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SENATE BILL NO. 675

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology on January 24, 2024)

(Patron Prior to Substitute—Senator Marsden)

A BILL to amend and reenact §§ 58.1-4032, 58.1-4100, 58.1-4101, 58.1-4107, 58.1-4107.1, 58.1-4109, 58.1-4110, 58.1-4111, 58.1-4123, and 58.1-4125 of the Code of Virginia, relating to casino gaming; eligible host localities.

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-4032, 58.1-4100, 58.1-4101, 58.1-4107, 58.1-4107.1, 58.1-4109, 58.1-4110, 58.1-4111, 58.1-4123, and 58.1-4125 of the Code of Virginia are amended and reenacted as follows:

§ 58.1-4032. Application for a sports betting permit; penalty.

A. An applicant for a sports betting permit shall:

1. Submit an application to the Director, on forms prescribed by the Director, containing the information prescribed in subsection B; and

2. Pay to the Department a nonrefundable fee of \$50,000 for each principal at the time of filing to defray the costs associated with the background investigations conducted by the Department. If the reasonable costs of the investigation exceed the application fee, the applicant shall pay the additional amount to the Department. The Board may establish regulations calculating the reasonable costs to the Department in performing its functions under this article and allocating such costs to the applicants for licensure at the time of filing. The fees for each principal and any additional investigation costs paid to the Department shall be deposited into the Gaming Regulatory Fund established pursuant to § 58.1-4048.

B. An application for a sports betting permit shall include the following information:

1. The applicant's background in sports betting;

2. The applicant's experience in wagering activities in other jurisdictions, including the applicant's history and reputation of integrity and compliance;

3. The applicant's proposed internal controls, including controls to ensure that no prohibited or voluntarily excluded person will be able to participate in sports betting;

4. The applicant's history of working to prevent compulsive gambling, including training programs for its employees;

5. If applicable, any supporting documentation necessary to establish eligibility for substantial and preferred consideration pursuant to the provisions of this section;

6. The applicant's proposed procedures to detect and report suspicious or illegal betting activity; and

7. Any other information the Director deems necessary.

C. The Department shall conduct a background investigation on the applicant. The background investigation shall include a credit history check, a tax record check, and a criminal history records check.

D. 1. The Director shall not issue any permit pursuant to this article until the Board has established a consumer protection program and published a consumer protection bill of rights pursuant to the provisions of subdivision A 14 of § 58.1-4007.

2. The Director shall issue no fewer than four and no more than 12 permits pursuant to this section; however, if an insufficient number of applicants apply for the Director to satisfy the minimum, this provision shall not be interpreted to direct the Director to issue a permit to an unqualified applicant. A permit shall not count toward the minimum or maximum if it (i) is issued pursuant to subdivision 4 or 5 to a major league sports franchise or to the operator of a facility; (ii) is issued pursuant to subdivision 6 to an applicant that operates or intends to operate a casino gaming establishment; or (iii) is revoked, expires, or otherwise becomes not effective.

3. In issuing permits to operate sports betting platforms and sports betting facilities, the Director shall consider the following factors:

a. The contents of the applicant's application as required by subsection B;

b. The extent to which the applicant demonstrates past experience, financial viability, compliance with applicable laws and regulations, and success with sports betting operations in other states;

c. The extent to which the applicant will be able to meet the duties of a permit holder, as specified in § 58.1-4034;

d. Whether the applicant has demonstrated to the Department that it has made serious, good-faith efforts to solicit and interview a reasonable number of investors that are minority individuals, as defined in § 2.2-1604;

e. The amount of adjusted gross revenue and associated tax revenue that an applicant is expected to generate;

f. The effect of issuing an additional permit on the amount of gross revenue and associated tax revenue

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60 generated by all existing permit holders, considered in the aggregate; and

61 g. Any other factor the Director considers relevant.

62 4. In issuing permits to operate sports betting platforms prior to July 1, 2025, the Director shall give  
63 substantial and preferred consideration to any applicant that is a major league sports franchise headquartered  
64 in the Commonwealth that remitted personal state income tax withholdings based on taxable wages in the  
65 Commonwealth in excess of \$200 million for the 2019 taxable year. Any permit holder granted a permit  
66 pursuant to this subdivision shall receive substantial and preferred consideration of its first, second, and third  
67 applications for renewal pursuant to the provisions of § 58.1-4033; however, such permit holder shall not  
68 receive substantial and preferred consideration of its fourth and subsequent applications for renewal. Any  
69 permit granted pursuant to this subdivision shall expire if the permit holder ceases to maintain its  
70 headquarters in the Commonwealth.

71 5. In issuing permits to operate sports betting platforms prior to July 1, 2025, the Director shall give  
72 substantial and preferred consideration to any applicant that is a major league sports franchise that plays five  
73 or more regular season games per year at a facility in the Commonwealth or that is the operator of a facility in  
74 the Commonwealth where a major league sports franchise plays five or more regular season games per year;  
75 however, the Director shall give such substantial and preferred consideration only if the applicant (i) is  
76 headquartered in the Commonwealth, (ii) has an annualized payroll for taxable wages in the Commonwealth  
77 that is in excess of \$10 million over the 90-day period prior to the application date, and (iii) the total number  
78 of individuals working at the facility in the Commonwealth where the major league sports franchise plays  
79 five or more regular season games is in excess of 100.

80 6. If casino gaming is authorized under the laws of the Commonwealth, then in issuing permits to operate  
81 sports betting platforms and sports betting facilities, the Director shall give substantial and preferred  
82 consideration to any applicant that (i) has made or intends to make a capital investment of at least \$300  
83 million in a casino gaming establishment, including the value of the real property upon which such  
84 establishment is located and all furnishings, fixtures, and other improvements; (ii) has had its name submitted  
85 as a preferred casino gaming operator to the Department by an eligible host ~~city~~ locality; and (iii) has been  
86 certified by the Department to proceed to a local referendum on whether casino gaming will be allowed in the  
87 locality in which the applicant intends to operate a casino gaming establishment.

88 7. In issuing permits to operate sports betting platforms prior to July 1, 2025, the Director shall give  
89 substantial and preferred consideration to any applicant that demonstrates in its application (i) a description of  
90 any equity interest owned by minority individuals or minority-owned businesses, (ii) a detailed plan to  
91 achieve increased minority equity investment, (iii) a description of all efforts made to seek equity investment  
92 from minority individuals or minority-owned businesses, or (iv) a plan detailing efforts made to solicit  
93 participation of minority individuals or minority-owned businesses in the applicant's purchase of goods and  
94 services related to the sports betting platform or to provide assistance to a historically disadvantaged  
95 community or historically black colleges and universities located within the Commonwealth. As used in this  
96 subdivision, "historically black colleges and universities," "minority individual," and "minority-owned  
97 business" mean the same as those terms are defined in § 2.2-1604.

98 8. In a manner as may be required by Board regulation, any entity that applies pursuant to subdivision 4,  
99 5, 6, or 7 may demonstrate compliance with the requirements of an application, the duties of a permit holder,  
100 and any other provision of this article through the use of a partner, subcontractor, or other affiliate of the  
101 applicant.

102 E. The Director shall make a determination on an initial application for a sports betting permit within 90  
103 days of receipt. The Director's action shall be final unless appealed in accordance with § 58.1-4007.

104 F. The following shall be grounds for denial of a permit or renewal of a permit:

105 1. The Director reasonably believes the applicant will be unable to satisfy the duties of a permit holder as  
106 described in subsection A of § 58.1-4034;

107 2. The Director reasonably believes that the applicant or its directors lack good character, honesty, or  
108 integrity;

109 3. The Director reasonably believes that the applicant's prior activities, criminal record, reputation, or  
110 associations are likely to (i) pose a threat to the public interest, (ii) impede the regulation of sports betting, or  
111 (iii) promote unfair or illegal activities in the conduct of sports betting;

112 4. The applicant or its directors knowingly make a false statement of material fact or deliberately fail to  
113 disclose information requested by the Director;

114 5. The applicant or its directors knowingly fail to comply with the provisions of this article or any  
115 requirements of the Director;

116 6. The applicant or its directors were convicted of a felony, a crime of moral turpitude, or any criminal  
117 offense involving dishonesty or breach of trust within the 10 years prior to the submission date of the permit  
118 application;

119 7. The applicant's license, registration, or permit to conduct a sports betting operation issued by any other  
120 jurisdiction has been suspended or revoked;

121 8. The applicant defaults in payment of any obligation or debt due to the Commonwealth; or

122 9. The applicant's application is incomplete.

123 G. The Director shall have the discretion to waive any of the grounds for denial of a permit or renewal of  
124 a permit if he determines that denial would limit the number of applicants or permit holders in a manner  
125 contrary to the best interests of the Commonwealth.

126 H. Prior to issuance of a permit, each permit holder shall either (i) be bonded by a surety company entitled  
127 to do business in the Commonwealth in such amount and penalty as may be prescribed by the regulations of  
128 the Board or (ii) provide other surety, letter of credit, or reserve as may be satisfactory to the Director. Such  
129 surety shall be prescribed by Board regulations and shall not exceed a reasonable amount.

130 I. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or  
131 knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in any application  
132 pursuant to this article is guilty of a Class 1 misdemeanor.

133 J. In addition to the fee required pursuant to subdivision A 2, any applicant to which the Department  
134 issues a permit shall pay a nonrefundable fee of \$250,000 to the Department prior to the issuance of such  
135 permit. Such fees shall be deposited by the Department into the Gaming Regulatory Fund established  
136 pursuant to § 58.1-4048.

137 **§ 58.1-4100. Definitions.**

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

139 "Adjusted gross receipts" means the gross receipts from casino gaming less winnings paid to winners.

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

141 "Casino gaming" or "game" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines,  
142 roulette wheels, Klondike tables, Mah Jongg, electronic table games, hybrid table games, punchboards, faro  
143 layouts, numbers tickets, push cards, jar tickets, or pull tabs, or any variation of the aforementioned games,  
144 and any other activity that is authorized by the Board as a wagering game or device under this chapter.

145 "Casino gaming" or "game" includes on-premises mobile casino gaming.

146 "Casino gaming establishment" means the premises, including the entire property, *such as a conference  
147 center, hotel, or entertainment district or large-scale concert venue*, located at the address of the licensed  
148 casino, upon which lawful casino gaming is authorized and licensed as provided in this chapter. "Casino  
149 gaming establishment" does not include a riverboat or similar vessel.

150 "Casino gaming operator" means any person issued a license by the Board to operate a casino gaming  
151 establishment.

152 "Cheat" means to alter the selection criteria that determine the result of a game or the amount or frequency  
153 of payment in a game for the purpose of obtaining an advantage for one or more participants in a game over  
154 other participants in a game.

155 "Counter check" means an interest-free negotiable instrument for a specified amount executed by a player  
156 and held by the casino that serves as evidence of the casino gaming patron's obligation to pay the casino and  
157 that can be exchanged by the casino gaming patron for the specified amount in chips, tokens, credits,  
158 electronic credits, electronic cash, or electronic cards.

159 "Department" means the independent agency responsible for the administration of the Virginia Lottery  
160 created in the Virginia Lottery Law (§ 58.1-4000 et seq.).

161 "Director" means the Director of the Virginia Lottery.

162 "Eligible host ~~city~~ *locality*" means any ~~city~~ *locality* described in § 58.1-4107 in which a casino gaming  
163 establishment is authorized to be located.

164 "Entity" means a person that is not a natural person.

165 "Gaming operation" means the conduct of authorized casino gaming within a casino gaming  
166 establishment.

167 "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, electronic  
168 credits, electronic cash, or electronic cards by casino gaming patrons. "Gross receipts" shall not include the  
169 cash value of promotions or credits provided to and exchanged by casino gaming patrons for chips, tokens,  
170 electronic credits, electronic cash, or electronic cards. "Gross receipts" shall also not include uncollectable  
171 counter checks.

172 "Immediate family" means (i) a spouse and (ii) any other person residing in the same household as an  
173 officer or employee and who is a dependent of the officer or employee or of whom the officer or employee is  
174 a dependent.

175 "Individual" means a natural person.

176 "Licensee" or "license holder" means any person holding an operator's license under § 58.1-4111.

177 "On-premises mobile casino gaming" means casino gaming offered by a casino gaming operator at a  
178 casino gaming establishment using a computer network of both federal and nonfederal interoperable packet-  
179 switched data networks through which the casino gaming operator may offer casino gaming to individuals  
180 who have established an on-premises mobile casino gaming account with the casino gaming operator and  
181 who are physically present on the premises of the casino gaming establishment, as authorized by regulations  
182 promulgated by the Board.

183 "Permit holder" means any person holding a supplier or service permit pursuant to this chapter.

184 "Person" means an individual, partnership, joint venture, association, limited liability company, stock  
 185 corporation, or nonstock corporation and includes any person that directly or indirectly controls or is under  
 186 common control with another person.

187 "Preferred casino gaming operator" means the proposed casino gaming establishment and operator thereof  
 188 submitted by an eligible host ~~city~~ *locality* to the Board as an applicant for licensure.

189 "Prepaid access instrument" means a system device that allows a casino gaming patron access to funds  
 190 that have been paid in advance and can be retrieved or transferred at some point in the future through such a  
 191 device. In order to transfer funds for gaming purposes, a prepaid access instrument shall be redeemed for  
 192 tokens, chips, credits, electronic credits, electronic cash, electronic cards, or used in conjunction with an  
 193 approved cashless wagering system or interactive gaming account.

194 "Principal" means any individual who solely or together with his immediate family members (i) owns or  
 195 controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or  
 196 (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership  
 197 interests of such entity, and any person who manages a gaming operation on behalf of a licensee.

198 "Professional sports" means the same as such term is defined in § 58.1-4030.

199 "Security" has the same meaning as provided in § 13.1-501. If the Board finds that any obligation, stock,  
 200 or other equity interest creates control of or voice in the management operations of an entity in the manner of  
 201 a security, then such interest shall be considered a security.

202 "Sports betting" means the same as such term is defined in § 58.1-4030.

203 "Sports betting facility" means an area, kiosk, or device located inside a casino gaming establishment  
 204 licensed pursuant to this chapter that is designated for sports betting.

205 "Supplier" means any person that sells or leases, or contracts to sell or lease, any casino gaming  
 206 equipment, devices, or supplies, or provides any management services, to a licensee.

207 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4103 that  
 208 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision  
 209 B 1 of § 58.1-4103 by placing their names on a voluntary exclusion list and following the procedures set forth  
 210 by the Board.

211 "Youth sports" means the same as such term is defined in § 58.1-4030.

212 **§ 58.1-4101. Regulation and control of casino gaming; limitation.**

213 A. Casino gaming shall be licensed and permitted as herein provided to benefit the people of the  
 214 Commonwealth. The Board is vested with control of all casino gaming in the Commonwealth, with authority  
 215 to prescribe regulations and conditions under this chapter. The purposes of this chapter are to assist economic  
 216 development, promote tourism, and provide for the implementation of casino gaming operations of the  
 217 highest quality, honesty, and integrity and free of any corrupt, incompetent, dishonest, or unprincipled  
 218 practices.

219 B. The conduct of casino gaming shall be limited to the qualified locations established in § 58.1-4107.  
 220 The Board shall be limited to the issuance of a single operator's license for each such qualified location.

221 C. The conduct of any casino gaming and entrance to such establishment is a privilege that may be  
 222 granted or denied by the Board or its duly authorized representatives in its discretion in order to effectuate the  
 223 purposes set forth in this chapter. Any proposed site for a casino gaming establishment shall be privately  
 224 owned property subject to the local land use and property taxation authority of the eligible host ~~city~~ *locality*  
 225 in which the casino gaming establishment is located.

226 Article 2.

227 Eligible Host ~~City~~ *Locality*; Certification of Preferred Casino Gaming Operator.

228 **§ 58.1-4107. Eligible host locality; certification of preferred casino gaming operator.**

229 A. The conduct of casino gaming shall be limited to the following eligible host ~~cities~~ *localities*:

230 1. Any city (i) in which at least 40 percent of the assessed value of all real estate in such city is exempt  
 231 from local property taxation, according to the Virginia Department of Taxation Annual Report for Fiscal  
 232 Year 2018, and (ii) that experienced a population decrease of at least seven percent from 1990 to 2016,  
 233 according to data provided by the U.S. Census Bureau;

234 2. Any city that had (i) an annual unemployment rate of at least five percent in 2018, according to data  
 235 provided by the U.S. Bureau of Labor Statistics; (ii) an annual poverty rate of at least 20 percent in 2017,  
 236 according to data provided by the U.S. Census Bureau; and (iii) a population decrease of at least 20 percent  
 237 from 1990 to 2016, according to data provided by the U.S. Census Bureau;

238 3. Any city that (i) had an annual unemployment rate of at least 3.6 percent in 2018, according to data  
 239 provided by the U.S. Bureau of Labor Statistics; (ii) had an annual poverty rate of at least 20 percent in 2017,  
 240 according to data provided by the U.S. Census Bureau; (iii) experienced a population decrease of at least four  
 241 percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; and (iv) is located  
 242 adjacent to a state that has adopted a Border Region Retail Tourism Development District Act;

243 4. Any city (i) with a population greater than 200,000 according to the 2018 population estimates from the  
 244 Weldon Cooper Center for Public Service of the University of Virginia; (ii) in which at least 24 percent of the

245 assessed value of all real estate in such city is exempt from local property taxation, according to the Virginia  
246 Department of Taxation Annual Report for Fiscal Year 2018; and (iii) that experienced a population decrease  
247 of at least five percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; and

248 5. Any city (i) with a population greater than 200,000 according to the 2018 population estimates from the  
249 Weldon Cooper Center for Public Service of the University of Virginia; (ii) in which at least 24 17 percent of  
250 the assessed value of all real estate in such city is exempt from local property taxation, according to the  
251 Virginia Department of Taxation Annual Report for Fiscal Year 2018 2016; and (iii) (ii) that had a poverty  
252 rate of at least 24 21 percent in 2017 2019, according to data provided by the U.S. Census Bureau; and (iii)  
253 that had an annual unemployment rate of at least 13 percent in 2020, according to data provided by the U.S.  
254 Bureau of Labor Statistics.

255 6. Any county (i) with a population greater than 1.15 million in 2020 according to data provided by the  
256 U.S. Census Bureau; (ii) in which at least six percent of the assessed value of all real estate in such county is  
257 exempt from local property taxation, according to the Virginia Department of Taxation Annual Report for  
258 Fiscal Year 2021; and (iii) that has adopted the urban county executive form of government.

259 B. In selecting a preferred casino gaming operator, an eligible host ~~city~~ locality shall have considered and  
260 given substantial weight to factors such as:

- 261 1. The potential benefit and prospective revenues of the proposed casino gaming establishment.
- 262 2. The total value of the proposed casino gaming establishment.
- 263 3. The proposed capital investment and the financial health of the proposer and any proposed development  
264 partners.
- 265 4. The experience of the proposer and any development partners in the operation of a casino gaming  
266 establishment.
- 267 5. Security plans for the proposed casino gaming establishment.
- 268 6. The economic development value of the proposed casino gaming establishment and the potential for  
269 community reinvestment and redevelopment in an area in need of such.

270 7. Availability of ~~city-owned~~ locality-owned assets and privately owned assets, such as real property,  
271 including where there is only one location practicably available or land under a development agreement  
272 between a potential operator and the ~~city~~ locality, incorporated in the proposal.

273 8. The best financial interest of the ~~city~~ locality.

274 9. The proposer's status as a minority-owned business as defined in § 2.2-1604 or the proposer's  
275 commitment to solicit equity investment in the proposed casino gaming establishment from one or more  
276 minority-owned businesses and the proposer's commitment to solicit contracts with minority-owned  
277 businesses for the purchase of goods and services.

278 C. The Department shall, upon request of any eligible host ~~city~~ locality, provide a list of resources that  
279 may be of assistance in evaluating the technical merits of any proposal submitted pursuant to this section,  
280 provided that selection of the preferred casino gaming operator shall be at the ~~city's~~ locality's sole discretion.

281 D. The eligible host ~~city~~ locality described in subdivision A 4 shall provide substantial and preferred  
282 consideration to a proposer who is a Virginia Indian tribe recognized in House Joint Resolution No. 54  
283 (1983) and acknowledged by the Assistant Secretary-Indian Affairs for the U.S. Department of the Interior as  
284 an Indian tribe within the meaning of federal law that has the authority to conduct gaming activities as a  
285 matter of claimed inherent authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. §  
286 2701 et seq.).

287 E. ~~The eligible host city described in subdivision A 5 may provide preferred consideration to a proposer  
288 who is a Virginia Indian tribe recognized in House Joint Resolution No. 54 (1983) and acknowledged by the  
289 Assistant Secretary-Indian Affairs for the U.S. Department of the Interior as an Indian tribe within the  
290 meaning of federal law that has the authority to conduct gaming activities as a matter of claimed inherent  
291 authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et seq.).~~

292 ~~F. The eligible host locality described in subdivision A 6 shall be limited to a proposed site for a casino  
293 gaming establishment that is (i) located within one-quarter of a mile of an existing station on the metro Silver  
294 Line, (ii) part of a coordinated mixed-use project development, (iii) within two miles of a regional enclosed  
295 mall containing not less than 1.5 million square feet of gross building area, and (iv) outside of the Interstate  
296 495 Beltway.~~

297 F. 1. An eligible host ~~city~~ locality shall promptly submit its preferred casino gaming operator to the  
298 Department for review prior to scheduling the referendum required by § 58.1-4123. An eligible host ~~city~~  
299 locality shall include with the submission any written or electronic documentation considered as part of the  
300 criteria in subsection B, including any memorandums of understanding, incentives, development agreements,  
301 land purchase agreements, or local infrastructure agreements.

302 2. The Department shall conduct a preliminary review of the financial status and ability of the preferred  
303 casino gaming operator to operate and properly support ongoing operations in an eligible host ~~city~~ locality, as  
304 well as current casino operations in other states and territories. The Department shall conduct such review  
305 within 45 days of receipt of the submission by the eligible host ~~city~~ locality. An eligible host ~~city~~ locality and

306 preferred casino gaming operator shall fully cooperate with all necessary requests by the Department in that  
307 regard. Upon successful preliminary review, the Department shall certify approval for the eligible host ~~city~~  
308 *locality* to proceed to the referendum required by § 58.1-4123. The Department shall develop guidelines  
309 establishing procedures and criteria for conducting the preliminary review required by this subsection.  
310 Certification by the Department to proceed to referendum shall in no way entitle the preferred casino gaming  
311 operator to approval of any application to operate a casino gaming establishment.

312 **§ 58.1-4107.1. Regional Improvement Commission.**

313 There is hereby established the Regional Improvement Commission (the Commission). The membership  
314 of the Commission shall consist of one member appointed by the local governing body of each jurisdiction  
315 composing the transportation district created pursuant to the Transportation District Act of 1964 (§ 33.2-1900  
316 et seq.) that includes the eligible host ~~city~~ *locality* described in subdivision A 3 of § 58.1-4107. Each member  
317 shall be appointed to serve a two-year term. Notwithstanding the provisions of subdivision B 1 of § 58.1-  
318 4125, for a casino gaming establishment located in the eligible host ~~city~~ *locality* described in subdivision A 3  
319 of § 58.1-4107, such transfer, otherwise returned to the ~~city~~ *locality* where it was collected, shall instead be  
320 made to the Commission. The purpose of the Commission shall be to (i) receive disbursements made to it; (ii)  
321 establish funding priorities for member localities related to improvements in the areas of education,  
322 transportation, and public safety; and (iii) make annual payments divided equally among the jurisdictions to  
323 fund the established priorities as determined by the Commission.

324 **§ 58.1-4109. Submission of preferred casino gaming operator by eligible host locality; application**  
325 **for operator's license; penalty.**

326 A. If a majority of those voting in a referendum held pursuant to § 58.1-4123 vote in the affirmative, the  
327 eligible host ~~city~~ *locality* shall certify its preferred casino gaming operator and submit such certification to the  
328 Department within 30 days.

329 B. Any preferred casino gaming operator desiring to operate a casino gaming establishment shall file with  
330 the Department an application for an operator's license. Such application shall be filed at the place prescribed  
331 by the Department and shall be in such form and contain such information as prescribed by the Department,  
332 including but not limited to the following:

333 1. The name and address of such person; if a corporation, the state of its incorporation, the full name and  
334 address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to do  
335 business in the Commonwealth; if a partnership or joint venture, the name and address of each general  
336 partner thereof; if a limited liability company, the name and address of each manager thereof; or, if another  
337 entity, the name and address of each person performing duties similar to those of officers, directors, and  
338 general partners;

339 2. The name and address of each principal and of each person who has contracted to become a principal of  
340 the applicant, including providing management services with respect to any part of gaming operations; the  
341 nature and cost of such principal's interest; and the name and address of each person who has agreed to lend  
342 money to the applicant;

343 3. Such information as the Department considers appropriate regarding the character, background, and  
344 responsibility of the applicant and the principals, officers, and directors of the applicant;

345 4. A description of the casino gaming establishment in which such gaming operations are to be conducted,  
346 the ~~city~~ *locality* where such casino gaming establishment will be located, and the applicant's capital  
347 investment plan for the site. The Board shall require such information about a casino gaming establishment  
348 and its location as it deems necessary and appropriate to determine whether it complies with the minimum  
349 standards provided in this chapter and whether gaming operations at such location will be in furtherance of  
350 the purposes of this chapter;

351 5. Such information relating to the financial responsibility of the applicant, including the applicant's  
352 financing plan for the casino gaming establishment, and the applicant's ability to perform under its license as  
353 the Department considers appropriate;

354 6. If any of the facilities necessary for the conduct of gaming operations are to be leased, the terms of such  
355 lease;

356 7. Evidence of compliance by the applicant with the economic development and land use plans and design  
357 review criteria of the local governing body of the ~~city~~ *locality* in which the casino gaming establishment is  
358 proposed to be located, including certification that the project complies with all applicable land use  
359 ordinances pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2;

360 8. Such information necessary to enable the Department to review the application based upon the best  
361 financial interests of the Commonwealth;

362 9. Such information necessary to enable the Department to authorize on-premises mobile casino gaming  
363 pursuant to Article 11 (§ 58.1-4131 et seq.);

364 10. Submission of the following: (i) a minority investment plan disclosing any equity interest owned by a  
365 minority individual or minority-owned business or the applicant's efforts to seek equity investment from  
366 minority individuals or minority-owned businesses and (ii) a plan for the participation of minority individuals

367 or minority-owned businesses in the applicant's purchase of goods and services related to the casino gaming  
 368 establishment. As used in the subdivision, "minority individual" and "minority-owned business" mean the  
 369 same as those terms are defined in § 2.2-1604; and

370 11. Any other information that the Department in its discretion considers appropriate.

371 C. A nonrefundable application fee of \$50,000 shall be paid for each principal at the time of filing to  
 372 defray the costs associated with the background investigation conducted for the Department. If the reasonable  
 373 costs of the investigation exceed the application fee, the applicant shall pay the additional amount to the  
 374 Department. The Board may establish regulations calculating the reasonable costs to the Department in  
 375 performing its functions under this chapter and allocating such costs to the applicants for licensure at the time  
 376 of filing.

377 D. Any license application from an Indian tribe as described in subsection D of § 58.1-4107 shall certify  
 378 that the material terms of the relevant development agreements between the Indian tribe and any development  
 379 partner have been determined in the opinion of the Office of General Counsel of the National Indian Gaming  
 380 Commission after review not to deprive the Indian tribe of the sole proprietor interest in the gaming  
 381 operations for purposes of federal Indian gaming law.

382 E. Any application filed hereunder shall be verified by the oath or affirmation of the applicant. Any  
 383 person who knowingly makes a false statement on an application is guilty of a Class 4 felony.

384 F. The licensed operator shall be the person primarily responsible for the gaming operations under its  
 385 license and compliance of such operations with the provisions of this chapter.

386 G. The Department may use or rely on any application, supporting documentation, or information  
 387 submitted pursuant to § 58.1-4032, in reviewing and verifying an application submitted pursuant to this  
 388 chapter.

389 **§ 58.1-4110. Issuance of operator's license to preferred casino gaming operator; standards for**  
 390 **licensure; temporary casino gaming allowed under certain conditions.**

391 A. If a preferred casino gaming operator, as certified by the applicable eligible host ~~city~~ *locality*, submits  
 392 an application that meets the standards for licensure set forth in this article, the Board shall issue an operator's  
 393 license to such preferred casino gaming operator. The Board shall not consider an application from any  
 394 applicant that has not been certified as a preferred casino gaming operator by an eligible host ~~city~~ *locality*.

395 B. The Board may issue an operator's license to an applicant only if it finds that:

396 1. The applicant submits a plan for addressing responsible gaming issues, including the goals of the plan,  
 397 procedures, and deadlines for implementation of the plan;

398 2. The applicant has established a policy requiring all license and permit holders who interact directly  
 399 with the public in the casino gaming establishment to complete a training course acceptable to the  
 400 Department in how to recognize and report suspected human trafficking;

401 3. The casino gaming establishment the applicant proposes to use on a permanent basis is or will be  
 402 appropriate for gaming operations consistent with the purposes of this chapter;

403 4. The ~~city~~ *locality* where the casino gaming establishment will be located certifies that the proposed  
 404 project complies with all applicable land use ordinances pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title  
 405 15.2;

406 5. Any required local infrastructure or site improvements, including necessary sewerage, water, drainage  
 407 facilities, or traffic flow, are to be paid exclusively by the applicant without state or local financial assistance;

408 6. If the applicant is an entity, its securities are fully paid and, in the case of stock, nonassessable and have  
 409 been subscribed and will be paid for only in cash or property to the exclusion of past services;

410 7. All principals meet the criteria of this subsection and have submitted to the jurisdiction of the Virginia  
 411 courts, and all nonresident principals have designated the Director as their agent for receipt of process;

412 8. If the applicant is an entity, it has the right to purchase at fair market value the securities of, and require  
 413 the resignation of, any person who is or becomes disqualified under subsection C;

414 9. The applicant meets any other criteria established by this chapter and the Board's regulations for the  
 415 granting of an operator's license;

416 10. The applicant is qualified to do business in Virginia or is subject to the jurisdiction of the courts of the  
 417 Commonwealth; and

418 11. The applicant has not previously been denied a license pursuant to subsection C.

419 C. The Board shall deny a license to an applicant if it finds that for any reason the issuance of a license to  
 420 the applicant would reflect adversely on the honesty and integrity of the casino gaming industry in the  
 421 Commonwealth or that the applicant, or any officer, principal, manager, or director of the applicant:

422 1. Is or has been guilty of any illegal act, conduct, or practice in connection with gaming operations in this  
 423 or any other state or has been convicted of a felony;

424 2. Has had a license or permit to hold or conduct a gaming operation denied for cause, suspended, or  
 425 revoked, in this or any other state or country, unless the license or permit was subsequently granted or  
 426 reinstated;

427 3. Has at any time during the previous five years knowingly failed to comply with the provisions of this

428 chapter or any Department regulation;

429 4. Has knowingly made a false statement of material fact to the Department or has deliberately failed to  
430 disclose any information requested by the Department;

431 5. Has defaulted in the payment of any obligation or debt due to the Commonwealth and has not cured  
432 such default; or

433 6. Has operated or caused to be operated a casino gaming establishment for which a license is required  
434 under this chapter without obtaining such license.

435 D. The Board shall make a determination regarding whether to issue the operator's license within 12  
436 months of the receipt of a completed application.

437 E. The Board shall be limited to the issuance of one operator's license for each eligible host ~~city~~ *locality*.

438 F. If, at the time of application, the applicant has not satisfied the capital investment requirement of at  
439 least \$300 million pursuant to subsection B of § 58.1-4108 but otherwise meets the standards for licensure set  
440 forth in this article, the Department shall issue the operator's license, which, prior to satisfying the capital  
441 investment requirement, may not be used to conduct gaming other than temporary casino gaming pursuant to  
442 subsection G.

443 G. The Department may authorize casino gaming to occur on a temporary basis for a period of one year  
444 under the following conditions:

445 1. The request to authorize casino gaming is made by a preferred casino gaming operator that has been  
446 issued a license consistent with this section.

447 2. The preferred casino gaming operator has submitted as a part of its application for licensure a  
448 construction schedule for a casino gaming establishment that has been approved by the eligible host ~~city~~  
449 *locality* and the Department.

450 3. The temporary casino gaming is to be conducted at the same site referenced in the referendum held  
451 pursuant to § 58.1-4123.

452 4. The preferred casino gaming operator has secured suppliers and employees holding the appropriate  
453 permits required by this chapter and sufficient for the routine operation of the site where the temporary casino  
454 gaming is authorized.

455 5. A performance bond is posted in an amount acceptable to the Board.

456 H. No portion of any facility developed with the assistance of any grants or loans provided by a  
457 redevelopment and housing authority created pursuant to § 36-4 shall be used as a casino gaming  
458 establishment.

459 The Department may renew the authorization to conduct temporary casino gaming for an additional year  
460 if it determines that the preferred casino gaming operator has made a good faith effort to comply with the  
461 approved construction schedule.

462 I. An operator issued a license under this chapter shall not be precluded from operating a sports betting  
463 facility for individuals to participate in sports betting activities in a casino gaming establishment, which may  
464 include in-person sports betting where the bettor places a bet directly with an employee of the casino or the  
465 sports betting permit holder, or through a kiosk or device.

466 **§ 58.1-4111. Duration and form of operator's license; bond.**

467 A. A casino gaming operator license under this chapter shall be valid for a period of 10 years from its date  
468 of issuance but shall be reviewed no less frequently than annually to determine compliance with this chapter  
469 and Department regulations. Such annual review shall include a certification by the eligible host ~~city~~ *locality*  
470 of the status of the operator's compliance with local ordinances and regulations. If the certification states that  
471 the operator is not in compliance, the Department shall require the operator to submit a plan of compliance,  
472 corrective action, or request for variance.

473 B. The Board shall establish by regulation the criteria and procedures for license renewal and for  
474 amending licenses to conform to changes in a licensee's gaming operations. Such regulations shall require the  
475 operator to submit to the Board any updates or revisions to the capital investment plan provided with the  
476 initial license application pursuant to subdivision B 4 of § 58.1-4109. Renewal shall not be unreasonably  
477 refused.

478 C. The Department shall require a bond with surety acceptable to it, and in an amount determined by it, to  
479 be sufficient to cover any indebtedness incurred by the licensee to the Commonwealth.

480 **§ 58.1-4123. Local referendum required.**

481 A. The Department shall not grant any initial license to operate a gaming operation in an eligible host ~~city~~  
482 *locality* until a referendum on the question of whether casino gaming shall be permitted in such ~~city~~ *locality*  
483 is approved by the voters of such ~~city~~ *locality*.

484 B. The governing body of any ~~city~~ *locality* containing an eligible host ~~city~~ *locality* shall petition the court,  
485 by resolution, asking that a referendum be held on the question of whether casino gaming shall be permitted  
486 within the ~~city~~ *locality*. The court, by order entered of record in accordance with Article 5 (§ 24.2-681 et seq.)  
487 of Chapter 6 of Title 24.2, shall require the regular election officials of the ~~city~~ *locality* to open the polls and  
488 take the sense of the voters on the question as herein provided.

489 C. The clerk of such court of record of such ~~city~~ *locality* shall publish notice of such election in a



490 newspaper of general circulation in such ~~city~~ *locality* once a week for three consecutive weeks prior to such  
491 election.

492 D. The regular election officers of such ~~city~~ *locality* shall open the polls at the various voting places in  
493 such ~~city~~ *locality* on the date specified in such order and conduct such election in the manner provided by  
494 law. The election shall be by ballot, which shall be prepared by the electoral board of the ~~city~~ *locality* and on  
495 which shall be printed the following question:

496 "Shall casino gaming be permitted at a casino gaming establishment in \_\_\_\_\_  
497 (name of ~~city~~ *locality* and location) as may be approved by the Virginia Lottery Board?"

498  Yes

499  No"

500 In the blank shall be inserted the name of the ~~city~~ *locality* in which such election is held and the proposed  
501 location of the casino gaming establishment. Any voter desiring to vote "Yes" shall mark in the square  
502 provided for such purpose immediately preceding the word "Yes," leaving the square immediately preceding  
503 the word "No" unmarked. Any voter desiring to vote "No" shall mark in the square provided for such purpose  
504 immediately preceding the word "No," leaving the square immediately preceding the word "Yes" unmarked.

505 E. The ballots shall be counted, the returns made and canvassed as in other elections, and the results  
506 certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an order  
507 proclaiming the results of such election and a duly certified copy of such order shall be transmitted to the  
508 Department and to the governing body of such ~~city~~ *locality*.

509 F. A subsequent local referendum shall be required if a license has not been granted by the Board within  
510 five years of the court order proclaiming the results of the election.

511 **§ 58.1-4125. Gaming Proceeds Fund.**

512 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming  
513 Proceeds Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the  
514 Comptroller. All moneys required to be deposited into the Fund pursuant to this chapter shall be paid into the  
515 state treasury and credited to the Fund. Any moneys remaining in the Fund, including interest thereon, at the  
516 end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

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

518 1. The following amounts shall be distributed to the ~~city~~ *locality* in which they were collected by warrants  
519 of the Comptroller drawn on the Treasurer of Virginia on a quarterly basis:

520 a. An amount equal to a six percent tax on the first \$200 million of adjusted gross receipts;

521 b. An amount equal to a seven percent tax on the adjusted gross receipts that exceed \$200 million but do  
522 not exceed \$400 million; and

523 c. An amount equal to an eight percent tax on the adjusted gross receipts that exceed \$400 million.

524 2. For any casino gaming establishment operated by a Virginia Indian tribe recognized in House Joint  
525 Resolution No. 54 (1983) and acknowledged by the Assistant Secretary-Indian Affairs of the U.S.  
526 Department of the Interior as an Indian tribe within the meaning of federal law that has the authority to  
527 conduct gaming activities as a matter of claimed inherent authority or under the authority of the Indian  
528 Gaming Regulatory Act (25 U.S.C. § 2701 et seq.), an amount equal to a tax of one percent on the adjusted  
529 gross receipts of such establishment shall be deposited in the Virginia Indigenous People's Trust Fund  
530 established pursuant to § 2.2-401.01.

531 3. Eight-tenths of one percent of the Fund shall be deposited in the Problem Gambling Treatment and  
532 Support Fund established pursuant to § 37.2-314.2.

533 4. Two-tenths of one percent of the Fund shall be deposited in the Family and Children's Trust Fund  
534 established pursuant to § 63.2-2100.

535 5. Any remaining revenues not apportioned pursuant to subdivisions 1 through 4 shall be deposited in the  
536 School Construction Fund established pursuant to § 22.1-140.1.