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**HOUSE BILL NO. 527**  
Offered January 10, 2024  
Prefiled January 8, 2024

A *BILL to amend the Code of Virginia by adding in Title 57 a chapter numbered 6, consisting of sections numbered 57-70 through 57-73, relating to Charitable Sports Raffle Act established; penalties.*

Patron—Krizek

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Title 57 a chapter numbered 6, consisting of sections numbered 57-70 through 57-73, as follows:**

*CHAPTER 6.*

*CHARITABLE SPORTS RAFFLES ACT.*

**§ 57-70. Definitions.**

*As used in this chapter, unless the context requires otherwise:*

*"Affiliated nonprofit organization" means an organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code and is established by or affiliated with an athletic team for the purpose of raising funds for a charitable organization.*

*"Athletic event drawing" means a 50/50 drawing that is conducted by an affiliated nonprofit organization in accordance with this chapter.*

*"Athletic team" means a sports team or motor vehicle racing facility that is (i) a member of Major League Baseball, the National Hockey League, the National Basketball Association, the National Football League, or Major League Soccer; (ii) a professional sports team affiliated with a team under clause (i); (iii) any other professional sports team that has a sports facility or an agreement with a sports facility to conduct home games at such facility; (iv) a stadium, grandstand, bleacher, or contiguous parking lot at a closed-course motor vehicle racing facility where spectators directly observe motor vehicle races with NASCAR, Indy, stock, or drag racing cars; (v) a collegiate team that competes on behalf of an institution of higher education.*

*"Charitable organization" means an organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code and that has been in existence and fulfilling its charitable purposes for at least two years prior to the athletic event drawing. "Charitable organization" does not include any political subdivision.*

*"Department" means the Department of Agriculture and Consumer Services.*

*"Institution of higher education" means any nonprofit private institution of higher education and any public institution of higher education as defined in § 23.1-100.*

*"Public interest purpose" means one or more of the following:*

*1. The activities and operations of a nonprofit organization that provides a benevolent, charitable, religious, educational, philanthropic, humane, scientific, patriotic, social welfare, social advocacy, public health, public safety, emergency response, environmental, historic, or civic objective;*

*2. Initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures;*

*3. Lessening the burdens borne by government or voluntarily supporting, augmenting, or supplementing services that government would normally render to people;*

*4. Improving, expanding, maintaining, or repairing real property owned or leased by a nonprofit organization and related operational expenses used for purposes specified in subdivision 1, 2, or 3;*

*5. Nonprofit youth sports activities;*

*6. Activities relating to the provision of volunteer fire services, emergency medical services, or emergency medical services vehicles; or*

*7. Activities conducted by any association of war veterans or auxiliary units thereof organized in the United States, including (i) scholarships, (ii) services to economically or socially support veterans, (iii) activities to honor veterans, or (iv) other activities that qualify under subdivisions 1 through 6.*

*"Public interest purpose" does not include the erection or acquisition of real property, unless such property will be used exclusively for one or more of the purposes specified in this definition.*

*"Team event" means a practice, scrimmage, or exhibition or similar event at the home stadium or training camp facility of an athletic team.*

**§ 57-71. Conduct of athletic event drawings.**

*A. The Department is vested with all control of athletic event drawings in the Commonwealth with authority to prescribe regulations and conditions under this chapter. The Commissioner of the Department*

59 shall promulgate regulations to carry out the purposes of this chapter, including regulations with respect to  
60 the registration of affiliated nonprofit organizations, the conduct of athletic event drawings, and required  
61 recordkeeping and audits by affiliated nonprofit organizations.

62 B. A person may purchase one or more athletic event drawing tickets at a home game or team event. Each  
63 ticket purchased shall represent one entry in the drawing for a winner. A single ticket shall be randomly  
64 chosen as the winner after a certain number of tickets are sold or a specified time period expires as  
65 designated by the affiliated nonprofit organization. Athletic event drawing tickets may be purchased using  
66 cash, credit card, or debit card.

67 C. An affiliated nonprofit organization conducting an athletic event drawing shall disclose to each ticket  
68 purchaser the designated charitable organization for which the athletic event drawing is being conducted. No  
69 affiliated nonprofit organization may conduct more than one athletic event drawing per home game or team  
70 event. No such organization may sell tickets for an athletic event drawing in any seating area designated as a  
71 family section or to any individual under 18 years of age. An affiliated nonprofit organization may conduct  
72 an athletic event drawing utilizing a mechanical or electronic device in accordance with Department  
73 regulations. Nothing in this chapter shall be construed to authorize any other form of gambling.

74 D. An athletic event drawing may be conducted by an affiliated nonprofit organization during a charitable  
75 event held within the same arena, stadium, grandstand, bleachers, or other facility during a home game, team  
76 event, or motor vehicle race of the athletic team. Drawings may only be held within spectator areas within  
77 the arena, stadium, grandstand, or bleachers where the home game, team event, or motor vehicle race is  
78 being conducted. No athletic event drawing shall be held at any ancillary areas or facilities, including  
79 parking areas, restaurants and bars, or areas outside the arena, stadium, grandstand, or bleachers or areas  
80 where the sport is being shown on remote electronic equipment.

81 E. The prize amount of an athletic event drawing shall be 50 percent of the total amount collected from  
82 the sale of athletic event drawing tickets. The Department shall adopt regulations that require affiliated  
83 nonprofit organizations to donate a certain percentage of the remaining 50 percent of the total amount  
84 collected from the sale of athletic event drawing tickets within seven days from the date of such drawing to  
85 one or more designated charitable organizations for which the drawing was conducted.

86 **§ 57-72. Use of funds; unclaimed prizes; recordkeeping.**

87 A. Except as provided in subsection E of § 57-71, an affiliated nonprofit organization may utilize nonprize  
88 money collected (i) to employ or provide payment to individuals 18 years of age or older to sell athletic event  
89 drawing tickets and (ii) for administrative expenses directly related to the conduct of the athletic event  
90 drawing in accordance with this chapter. Authorized expenses under clause (i) may not exceed two percent of  
91 the total amount collected from the sale of athletic event drawing tickets.

92 B. An institution of higher education that is exempt from income tax pursuant to § 115 or 501(c)(3) of the  
93 Internal Revenue Code and has been in existence for at least two years prior to the drawing may conduct an  
94 athletic event drawing and receive the proceeds therefrom as the designated charitable organization at any  
95 home game or athletic event of any of its own collegiate athletic teams provided that such proceeds are used  
96 exclusively for public interest purposes or for any of the purposes permitted under subsection A.

97 C. Any prize from an athletic event drawing that remains unclaimed by a winner at the end of the athletic  
98 team's season shall be donated within 30 days from the end of the season by the affiliated nonprofit  
99 organization to the designated charitable organization for which the athletic event drawing was conducted.

100 D. The Department may promulgate regulations requiring additional recordkeeping or accountability  
101 measures for athletic event drawings.

102 **§ 57-73. Prohibitions; enforcement; penalties.**

103 A. In addition to those other practices prohibited by this chapter, the following acts or practices are  
104 prohibited:

105 1. No person shall participate in the management or operation of any athletic event drawing if that person  
106 has ever been convicted of any felony or if he has been convicted of any misdemeanor involving fraud, theft,  
107 or financial crimes within the preceding five years. No person shall participate in the management or  
108 operation of any athletic event drawing if that person, within the preceding five years, has participated in the  
109 management or operation of any athletic event drawing or charitable game, as defined in § 18.2-340.16,  
110 which was found by the Department or a court of competent jurisdiction to have been operated in violation of  
111 state law, local ordinance, or Department regulation.

112 2. No person under 18 years of age may operate or play an athletic event drawing.

113 3. No person shall receive remuneration for participating in the management, operation, or conduct or  
114 any athletic event drawing, except as otherwise provided in this chapter or Department regulations.

115 B. Any person or affiliated nonprofit organization that conducts an athletic event drawing in violation of  
116 the provisions of this chapter or Department regulations shall be subject to a civil penalty of not less than  
117 \$500 for a first violation, not less than \$1,000 for a second violation, and up to \$1,500 for a third or  
118 subsequent violation. Any civil penalties collected pursuant to this section shall be payable to the State  
119 Treasurer for remittance to the Department.

120 C. In addition to any civil penalty imposed pursuant to subsection B, any person or affiliated nonprofit

**121** *organization that violates the provisions of this chapter or Department regulations is guilty of a Class 1*  
**122** *misdemeanor. Each day in violation shall constitute a separate offense.*

**INTRODUCED**

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