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SENATE BILL NO. 675

Offered January 17, 2024

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.

Patron—Marsden

Referred to Committee on General Laws and Technology

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

59 generate;

60 f. The effect of issuing an additional permit on the amount of gross revenue and associated tax revenue  
61 generated by all existing permit holders, considered in the aggregate; and

62 g. Any other factor the Director considers relevant.

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

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

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

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

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

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

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

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

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

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

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

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

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

120 7. The applicant's license, registration, or permit to conduct a sports betting operation issued by any other

121 jurisdiction has been suspended or revoked;

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

123 9. The applicant's application is incomplete.

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

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

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

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

138 **§ 58.1-4100. Definitions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

176 "Individual" means a natural person.

177 "Labor organization" means the same as that term is defined in 29 U.S.C. § 152(5).

178 "Labor peace agreement" means an agreement with a labor organization that contains, at a minimum,  
179 provisions prohibiting the labor organization and its members from engaging in any picketing, work  
180 stoppage, boycott, or other economic interference with the proposed casino gaming establishment's  
181 operations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

218 **§ 58.1-4101. Regulation and control of casino gaming; limitation.**

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

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

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

232 **Article 2.**

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

234 **§ 58.1-4107. Eligible host locality; certification of preferred casino gaming operator.**

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

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

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

244 3. Any city that (i) had an annual unemployment rate of at least 3.6 percent in 2018, according to data

245 provided by the U.S. Bureau of Labor Statistics; (ii) had an annual poverty rate of at least 20 percent in 2017,  
 246 according to data provided by the U.S. Census Bureau; (iii) experienced a population decrease of at least four  
 247 percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; and (iv) is located  
 248 adjacent to a state that has adopted a Border Region Retail Tourism Development District Act;

249 4. Any city (i) with a population greater than 200,000 according to the 2018 population estimates from the  
 250 Weldon Cooper Center for Public Service of the University of Virginia; (ii) in which at least 24 percent of the  
 251 assessed value of all real estate in such city is exempt from local property taxation, according to the Virginia  
 252 Department of Taxation Annual Report for Fiscal Year 2018; and (iii) that experienced a population decrease  
 253 of at least five percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; ~~and~~

254 5. Any city (i) with a population greater than 200,000 according to the 2018 population estimates from the  
 255 Weldon Cooper Center for Public Service of the University of Virginia; (ii) in which at least 24 percent of the  
 256 assessed value of all real estate in such city is exempt from local property taxation, according to the Virginia  
 257 Department of Taxation Annual Report for Fiscal Year 2018; and (iii) that had a poverty rate of at least 24  
 258 percent in 2017, according to data provided by the U.S. Census Bureau; *and*

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

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

265 1. The potential benefit and prospective revenues of the proposed casino gaming establishment.

266 2. The total value of the proposed casino gaming establishment.

267 3. The proposed capital investment and the financial health of the proposer and any proposed development  
 268 partners.

269 4. The experience of the proposer and any development partners in the operation of a casino gaming  
 270 establishment.

271 5. Security plans for the proposed casino gaming establishment.

272 6. The economic development value of the proposed casino gaming establishment and the potential for  
 273 community reinvestment and redevelopment in an area in need of such.

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

277 8. The best financial interest of the ~~city~~ *locality*.

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

282 10. *The proposer's and any party contracted to perform construction at the proposed casino gaming*  
 283 *establishment's history of or commitment to paying or contracting for the payment of prevailing wages to*  
 284 *those individuals providing construction labor during the initial construction of the casino gaming*  
 285 *establishment, and any hospitality facilities on the premises. For purposes of this subdivision, "prevailing*  
 286 *wage rate" means the rate, amount, or level of wages, salaries, benefits, and other remuneration prevailing*  
 287 *for the corresponding classes of workers, as determined by the Commissioner of Labor and Industry on the*  
 288 *basis of applicable prevailing wage rate determinations made by the U.S. Secretary of Labor under the*  
 289 *provisions of the federal Davis-Bacon Act, 40 U.S.C. § 3141 et seq., as amended.*

290 11. *The proposer's and any party contracted to perform gaming or hospitality operations at the proposed*  
 291 *casino gaming establishment's history of or commitment to entering into labor peace agreements with one or*  
 292 *more labor organizations that is actively engaged in representing or seeking to represent employees in the*  
 293 *gaming or hospitality industries in the Commonwealth.*

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

297 D. The eligible host ~~city~~ *locality* described in subdivision A 4 shall provide substantial and preferred  
 298 consideration to a proposer who is a Virginia Indian tribe recognized in House Joint Resolution No. 54  
 299 (1983) and acknowledged by the Assistant Secretary-Indian Affairs for the U.S. Department of the Interior as  
 300 an Indian tribe within the meaning of federal law that has the authority to conduct gaming activities as a  
 301 matter of claimed inherent authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. §  
 302 2701 et seq.).

303 E. The eligible host ~~city~~ *locality* described in subdivision A 5 may provide preferred consideration to a  
 304 proposer who is a Virginia Indian tribe recognized in House Joint Resolution No. 54 (1983) and  
 305 acknowledged by the Assistant Secretary-Indian Affairs for the U.S. Department of the Interior as an Indian

306 tribe within the meaning of federal law that has the authority to conduct gaming activities as a matter of  
 307 claimed inherent authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et  
 308 seq.).

309 F. *The eligible host locality described in subdivision A 6 shall be limited to a proposed site for a casino*  
 310 *gaming establishment that is (i) located within one-quarter of a mile of an existing station on the Metro Silver*  
 311 *Line, (ii) part of a coordinated mixed-use project development, (iii) outside of the Dulles airport flight path,*  
 312 *(iv) within two miles of a major shopping destination containing not less than 1.5 million square feet of gross*  
 313 *building area, and (v) outside of the Interstate 495 Beltway.*

314 G. 1. An eligible host ~~city~~ locality shall promptly submit its preferred casino gaming operator to the  
 315 Department for review prior to scheduling the referendum required by § 58.1-4123. An eligible host ~~city~~  
 316 locality shall include with the submission ~~any~~:

317 a. Any written or electronic documentation considered as part of the criteria in subsection B, including any  
 318 memorandums of understanding, incentives, development agreements, land purchase agreements, or local  
 319 infrastructure agreements; and

320 b. *An executed agreement entered into between the eligible host locality and its preferred casino gaming*  
 321 *operator certifying that such casino gaming operator and any subcontractor or sublessee responsible for the*  
 322 *performance of casino gaming or hospitality operations at the proposed casino gaming establishment will*  
 323 *enter into a labor peace agreement with each labor organization actively engaged in representing or seeking*  
 324 *to represent employees in the gaming or hospitality industries in the Commonwealth that requests such labor*  
 325 *peace agreement, and evidence of all such signed labor peace agreements.*

326 2. The Department shall conduct a preliminary review of the financial status and ability of the preferred  
 327 casino gaming operator to operate and properly support ongoing operations in an eligible host ~~city~~ locality, as  
 328 well as current casino operations in other states and territories. The Department shall conduct such review  
 329 within 45 days of receipt of the submission by the eligible host ~~city~~ locality. An eligible host ~~city~~ locality and  
 330 preferred casino gaming operator shall fully cooperate with all necessary requests by the Department in that  
 331 regard. Upon successful preliminary review, the Department shall certify approval for the eligible host ~~city~~  
 332 locality to proceed to the referendum required by § 58.1-4123. The Department shall develop guidelines  
 333 establishing procedures and criteria for conducting the preliminary review required by this subsection.  
 334 Certification by the Department to proceed to referendum shall in no way entitle the preferred casino gaming  
 335 operator to approval of any application to operate a casino gaming establishment.

336 **§ 58.1-4107.1. Regional Improvement Commission.**

337 There is hereby established the Regional Improvement Commission (the Commission). The membership  
 338 of the Commission shall consist of one member appointed by the local governing body of each jurisdiction  
 339 composing the transportation district created pursuant to the Transportation District Act of 1964 (§ 33.2-1900  
 340 et seq.) that includes the eligible host ~~city~~ locality described in subdivision A 3 of § 58.1-4107. Each member  
 341 shall be appointed to serve a two-year term. Notwithstanding the provisions of subdivision B 1 of § 58.1-  
 342 4125, for a casino gaming establishment located in the eligible host ~~city~~ locality described in subdivision A 3  
 343 of § 58.1-4107, such transfer, otherwise returned to the ~~city~~ locality where it was collected, shall instead be  
 344 made to the Commission. The purpose of the Commission shall be to (i) receive disbursements made to it; (ii)  
 345 establish funding priorities for member localities related to improvements in the areas of education,  
 346 transportation, and public safety; and (iii) make annual payments divided equally among the jurisdictions to  
 347 fund the established priorities as determined by the Commission.

348 **§ 58.1-4109. Submission of preferred casino gaming operator by eligible host locality; application**  
 349 **for operator's license; penalty.**

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

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

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

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

367 3. Such information as the Department considers appropriate regarding the character, background, and

368 responsibility of the applicant and the principals, officers, and directors of the applicant;

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

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

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

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

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

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

388 10. Submission of the following: (i) a minority investment plan disclosing any equity interest owned by a  
389 minority individual or minority-owned business or the applicant's efforts to seek equity investment from  
390 minority individuals or minority-owned businesses and (ii) a plan for the participation of minority individuals  
391 or minority-owned businesses in the applicant's purchase of goods and services related to the casino gaming  
392 establishment. As used in the subdivision, "minority individual" and "minority-owned business" mean the  
393 same as those terms are defined in § 2.2-1604; and

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

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

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

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

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

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

413 **§ 58.1-4110. Issuance of operator's license to preferred casino gaming operator; standards for**  
414 **licensure; temporary casino gaming allowed under certain conditions.**

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

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

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

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

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

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

429 15.2;

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

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

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

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

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

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

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

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

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

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

451 3. Has at any time during the previous five years knowingly failed to comply with the provisions of this  
452 chapter or any Department regulation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

490 **§ 58.1-4111. Duration and form of operator's license; bond.**



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

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

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

504 **§ 58.1-4123. Local referendum required.**

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

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

513 C. The clerk of such court of record of such ~~city~~ *locality* shall publish notice of such election in a  
 514 newspaper of general circulation in such ~~city~~ *locality* once a week for three consecutive weeks prior to such  
 515 election.

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

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

522 [ ] Yes

523 [ ] No"

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

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

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

535 **§ 58.1-4125. Gaming Proceeds Fund.**

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

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

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

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

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

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

548 2. For any casino gaming establishment operated by a Virginia Indian tribe recognized in House Joint  
 549 Resolution No. 54 (1983) and acknowledged by the Assistant Secretary-Indian Affairs of the U.S.  
 550 Department of the Interior as an Indian tribe within the meaning of federal law that has the authority to  
 551 conduct gaming activities as a matter of claimed inherent authority or under the authority of the Indian

552 Gaming Regulatory Act (25 U.S.C. § 2701 et seq.), an amount equal to a tax of one percent on the adjusted  
553 gross receipts of such establishment shall be deposited in the Virginia Indigenous People's Trust Fund  
554 established pursuant to § 2.2-401.01.

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

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

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

561 **2. That the provisions of subdivisions B 10 and 11 of § 58.1-4107 of the Code of Virginia, as amended**  
562 **by this act, shall apply only to the selection of a preferred casino gaming operator by an eligible host**  
563 **locality that occurs on or after July 1, 2024.**