the voluntary exclusion program pursuant to the*
 499 *provisions of this section.*

500 *2. A person who participates in the voluntary exclusion program may choose an exclusion period of two*
 501 *years, five years, or lifetime.*

502 *3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion*
 503 *program may not petition the Board for removal from the program for the duration of his exclusion period.*

504 *4. The name of a person participating in the program shall be included on a list of excluded persons. The*
 505 *list of persons entering the voluntary exclusion program and the personal information of the participants*
 506 *shall be confidential, except that dissemination of such information by the Department to the entity that*
 507 *manages its central accounting system established pursuant to § 58.1-4216 and any other parties the*
 508 *Department deems necessary for purposes of enforcement shall be allowed. The list and the personal*
 509 *information of participants in the voluntary exclusion program shall not be subject to disclosure under the*
 510 *Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to*
 511 *other parties upon request by the participant and agreement by the Board.*

512 **Article 2.**

513 **Licenses and Requirements of Licensees.**

514 **§ 58.1-4205. Licenses that may be granted by the Director; fees.**

515 *A. The Director may grant the following four license categories of industry licenses:*

516 *1. Manufacturer license, which shall authorize the licensee to manufacture and sell or lease to a*
 517 *distributor or operator licensee electronic gaming devices, software and hardware for electronic gaming*
 518 *devices, and all tools and components necessary for the operation, repair, and maintenance of any such*
 519 *electronic gaming device.*

520 *2. Distributor license, which shall authorize the licensee to (i) buy or lease electronic gaming devices*
 521 *from a manufacturer licensee and (ii) sell or lease such devices to operator licensees.*

522 *3. Operator license, which shall authorize the licensee to (i) place or service electronic gaming devices at*
 523 *host locations, (ii) buy or lease electronic gaming devices from a manufacturer or distributor licensee, (iii)*
 524 *provide electronic gaming devices to host location licensees, (iv) maintain and service such devices, and (v)*
 525 *facilitate the data requirements and data reporting as required by this chapter.*

526 *4. Host location license, which shall authorize the licensee to allow the placement and offering for play of*
 527 *electronic gaming devices at such licensee's establishment.*

528 *B. An applicant for a manufacturer, distributor, operator, or host location license shall submit an*
 529 *application to the Director on forms provided by the Director. All distributor, operator, and host location*
 530 *applicants shall be required to submit a copy of a valid use agreement as a condition of continued licensure.*
 531 *The Board shall have the discretion to determine which license category applies to an applicant and the*
 532 *corresponding fees that apply to the applicant when such applicant meets the criteria for multiple licenses.*
 533 *Each host location premises shall be separately licensed.*

534 *C. A nonrefundable fee of \$250,000 shall be paid by an applicant for a manufacturer license to the*
 535 *Department upon issuance of such license, and annually thereafter as a condition of licensure renewal or*
 536 *continued licensure.*

537 *A nonrefundable fee of \$250,000 shall be paid by an applicant for a distributor license to the Department*
 538 *upon issuance of such license, and annually thereafter as a condition of licensure renewal or continued*
 539 *licensure.*

540 *A nonrefundable fee of \$25,000 shall be paid by an applicant for an operator license to the Department*
 541 *upon issuance of such license, and annually thereafter as a condition of licensure renewal or continued*
 542 *licensure.*

543 *A nonrefundable fee of \$1,000 shall be paid by an applicant for a host location license that does not meet*
 544 *the definition of a "truck stop" as defined in § 58.1-4200 to the Department upon issuance of such license,*
 545 *and annually thereafter as a condition of licensure renewal or continued licensure.*

546 *A nonrefundable fee of \$2,500 shall be paid by an applicant for a host location license that meets the*

547 definition of a "truck stop" as defined in § 58.1-4200 to the Department upon issuance of such license, and
548 annually thereafter as a condition of licensure renewal or continued licensure.

549 All fees collected by the Department pursuant to this subsection shall be deposited into the Gaming
550 Regulatory Fund established pursuant to § 58.1-4048.

551 **§ 58.1-4206. General licensing requirements; penalty.**

552 A. The Department, in conjunction with an approved outside vendor or accredited law-enforcement
553 agency, shall conduct a background investigation, including a criminal history records check and
554 fingerprinting, of the following individuals: (i) every individual applying for a license pursuant to this article;
555 (ii) every individual who is an officer, director, board member, owner of at least a 10 percent interest in any
556 licensee, or principal of a licensee or applicant for a license and any employee of the licensee, as determined
557 by the Board, who is directly involved with a licensee; (iii) all security personnel of any licensee; and (iv) any
558 individual conducting cash handling, maintenance, or service on any electronic gaming device. Each such
559 individual shall submit his fingerprints and personal descriptive information to the Central Criminal Records
560 Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records search and
561 to the Department of State Police for a Virginia criminal history records check. The results of the
562 background check and national and state criminal records check shall be returned to the Department. This
563 subsection shall not apply to employees of host location licensees.

564 B. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license
565 issued pursuant to this chapter to any person who has been (i) convicted of a crime involving moral
566 turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any fraud or
567 misrepresentation in any connection, or (iv) convicted of a felony.

568 C. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license
569 issued pursuant to this article to a partnership or corporation if he determines that any general or limited
570 partner, or officer or director of such partnership or corporation, has been (i) convicted of a crime involving
571 moral turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any
572 fraud or misrepresentation in any connection, or (iv) convicted of a felony.

573 D. The Director may also refuse to grant a license pursuant to this article if:

574 1. The Director reasonably believes that the applicant's prior activities, criminal record, or associations
575 are likely to either (i) pose a threat to the public interest, (ii) impede the regulation of electronic gaming
576 devices, or (iii) promote unfair or illegal activities in the conduct of electronic gaming devices;

577 2. The applicant or any general or limited partner or any officer or director of such applicant knowingly
578 makes a false statement of material fact or deliberately fails to disclose information requested by the
579 Director;

580 3. The applicant or any general or limited partner or any officer or director of such applicant knowingly
581 fails to comply with the provisions of this chapter or any requirements of the Director;

582 4. The applicant's license to manufacture, distribute, operate, or offer to the public for play an electronic
583 gaming device issued by any other jurisdiction has been suspended or revoked; or

584 5. The applicant's application is incomplete.

585 E. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or
586 knowingly or willfully makes a false, fictitious, or fraudulent statement or representation in any application
587 pursuant to this article is guilty of a Class 1 misdemeanor. The Director shall revoke the license of a licensee
588 if, subsequent to the issuance of the license, the Director determines that the licensee knowingly or recklessly
589 made a false statement of material fact to the Director in applying for the license.

590 **§ 58.1-4207. Distributor and operator licensees.**

591 A. No distributor licensee shall own an electronic gaming device unless such device (i) is approved by the
592 Director, (ii) has been manufactured by a manufacturer licensee, and (iii) is purchased from a manufacturer
593 licensee or distributor licensee. No contract between a distributor or operator licensee and a manufacturer
594 licensee shall grant the distributor licensee exclusive rights to own, maintain, or place a type, model, or
595 brand of electronic gaming device or ticket redemption terminal in the Commonwealth.

596 B. No operator licensee shall place or maintain an electronic gaming device at any establishment where it
597 is offered to the public for play for a charge, directly or indirectly, unless such establishment is a host
598 location licensee and has an agreement with standard terms.

599 **§ 58.1-4208. Host location licensees; civil penalty.**

600 A. Only the following locations are eligible to receive a host location license:

601 1. Host locations that do not meet the definition of a "truck stop" licensed as an agent to sell lottery tickets
602 or shares pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40;

603 2. Host locations that meet the definition of "truck stop" licensed as an agent to sell lottery tickets or
604 shares pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40; and

605 3. Host locations that are ABC retail locations.

606 B. No more than three electronic gaming devices may be located in an establishment listed in subdivision

607 A 1. No more than seven electronic gaming devices may be located in an establishment listed in subdivision A

608 2 or 3.

609 C. No host location licensee shall allow an electronic gaming device to be placed upon the premises of
 610 such licensee's establishment unless such device is owned or leased, placed, and maintained by an operator
 611 licensee. The primary business of a host location licensee shall not be the offering for play of electronic
 612 gaming devices.

613 D. No host location licensee shall use the term "casino" in its entity name, in any advertisement in
 614 association with its product or service, or in any manner prohibited by Board regulation. Any host location
 615 licensee that violates the provisions of this subsection shall be subject to a civil penalty established by the
 616 Board. The Director shall enforce the provisions of this subsection. All penalties collected pursuant to this
 617 subsection shall accrue to the Literary Fund.

618 E. In an effort to promote responsible gaming by players, host location licensees shall:

619 1. Affix to a clearly visible and conspicuous location on each electronic gaming device a label that bears
 620 a toll-free number for problem gambling assistance that has been approved by the Virginia Council on
 621 Problem Gambling or other organizations that provide assistance to problem gamblers;

622 2. Provide informational leaflets or other similar materials in the gaming area on the dangers associated
 623 with problem gambling; and

624 3. Comply with, and require its employees to comply with, any applicable Board regulations, including
 625 regulations regarding player self-exclusion programs, player identification, and player age verification.

626 Nothing contained in this subsection shall be construed to create any cause of action against the Board or
 627 Department for the failure of a host location licensee to comply with the requirements of this section.

628 F. All host location licensees shall comply with the provisions of this chapter and regulations adopted by
 629 the Board.

630 **§ 58.1-4209. License posting; expiration.**

631 A. Each license granted by the Director shall designate the physical location where the business of the
 632 licensee will be carried out.

633 B. Each license shall be posted in a location conspicuous to the public at the place where the licensee
 634 carries out the business for which the license is granted.

635 C. The privileges conferred by any initial license application approved by the Director shall continue
 636 until the last day of the twelfth month after the effective date of such license. Upon completion of the first year
 637 of licensure, licenses shall be renewed until the next June 30 based upon the payment of a prorated renewal
 638 fee. Annually thereafter, licenses shall be renewed on July 1 and include payment of the renewal fee. A
 639 license may be sooner terminated for any cause for which the Director would be entitled to refuse to grant a
 640 license or by operation of law, voluntary surrender, or order of the Director.

641 D. The Director may grant licenses for one year.

642 E. Sixty days before the expiration of a license, the license holder may submit a renewal application on
 643 forms prescribed by the Board. The Director may deny a license renewal if he finds grounds for denial as
 644 described in § 58.1-4206.

645 **§ 58.1-4210. Prohibition against the issuance of multiple licenses.**

646 A. For purposes of this section, "interest" means the direct or indirect ownership of any equity ownership
 647 interest or a partial equity ownership interest or any other type of financial interest, including being an
 648 investor, shareholder, member, lender, or employee.

649 B. No licensee that has been issued a manufacturer license, distributor license, or operator license shall
 650 be issued a host location license or have any interest in a host location licensee.

651 C. No licensee that has been issued a manufacturer license, distributor license, or host location license
 652 shall be issued an operator license or have any interest in an operator licensee.

653 D. No licensee that has been issued a host location license shall be issued a manufacturer license or
 654 distributor license or have any interest in a manufacturer licensee or distributor licensee.

655 E. A licensee that has been issued a manufacturer license may also be issued a distributor licensee or
 656 have an interest in a distributor licensee.

657 F. A licensee that has been issued a distributor license may also be issued a manufacturer license or have
 658 an interest in a manufacturer licensee.

659 G. Host location applicants with interest in multiple host locations shall submit a separate application for
 660 each individual host location premises.

661 **§ 58.1-4211. Prohibition against transferring licenses or interests.**

662 No licensee shall transfer its license or assign responsibility for compliance with the conditions of its
 663 license to any party, including a transfer of effective control of the licensee. No distributor licensee shall
 664 transfer any electronic gaming device or any interest in a use agreement.

665 **§ 58.1-4212. Suspension and revocation of licenses; civil penalties; hearing and appeal.**

666 A. If the Director determines that any provision of this chapter or any regulation or condition of the
 667 Board has not been complied with or has been violated by a licensee, he may, with at least 15 days' notice
 668 and a hearing, (i) assess a civil penalty against the licensee under a framework established by the Board and

669 (ii) suspend or revoke the license holder's license. If any license is suspended or revoked, the Director shall
670 state his reasons for doing so, which shall be entered of record. Any civil penalties collected pursuant to this
671 section shall be paid into the state treasury and credited to the Literary Fund.

672 B. Any person aggrieved by a refusal of the Director to issue any license, the suspension or revocation of
673 a license, the imposition of a fine, or any other action of the Director may seek review of such action in
674 accordance with Board regulations and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the
675 Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025
676 et seq.) of the Administrative Process Act.

677 C. Suspension or revocation of a license by the Director for any violation shall not preclude criminal
678 liability for such violation.

679 **§ 58.1-4213. Minimum requirements for use agreements among two or more categories of licensees;
680 division of revenue.**

681 A. The Board shall promulgate regulations determining the minimum requirements and terms for use
682 agreements among licensees, including timelines for submitting use agreements to the Department.

683 B. A copy of the use agreement shall be maintained in the business office of both the operator and the host
684 location and shall be available at all times for inspection by the Director. An operator shall file a copy of any
685 such use agreement with the Director within 30 days after the execution of such agreement.

686 C. No person shall receive any portion of gross profits generated from electronic gaming devices located
687 at a host location's premises except for the distributor, operator, and host location that are parties to the use
688 agreement, except as approved by the Director in compliance with applicable rules and regulations adopted
689 by the Board.

690 **Article 3.**

691 **Authorization of Electronic Gaming Devices.**

692 **§ 58.1-4214. Approval of electronic gaming devices by the Director; minimum requirements.**

693 A. No electronic gaming device shall be offered for play by the public in the Commonwealth unless such
694 electronic gaming device has first been approved by the Director. The Director shall not approve more than
695 30,000 electronic gaming devices in the aggregate, as measured by electronic gaming devices approved for
696 host location licensees for operation at any one time in the Commonwealth, and such approvals shall be
697 determined by the Board.

698 B. Before selling or otherwise providing an electronic gaming device to a distributor, a manufacturer
699 shall provide a prototype or production sample of such electronic gaming device to an independent testing
700 laboratory that has been approved by the Director, which shall evaluate and certify whether such electronic
701 gaming device meets the definition of electronic gaming device under § 58.1-4200, the requirements of §
702 58.1-4215, and any other requirements established in Board regulations.

703 A prototype or production sample of each type, version, or model of electronic gaming device being
704 operated in the Commonwealth shall be tested by an independent testing laboratory approved by the Director
705 to ensure its integrity, level of skill required, and proper working order. This evaluation shall include a
706 review of installed software periodically within a timeframe established by the Director.

707 The independent testing laboratory's software may be embedded within the game software, utilize an
708 interface port to communicate with the device, or require the removal of device media for external
709 verification.

710 C. Along with the prototype or production sample of the electronic gaming device, the manufacturer shall
711 provide the following information concerning the electronic gaming device to the independent testing
712 laboratory:

- 713 1. The available wagering denominations;
- 714 2. The minimum wager amount;
- 715 3. The maximum wager amount per play, which shall not exceed \$5;
- 716 4. The method of calculating winning payouts, including skill level achieved; and
- 717 5. Payout calculations set forth in sufficient detail to audit a payout through manual calculation.

718 D. The report of the independent testing laboratory shall be submitted by the manufacturer to the
719 Director. The Director shall use the report in evaluating whether the electronic gaming device shall be
720 approved under this chapter.

721 E. If at any time a manufacturer makes a substantive change to game play for any electronic gaming
722 device that has previously been approved by the Director, such manufacturer shall resubmit the electronic
723 gaming device to the Director in a manner prescribed by Board regulation.

724 F. The manufacturer licensee shall pay the cost of the independent testing laboratory's review and testing,
725 and the reports of the same shall be delivered to the licensee and the Director.

726 **§ 58.1-4215. Minimum requirements of electronic gaming devices.**

727 In addition to meeting the definition of electronic gaming device established in § 58.1-4200, electronic
728 gaming devices shall:

- 729 1. Show the rules of play for each game in a way that adequately describes or displays such information

730 so that a reasonable person could understand the game prior to placing a wager;

731 2. Accept only cash wagers or tickets generated from electronic gaming devices that may be redeemed for
732 play at another electronic gaming device located on the same premises;

733 3. Prohibit the modification of the rules of play for a game once a game is initiated;

734 4. Prohibit the remote modification or manipulation of games, except as required or approved by the
735 Director pursuant to the provisions of this chapter;

736 5. Pay out no more than \$4,000 in winnings for a single play of a game;

737 6. Have an identification badge or sufficient integrity affixed to the exterior of the device by the
738 manufacturer that is not removable without leaving evidence of tampering;

739 7. Have a currency storage area that is secured by two locks before the currency can be removed and that
740 is only accessible by the operator licensee;

741 8. Make payments to successful players by issuing a voucher that can be redeemed for cash at the host
742 location's ticket redemption terminal;

743 9. Have the ability to allow for an independent integrity check by an independent testing laboratory
744 approved by the Director of all software that may affect the integrity of the game;

745 10. Be connected to the central accounting system established and operated by the Department under the
746 provisions of § 58.1-4216;

747 11. Have the ability to detect and display the device's complete play history and winnings for the previous
748 100 games;

749 12. Contain a non-resettable meter, which shall be located in a locked area of the device that is accessible
750 only by a key;

751 13. Have the capability of storing the meter information for a minimum of 180 days after a power loss to
752 the device; and

753 14. Conspicuously display the required registration label on the face of the device issued in accordance
754 with this chapter.

§ 58.1-4216. Requirement for central accounting system.

755 A. Each electronic gaming device and ticket redemption terminal being operated in the Commonwealth
756 shall be connected to a central accounting system established and operated by the Department.

757 The central accounting system shall collect the following information from each device: (i) cash in; (ii) payouts; (iii) points, credits, or amounts played; (iv) points, credits, or amounts won; (v) gross profit; (vi) the number of plays of the game; and (vii) the amounts paid to play the game.

758 The central accounting system shall not provide for the monitoring or reading of personal or financial
759 information concerning players of electronic gaming devices.

760 B. Within 90 days after the end of each fiscal year, the category of licensee responsible for the remittance
761 of the gaming tax as determined by the Board, shall submit to the Director a third-party, independent audit of
762 the financial transactions and condition of such licensee's total operations. All audits required by this
763 subsection shall conform to Board regulations.

§ 58.1-4217. Conspicuous labeling of all electronic gaming devices.

764 The distributor of each electronic gaming device shall cause to be adhered to each electronic gaming
765 device a label as prescribed by the Director prior to the placement of such electronic gaming device in a host
766 location. The Department shall provide the required labels. All labels shall be adhered on the face of all
767 electronic gaming devices in a conspicuous and visible location to the Department, law-enforcement agents
768 and officers, and players of the game. Any electronic gaming device offered for play without the requisite
769 label adhered to the electronic gaming device shall be, in addition to any other penalty provided by law, in
770 violation of this chapter.

Article 4.
Taxation.

§ 58.1-4218. Gaming tax on gross profits.

771 A. 1. Distributors shall remit a monthly tax of \$1,200 to the Department for each electronic gaming device
772 that such distributor provided for play in the Commonwealth during the previous month. No more than a
773 total of 30,000 electronic gaming devices may be distributed for play in the Commonwealth at any time.

774 2. The gaming tax imposed pursuant to this section shall not apply to any activity regulated under Article
775 2 (§ 58.1-4030 et seq.) of Chapter 40 or Chapter 41 (§ 58.1-4100 et seq.).

776 3. The gaming taxes collected shall accrue to the Electronic Gaming Proceeds Fund and be allocated in
777 accordance with § 59.1-603.

778 B. The gaming tax collected pursuant to this section shall be collected by the Department at a frequency
779 established by Board regulations and shall be accompanied by forms and returns prescribed by the Board.
780 The Director may suspend or revoke a license for willful failure to submit any such payments or associated
781 returns within the specified time.

§ 58.1-4219. Elementary and Secondary Education Fund.

782 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Elementary

791 and Secondary Education Fund, referred to in this section as the "Fund." The Fund shall be established on
792 the books of the Comptroller and interest earned on moneys in the Fund shall remain in the Fund and be
793 credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year
794 shall not revert to the general fund but shall remain in the Fund. The Fund shall consist of (i) any gross
795 receipts tax distributed pursuant to subdivision B 3 of § 59.1-603; (ii) any other moneys appropriated to it by
796 the General Assembly; and (iii) such other sums as may be made available to it from any other source, public
797 or private, all of which shall be credited to the Fund.

798 Amounts appropriated from the Fund to the Commonwealth's counties, cities, and towns, and the school
799 divisions thereof, shall be expended for the purposes of public elementary and secondary education.

800 Any county, city, or town that accepts a distribution from the Fund shall provide its portion of the cost of
801 maintaining an educational program meeting the standards of quality prescribed pursuant to Section 2,
802 Article VIII of the Constitution of Virginia without the use of distributions from the Fund.

803 B. For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, all
804 deposits to and appropriations from the Fund shall be accounted for and considered to be a part of the
805 general fund of the state treasury.

Article 5.

Prohibited Acts; Penalties, Etc.

§ 58.1-4220. **Illegal manufacture, distribution, or hosting; penalty.**

A. In addition to any other penalties provided for by law, no person shall:

810 1. Manufacture, sell, or lease to any person electronic gaming devices or major components or parts,
811 including software and hardware, for electronic gaming devices without a manufacturer license issued by the
812 Director.

813 2. Distribute, sell, or lease to any person electronic gaming devices or major components or parts,
814 including software or hardware, for electronic gaming devices, or purchase, own, operate, possess, or place
815 in the Commonwealth electronic gaming devices, or maintain and service such devices without a distributor
816 license issued by the Director.

817 3. Operate an establishment where one or more electronic gaming devices are made available for play by
818 the public without a host location license issued by the Director.

819 4. Solicit, offer, or enter into any contract or agreement for the placement of an electronic gaming device
820 until the distributor, operator, host location, and procurement agent, if applicable, are all issued a license by
821 the Director pursuant to this chapter.

B. A violation of this section is a Class 6 felony.

§ 58.1-4221. **Underage play prohibited; penalty.**

822 A. In addition to any other penalties provided for by law, no person younger than 21 years of age shall be
823 eligible to operate an electronic gaming device regulated pursuant to this chapter. A distributor licensee
824 shall adhere to the front of all electronic gaming devices a notice in 16-point Times New Roman bold font
825 that states the following: "No person shall play any electronic gaming device unless such person is 21 years
826 of age or older."

827 B. In addition to any other penalties provided for by law, no person shall redeem any evidence of
828 winnings from any person who is not 21 years of age or older.

C. A violation of this section is a Class 1 misdemeanor.

§ 58.1-4222. **Prohibited acts by host location licensees; penalty.**

829 A. In addition to any other penalties provided for by law, no host location licensee or its employees or
830 agents shall:

831 1. Knowingly permit any person who is not 21 years of age or older to play any electronic gaming device;
832 2. Give any reward for the play of an electronic gaming device that is not authorized by this chapter;
833 3. Give any reward for the play of an electronic gaming device that is redeemable at a location other than
834 the host location's ticket redemption terminal;

835 4. Accept any inducement from a distributor licensee; or

836 5. Extend credit to any person for the purpose of playing any electronic gaming device.

B. A violation of this section is a Class 1 misdemeanor.

837 C. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the
838 warrant, indictment, or information that such person has been before convicted of two or more offenses
839 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,
840 indictment, or information, is guilty of a Class 6 felony.

841 D. Any person who is convicted of a felony offense under this section shall have his electronic gaming
842 device license suspended for a period of two years. Any person who is convicted of a second felony offense
843 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any
844 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device
845 license permanently suspended. The court shall order the suspension of such license upon conviction.

§ 58.1-4223. **Illegal tampering with electronic gaming devices; penalty.**

846 In addition to any other penalties provided for by law, no person other than an operator licensee shall

853 possess or use any key or device designed for the purpose of opening, entering, or affecting the operation of
 854 an electronic gaming device or otherwise tamper with an electronic gaming device. A violation of this section
 855 is a Class 6 felony.

856 **§ 58.1-4224. Conspiracies and attempts to commit violations; penalty.**

857 A. In addition to any other penalties provided for by law, any person who conspires, confederates, or
 858 combines with another, either within or outside of the Commonwealth, to commit a felony prohibited by this
 859 chapter is guilty of a Class 6 felony.

860 B. In addition to any other penalties provided for by law, any person who attempts to commit any act
 861 prohibited by this chapter is guilty of a criminal offense and shall be punished as provided in § 18.2-26, 18.2-
 862 27, or 18.2-28, as appropriate.

863 **§ 58.1-4225. Exclusion from the applicability of this chapter.**

864 This chapter shall not apply to sports betting authorized under Article 2 (§ 58.1-4030 et seq.) of Chapter
 865 40 or casino gaming authorized under Chapter 41 (§ 58.1-4100 et seq.).

866 **§ 58.1-4226. Certain provisions in Article 1 (§ 58.1-4000 et seq.) of Chapter 40 to apply mutatis
 867 mutandis.**

868 Except as provided in this chapter, the provisions of subdivision A 54 of § 2.2-3711, § 11-16.1,
 869 subdivision A 14 of § 19.2-389, and Article 1 (§ 58.1-4000 et seq.) of Chapter 40 shall apply mutatis
 870 mutandis to electronic gaming devices under this chapter. The Board shall promulgate regulations to
 871 interpret and clarify the applicability of Article 1 to this chapter.

872 **CHAPTER 57.**

873 **VIRGINIA GAMING COMMERCE REGULATION.**

874 **§ 59.1-603. Virginia Gaming Commerce Regulation Fund; distribution of gross profits and gaming tax
 875 revenue.**

876 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia
 877 Gaming Commerce Regulation Fund, referred to in this section as the "Fund." The Fund shall be established
 878 on the books of the Comptroller. All moneys required to be deposited into the Fund pursuant to this chapter
 879 shall be paid into the state treasury and credited to the Fund and interest earned on moneys in the Fund shall
 880 remain in the Fund and be credited to it.

881 B. Revenues from the Fund shall be apportioned by the Comptroller as follows:

882 1. Two and a half percent to the Problem Gambling Treatment and Support Fund established pursuant to
 883 § 37.2-314.2;

884 2. Seventy percent to the Elementary and Secondary Education Fund established pursuant to § 58.1-4219
 885 for the purpose of elementary and secondary public education in the Commonwealth;

886 3. Fifteen percent to the Department of Taxation for distribution to the locality in which the host location
 887 operates provided that such locality agrees to appropriate at least 33 percent of such distribution to the
 888 locality's local law-enforcement agencies;

889 4. Two and a half percent to the Department of State Police to be used by the Office of the Gaming
 890 Enforcement Coordinator established pursuant to § 52-54;

891 5. Five percent to the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601; and

892 6. Five percent to the Gaming Regulatory Fund established pursuant to § 58.1-4048 to cover the costs of
 893 administration and oversight of electronic gaming devices, including the central accounting system, in
 894 accordance with the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

895 C. Allocation of funds pursuant to this section shall occur no later than 60 days after such funds are
 896 collected and only after the Department has verified the accuracy of the collected balances.

897 D. For purposes of this section, "Department" means the independent agency responsible for the
 898 administration of the Virginia Lottery pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40 of Title 58.1
 899 and the regulation of sports betting pursuant to Article 2 (§ 58.1-4030 et seq.) of Chapter 40 of Title 58.1,
 900 casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and electronic gaming devices
 901 pursuant to Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

902 2. That, notwithstanding the provisions of the first enactment of this act to the contrary and until the
 903 Virginia Lottery Board (the Board) adopts the permanent regulations necessary to implement the
 904 provisions of this act pursuant to the fifth enactment of this act, the provisions of the first enactment of
 905 this act shall be administered by the Virginia Alcoholic Beverage Control Authority (the Authority).
 906 During the Authority's administration of such provisions, the Authority shall be vested with all powers
 907 and duties of the Board that are necessary for such administration of the provisions of the first, second,
 908 third, and fourth enactments of this act, including the collection of fees and taxes as described in §§
 909 58.1-4205 and 58.1-4218 of the Code of Virginia, as created by this act. No later than August 30, 2024,
 910 each distributor of an electronic gaming device shall file a registration statement with the Authority on
 911 such form as may be prescribed by the Authority. Such registration statement shall include all
 912 electronic gaming devices that are available for play by such distributor and such information as may
 913 be prescribed by the Authority. Such registration statement also shall include (i) the total number of

914 electronic gaming devices provided for play in the Commonwealth by such distributor; (ii) the address
915 of each location where the electronic gaming devices are provided for play in the Commonwealth by
916 such distributor; (iii) the total number of electronic gaming devices provided for play in the
917 Commonwealth by such distributor at each respective location; and (iv) the name, address, and contact
918 information of the individual responsible for full and total compliance with Chapter 42 (§ 58.1-4200 et
919 seq.) of Title 58.1 of the Code of Virginia, as created by this act, and law and a statement that such
920 individual shall be responsible for any penalty assessed for violations of Chapter 42 (§ 58.1-4200 et
921 seq.) of Title 58.1 of the Code of Virginia, as created by this act, or law applicable to the distributor of
922 any electronic gaming devices. Such individual shall certify that the initial registration is a true and
923 accurate accounting of the information provided in the initial registration statement. Failure to file
924 such registration statement by August 30, 2024, shall result in the barring of any such electronic
925 gaming devices not registered. Any such electronic gaming devices not included in such registration
926 statement that is operating or placed in the Commonwealth shall be considered an unregistered
927 electronic gaming device, as defined in § 18.2-325 of the Code of Virginia, as amended by this act, and
928 subject such penalties pursuant to § 18.2-331.2, 18.2-331.3, or 18.2-331.4 of the Code of Virginia, as
929 created by this act. Each distributor of an electronic gaming device shall post a surety bond naming the
930 Authority as beneficiary. The Authority may call the bond for any violation of Chapter 42 (§ 58.1-4200
931 et seq.) of Title 58.1 of the Code of Virginia, as created by this act, or law regulating electronic gaming
932 devices.

933 3. That by July 30, 2024, the Virginia Alcoholic Beverage Control Authority (the Authority) shall
934 create a registration label that is to be adhered to each individual electronic gaming device that is
935 properly registered with the Authority. The Authority shall make available such label to the
936 distributor of each and every electronic gaming device placed in a host location, as provided for in §§
937 58.1-4200 and 58.1-4208 of the Code of Virginia, as created by this act, by August 25, 2024, and no later
938 than September 1, 2024, the distributor of each and every electronic gaming device placed in a host
939 location shall cause such label to be adhered to each individual electronic gaming device that was
940 previously prescribed by the Authority. All labels shall be placed on the face of the electronic gaming
941 device in a clearly visible and conspicuous location for law enforcement and players. Any electronic
942 gaming device found to not have such label and not be properly registered with the Authority shall be
943 in violation of this act and subject to immediate seizure and forfeiture pursuant to § 18.2-331.2, 18.2-
944 331.3, or 18.2-331.4 of the Code of Virginia, as created by this act.

945 4. That beginning October 1, 2024, and each month following until the Virginia Lottery Board (the
946 Board) adopts the regulations necessary to implement the provisions of this act, each distributor shall
947 provide a report to the Virginia Alcoholic Beverage Control Authority (the Authority), in such form as
948 required by the Authority, detailing (i) the total number electronic gaming devices provided for play in
949 the Commonwealth by such distributor, (ii) the address of each location where the electronic gaming
950 devices are provided for play in the Commonwealth by such distributor, (iii) the total number of
951 electronic gaming devices provided for play in the Commonwealth by such distributor at each
952 respective location, (iv) the total amount wagered during the previous month on each electronic gaming
953 device provided for play in the Commonwealth by such distributor at each respective location where
954 the electronic gaming device was provided, and (v) the total amount of prizes or winnings awarded
955 during the previous month on each electronic gaming device provided for play in the Commonwealth
956 by such distributor at each respective location where the electronic gaming device was provided. The
957 Authority shall aggregate information collected pursuant to this enactment and report it to the
958 Governor, the Chairman of the Senate Committee on Finance and Appropriations, and the Chairmen
959 of the House Committees on Appropriations and Finance on a monthly basis. The October 1, 2024,
960 report from the each distributor to the Authority shall also include the required reportable
961 information for the period of time from July 1, 2024, to September 30, 2024.

962 For purposes of the second, third, and this enactment, "distributor" means any person that (i)
963 manufactures and sells electronic gaming devices, including software and hardware, and distributes
964 such devices to a host location or (ii) purchases or leases electronic gaming devices from a
965 manufacturer and provides such devices to a host location, and who otherwise maintains such
966 electronic gaming devices and is otherwise responsible for on-site data collection and accounting.

967 5. That, by June 30, 2025, the Virginia Lottery Board (the Board) shall implement permanent
968 regulations necessary to implement the provisions of this act. The Board's initial adoption of such
969 regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of
970 Virginia), except that the Board shall provide an opportunity for public comment on the regulations
971 prior to adoption. The Board shall certify in writing to the Virginia Code Commission the date of final
972 adoption of such regulations. However, the Board may adopt emergency regulations necessary to
973 implement the provisions of this act by January 1, 2025. The Board's adoption of such emergency
974 regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of

975 Virginia), except that the Board shall provide an opportunity for public comment on the regulations
976 prior to adoption.

977 6. That the initial procurement by the Virginia Lottery of the central accounting system for electronic
978 gaming devices required by § 58.1-4216 of the Code of Virginia, as created by this act, shall be exempt
979 from the departmental procurement regulations promulgated by the Virginia Lottery Board pursuant
980 to § 58.1-4007 of the Code of Virginia. The Virginia Lottery may charge reasonable fees to recover any
981 actual costs incurred in such initial procurement to manufacturers, distributors, and operators, as such
982 terms are defined in § 58.1-4200 of the Code of Virginia, as created by this act, and any fees so charged
983 shall be in addition to any authorized by the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1
984 of the Code of Virginia, as created by this act.

985 7. That the Virginia Lottery (the Department) is authorized to begin accepting applications for
986 licensure in accordance with the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1 of the Code
987 of Virginia, as created by this act, on January 1, 2025. Licenses shall be issued no later than July 1,
988 2025. Notwithstanding the provisions of § 58.1-4205 of the Code of Virginia, as created by this act, the
989 Department may, for an amount of time to be determined by the Virginia Lottery Board, require an
990 applicant for licensure to pay all application fees at the time the applicant submits its application to the
991 Department. Any applicant who, during such period, submits an application and accompanying fee but
992 is not granted a license by the Department shall be reimbursed. The Director of the Virginia Lottery
993 shall, beginning August 30, 2024, provide quarterly status updates to the Chairmen of the Senate
994 Committee on Finance and Appropriations, House Committee on Appropriations, Senate Committee
995 on General Laws and Technology, and House Committee on General Laws and to the Governor on the
996 status and implementation of this act, including the procurement of the central accounting system for
997 electronic gaming devices required by § 58.1-4216 of the Code of Virginia, as created by this act.

998 8. That (i) the provisions of this act may result in a net increase in periods of imprisonment or
999 commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary
1000 appropriation cannot be determined for periods of imprisonment in state adult correctional facilities;
1001 therefore, Chapter 1 of the Acts of Assembly of 2023, Special Session I, requires the Virginia Criminal
1002 Sentencing Commission to assign a minimum fiscal impact of \$50,000. Pursuant to § 30-19.1:4 of the
1003 Code of Virginia, the estimated amount of the necessary appropriation cannot be determined for
1004 periods of commitment to the custody of the Department of Juvenile Justice; and (ii) the budget bill
1005 introduced pursuant to § 2.2-1508 of the Code of Virginia for the 2025 Regular Session of the General
1006 Assembly shall include such necessary appropriation.

1007 9. That this act shall be referred to as the Virginia Gaming Commerce Regulation Act.