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SENATE BILL NO. 1280

Offered January 8, 2025

Prefiled January 8, 2025

A BILL to amend and reenact §§ 18.2-340.19, 58.1-4007.3, 58.1-4122.1, and 59.1-369 of the Code of Virginia, relating to gaming; posting of problem gambling helpline information.

Patron—Ebbin

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-340.19, 58.1-4007.3, 58.1-4122.1, and 59.1-369 of the Code of Virginia are amended and reenacted as follows:

§ 18.2-340.19. Regulations of the Department.

A. The Department shall adopt regulations that:

1. Require, as a condition of receiving a charitable gaming permit or authorization to conduct electronic gaming, that the applicant use a predetermined percentage of its receipts for those lawful religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized, including (i) those expenses relating to the acquisition, construction, maintenance, or repair of any interest in real property or (ii) expenses related to the rental of real property by an organization as described by subdivision 5, 6, or 7 of the definition of "social organization" in § 18.2-340.16 where such real property is involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes, as follows:

a. With respect to charitable gaming, other than electronic gaming, a predetermined percentage of its gross receipts.

b. With respect to electronic gaming, a predetermined percentage of its electronic gaming adjusted gross receipts.

2. Specify the conditions under which a complete list of the organization's members who participate in the management, operation, or conduct of charitable gaming may be required in order for the Department to ascertain the percentage of Virginia residents in accordance with subdivision A 3 of § 18.2-340.24.

Membership lists furnished to the Department in accordance with this subdivision shall not be a matter of public record and shall be exempt from disclosure under the provisions of the Freedom of Information Act (§ 2.2-3700 et seq.).

3. Prescribe fees for processing applications for charitable gaming permits and authorizing social organizations to conduct electronic gaming. Such fees may reflect the nature and extent of the charitable gaming activity proposed to be conducted.

4. Establish requirements for the audit of all reports required in accordance with §§ 18.2-340.30 and 18.2-340.30:2.

5. Define electronic and mechanical equipment used in the conduct of charitable gaming. Department regulations shall include capacity for such equipment to provide full automatic daubing as numbers are called. For the purposes of this subdivision, electronic or mechanical equipment for instant bingo, pull tabs, or seal cards shall include such equipment that displays facsimiles of instant bingo, pull tabs, or seal cards and are used solely for the purpose of dispensing or opening such paper or electronic cards, or both; but shall not include (i) devices operated by dropping one or more coins or tokens into a slot and pulling a handle or pushing a button or touchpoint on a touchscreen to activate one to three or more reels marked into horizontal segments by varying symbols, where the predetermined prize amount depends on how and how many of the symbols line up when the rotating reels come to rest, or (ii) other similar devices that display flashing lights or illuminations, or bells, whistles, or other sounds, solely intended to entice players to play. Such regulations shall not prohibit (a) devices that display spinning, rotating, or rolling reels or animations or flashing lights; (b) devices that accept vouchers; (c) the purchase and play of an electronic pull tab with a single press or touch of a button; or (d) the use of multiple video monitors or touchscreens on an electronic gaming device.

6. Prescribe the conditions under which a qualified organization may (i) provide food and nonalcoholic beverages to its members who participate in the management, operation, or conduct of bingo; (ii) permit members who participate in the management, operation, or conduct of bingo to play bingo; and (iii) subject to the provisions of subdivision 12 of § 18.2-340.33, permit nonmembers to participate in the conduct of bingo so long as the nonmembers are under the direct supervision of a bona fide member of the organization during the bingo game.

7. Prescribe the conditions under which a qualified organization may sell raffle tickets for a raffle drawing that will be held outside the Commonwealth pursuant to subsection B of § 18.2-340.26.

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59 8. Prescribe the conditions under which persons who are bona fide members of a qualified organization or  
60 a child, above the age of 13 years, of a bona fide member of such organization may participate in the conduct  
61 or operation of bingo games.

62 9. Prescribe the conditions under which a person below the age of 18 years may play bingo, provided that  
63 such person is accompanied by his parent or legal guardian.

64 10. Require all qualified organizations that are subject to Department regulations to post in a conspicuous  
65 place in every place where charitable gaming is conducted a sign that bears a toll-free telephone number for  
66 "Gamblers Anonymous", *the problem gambling helpline established and administered by the Virginia*  
67 *Council on Problem Gambling*, or other organization that provides assistance to compulsive gamblers.

68 11. Require all qualified organizations that are subject to Department regulations to post in a conspicuous  
69 place in every place where charitable gaming is conducted a sign that bears (i) the toll-free telephone number  
70 and website for the illegal gaming tip line established and administered by the Office of the Gaming  
71 Enforcement Coordinator in the Department of State Police pursuant to § 52-54 for members of the public to  
72 report concerns about, or suspected instances of, illegal gaming activities.

73 12. Prescribe the conditions under which a qualified organization may sell network bingo cards in  
74 accordance with § 18.2-340.28:1 and establish a percentage of proceeds derived from network bingo sales to  
75 be allocated to (i) prize pools, (ii) the organization conducting the network bingo, and (iii) the network bingo  
76 provider. The regulations shall also establish procedures for the retainage and ultimate distribution of any  
77 unclaimed prize.

78 13. Prescribe the conditions under which a qualified organization may manage, operate, or contract with  
79 operators of, or conduct Texas Hold'em poker tournaments.

80 14. Prescribe the conditions under which a qualified organization may lease the premises of a permitted  
81 social organization for the purpose of conducting bingo, network bingo, instant bingo, pull tabs, seal cards,  
82 and electronic gaming permitted under this article and establish requirements for proper financial reporting of  
83 all disbursements, gross receipts, and electronic gaming adjusted gross receipts and payment of all fees  
84 required under this article.

85 B. The Commissioner may, by regulation, approve variations to the card formats for bingo games,  
86 provided that such variations result in bingo games that are conducted in a manner consistent with the  
87 provisions of this article. Department-approved variations may include bingo games commonly referred to as  
88 player selection games and 90-number bingo.

89 **§ 58.1-4007.3. Posting of illegal gaming tip line; problem gambling helpline.**

90 Every licensed lottery sales agent shall post in a conspicuous place in its retail establishment a sign that  
91 bears (i) the toll-free telephone number and website for the illegal gaming tip line established and  
92 administered by the Office of the Gaming Enforcement Coordinator in the Department of State Police  
93 pursuant to § 52-54 for members of the public to report concerns about, or suspected instances of, illegal  
94 gaming activities and (ii) *the toll-free telephone number for the problem gambling helpline established and*  
95 *administered by the Virginia Council on Problem Gambling.*

96 **§ 58.1-4122.1. Posting of illegal gaming tip line; problem gambling helpline.**

97 Every casino gaming operator shall post in a conspicuous place in its casino gaming establishment a sign  
98 that bears (i) the toll-free telephone number and website for the illegal gaming tip line established and  
99 administered by the Office of the Gaming Enforcement Coordinator in the Department of State Police  
100 pursuant to § 52-54 for members of the public to report concerns about, or suspected instances of, illegal  
101 gaming activities and (ii) *the toll-free telephone number for the problem gambling helpline established and*  
102 *administered by the Virginia Council on Problem Gambling.*

103 **§ 59.1-369. Powers and duties of the Commission.**

104 The Commission shall have all powers and duties necessary to carry out the provisions of this chapter and  
105 to exercise the control of horse racing as set forth in § 59.1-364. Such powers and duties shall include the  
106 following:

107 1. The Commission is vested with jurisdiction and supervision over all horse racing licensed under the  
108 provisions of this chapter including all persons conducting, participating in, or attending any race meeting. It  
109 shall employ such persons to be present at race meetings as are necessary to ensure that they are conducted  
110 with order and the highest degree of integrity. It may eject or exclude from the enclosure or from any part  
111 thereof any person, whether or not he possesses a license or permit, whose conduct or reputation is such that  
112 his presence may, in the opinion of the Commission, reflect on the honesty and integrity of horse racing or  
113 interfere with the orderly conduct of horse racing.

114 2. The Commission, its representatives, and employees shall visit, investigate, and have free access to the  
115 office, track, facilities, satellite facilities or other places of business of any license or permit holder, and may  
116 compel the production of any of the books, documents, records, or memoranda of any license or permit  
117 holder for the purpose of satisfying itself that this chapter and its regulations are strictly complied with. In  
118 addition, the Commission may require any person granted a permit by the Commission and shall require any  
119 person licensed by the Commission, the recognized majority horsemen's group, and the nonprofit industry

120 stakeholder organization recognized by the Commission under this chapter to produce an annual balance  
121 sheet and operating statement prepared by a certified public accountant approved by the Commission. The  
122 Commission may require the production of any contract to which such person is or may be a party.

123 3. The Commission shall promulgate regulations and conditions under which horse racing with  
124 pari-mutuel wagering shall be conducted in the Commonwealth, and all such other regulations it deems  
125 necessary and appropriate to effect the purposes of this chapter, including a requirement that licensees post,  
126 in a conspicuous place in every place where pari-mutuel wagering is conducted, (i) a sign that bears a  
127 toll-free telephone number for "Gamblers Anonymous", *the problem gambling helpline established and*  
128 *administered by the Virginia Council on Problem Gambling*, or other organization that provides assistance to  
129 compulsive gamblers and (ii) a sign that bears the toll-free number and website for the illegal gaming tip line  
130 established and administered by the Office of the Gaming Enforcement Coordinator in the Department of  
131 State Police pursuant to § 52-54 for members of the public to report concerns about, or suspected instances  
132 of, illegal gaming activities. Such regulations shall include provisions for affirmative action to assure  
133 participation by minority persons in contracts granted by the Commission and its licensees. Nothing in this  
134 subdivision shall be deemed to preclude private local ownership or participation in any horse racetrack. Such  
135 regulations may include penalties for violations. The regulations shall be subject to the Administrative  
136 Process Act (§ 2.2-4000 et seq.).

137 4. The Commission shall promulgate regulations and conditions under which simulcast horse racing shall  
138 be conducted at a licensed horse racetrack or satellite facility in the Commonwealth and all such other  
139 regulations it deems necessary and appropriate to effect the purposes of this chapter. Such regulations shall  
140 include provisions that all simulcast horse racing shall comply with the Interstate Horse Racing Act of 1978  
141 (15 U.S.C. § 3001 et seq.) and shall require the holder of a license to schedule no more than 125 live racing  
142 days in the Commonwealth each calendar year; however, the Commission shall have the authority to alter the  
143 required number of live racing days in the event of force majeure. Such regulations shall authorize up to 10  
144 satellite facilities and restrict majority ownership of satellite facilities to an entity licensed by the Commission  
145 that is a significant infrastructure limited licensee, or if by August 1, 2015, there is no such licensee or a  
146 pending application for such license, then the nonprofit industry stakeholder organization recognized by the  
147 Commission may be granted licenses to own or operate satellite facilities. If, however, after the issuance of a  
148 license to own or operate a satellite facility to such nonprofit industry stakeholder organization, the  
149 Commission grants a license to a significant infrastructure limited licensee pursuant to § 59.1-376, then such  
150 limited licensee may own or operate the remaining available satellite facilities authorized in accordance with  
151 this subdivision. In no event shall the Commission authorize any such entities to own or operate more than a  
152 combined total of 10 satellite facilities. Nothing in this subdivision shall be deemed to preclude private local  
153 ownership or participation in any satellite facility. Except as authorized pursuant to subdivision 5, wagering  
154 on simulcast horse racing shall take place only at a licensed horse racetrack or satellite facility. For purposes  
155 of this subdivision, "force majeure" means an event or events reasonably beyond the ability of the  
156 Commission to anticipate and control. "Force majeure" includes acts of God, incidences of terrorism, war or  
157 riots, labor strikes or civil disturbances, floods, earthquakes, fire, explosions, epidemics, hurricanes,  
158 tornadoes, and governmental actions and restrictions.

159 5. The Commission shall promulgate regulations and conditions regulating and controlling advance  
160 deposit account wagering. Such regulations shall include (i) standards, qualifications, and procedures for the  
161 issuance of a license to an entity for the operation of pari-mutuel wagering in the Commonwealth; except that  
162 the Commission shall not issue a license to, and shall revoke the license of, an entity that, either directly or  
163 through an entity under common control with it, withholds the sale at fair market value to a licensee of  
164 simulcast horse racing signals that such entity or an entity under common control with it sells to other  
165 racetracks, satellite facilities, or advance deposit account wagering providers located in or outside of the  
166 Commonwealth; (ii) provisions regarding access to books, records, and memoranda, and submission to  
167 investigations and audits, as authorized by subdivisions 2 and 10; and (iii) provisions regarding the collection  
168 of all revenues due to the Commonwealth from the placing of such wagers. No pari-mutuel wager may be  
169 made on or with any computer owned or leased by the Commonwealth, or any of its subdivisions, or at any  
170 public elementary or secondary school or institution of higher education. The Commission also shall ensure  
171 that, except for this method of pari-mutuel wagering, all wagering on simulcast horse racing shall take place  
172 only at a licensed horse racetrack or satellite facility.

173 Nothing in this subdivision shall be construed to limit the Commission's authority as set forth elsewhere in  
174 this section.

175 6. The Commission may issue subpoenas for the attendance of witnesses before it, administer oaths, and  
176 compel production of records or other documents and testimony of such witnesses whenever, in the judgment  
177 of the Commission, it is necessary to do so for the effectual discharge of its duties.

178 7. The Commission may compel any person holding a license or permit to file with the Commission such  
179 data as shall appear to the Commission to be necessary for the performance of its duties including financial  
180 statements and information relative to stockholders and all others with any pecuniary interest in such person.

181 It may prescribe the manner in which books and records of such persons shall be kept.

182 8. The Commission may enter into arrangements with any foreign or domestic government or  
183 governmental agency, for the purposes of exchanging information or performing any other act to better  
184 ensure the proper conduct of horse racing.

185 9. The Commission shall report annually on or before March 1 to the Governor and the General  
186 Assembly, which report shall include a financial statement of the operation of the Commission.

187 10. The Commission may order such audits, in addition to those required by § 59.1-394, as it deems  
188 necessary and desirable.

189 11. The Commission shall upon the receipt of a complaint of an alleged criminal violation of this chapter  
190 immediately report the complaint to the Attorney General of the Commonwealth and the State Police for  
191 appropriate action.

192 12. The Commission shall provide for the withholding of the applicable amount of state and federal  
193 income tax of persons claiming a prize or pay-off for a winning wager and shall establish the thresholds for  
194 such withholdings.

195 13. The Commission, its representatives and employees may, within the enclosure, stable, or other facility  
196 related to the conduct of racing, and during regular or usual business hours, subject any (i) permit holder to  
197 personal inspections, including alcohol and drug testing for illegal drugs, inspections of personal property,  
198 and inspections of other property or premises under the control of such permit holder and (ii) horse eligible to  
199 race at a race meeting licensed by the Commission to testing for substances foreign to the natural horse  
200 within the racetrack enclosure or other place where such horse is kept. Any item, document or record  
201 indicative of a violation of any provision of this chapter or Commission regulations may be seized as  
202 evidence of such violation. All permit holders consent to the searches and seizures authorized by this  
203 subdivision, including breath, blood and urine sampling for alcohol and illegal drugs, by accepting the permit  
204 issued by the Commission. The Commission may revoke or suspend the permit of any person who fails or  
205 refuses to comply with this subdivision or any rules of the Commission. Commission regulations in effect on  
206 July 1, 1998, shall continue in full force and effect until modified by the Commission in accordance with law.

207 14. The Commission shall require the existence of a contract between each licensee and the recognized  
208 majority horsemen's group for that licensee. Such contract shall be subject to the approval of the  
209 Commission, which shall have the power to approve or disapprove any of its items, including the provisions  
210 regarding purses and prizes. Such contracts shall provide that on pools generated by wagering on simulcast  
211 horse racing from outside the Commonwealth, (i) for the first \$75 million of the total pari-mutuel handle for  
212 each breed, the licensee shall deposit funds at the minimum rate of five percent in the horsemen's purse  
213 account, (ii) for any amount in excess of \$75 million but less than \$150 million of the total pari-mutuel  
214 handle for each breed, the licensee shall deposit funds at the minimum rate of six percent in the horsemen's  
215 purse account, (iii) for amounts in excess of \$150 million for each breed, the licensee shall deposit funds at  
216 the minimum rate of seven percent in the horsemen's purse account. Such deposits shall be made in the  
217 horsemen's purse accounts of the breed that generated the pools and such deposits shall be made within five  
218 days from the date on which the licensee receives wagers. In the absence of the required contract between the  
219 licensee and the recognized majority horsemen's group, the Commission may permit wagering to proceed on  
220 simulcast horse racing from outside of the Commonwealth, provided that the licensee deposits into the State  
221 Racing Operations Fund created pursuant to § 59.1-370.1 an amount equal to the minimum percentage of the  
222 total pari-mutuel handles as required in clauses (i), (ii), and (iii) or such lesser amount as the Commission  
223 may approve. The deposits shall be made within five days from the date on which the licensee receives  
224 wagers. Once a contract between the licensee and the recognized majority horsemen's group is executed and  
225 approved by the Commission, the Commission shall transfer these funds to the licensee and the horsemen's  
226 purse accounts.

227 15. Notwithstanding the provisions of § 59.1-391, the Commission may grant provisional limited licenses  
228 or provisional unlimited licenses to own or operate racetracks or satellite facilities to an applicant prior to the  
229 applicant securing the approval through the local referendum required by § 59.1-391. The provisional  
230 licenses issued by the Commission shall only become effective upon the approval of the racetrack or satellite  
231 wagering facilities in a referendum conducted pursuant to § 59.1-391 in the jurisdiction in which the  
232 racetrack or satellite wagering facility is to be located.

233 16. The Commission or its representatives shall participate in the Problem Gambling Treatment and  
234 Support Advisory Committee established pursuant to § 37.2-304 by the Department of Behavioral Health and  
235 Developmental Services to enable collaboration among prevention and treatment providers and operators of  
236 legal gaming in the Commonwealth on efforts to reduce the negative effects of problem gambling.

237 17. The Commission shall promulgate regulations requiring, for each calendar year, any significant  
238 infrastructure limited licensee that offers pari-mutuel wagering on historical horse racing to hold at least one  
239 live Thoroughbred horse racing day, consisting of not less than eight races per day, for every 100 historical  
240 horse racing terminals installed at its significant infrastructure facility together with any satellite facility  
241 owned, operated, controlled, managed, or otherwise directly or indirectly affiliated with such licensee. The

242 regulations shall require any such significant infrastructure limited licensee that holds more than one live  
243 Thoroughbred horse racing day in accordance with the provisions of this subdivision to hold at least one of  
244 those racing days on a weekend. The number of historical horse racing terminals installed at a significant  
245 infrastructure facility shall be calculated as of December 31 of the calendar year in question; however, only  
246 historical horse racing terminals that are fully operational shall be included in such calculation.

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