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SENATE BILL NO. 1280**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on General Laws and Technology
on January 22, 2025)

(Patron Prior to Substitute—Senator Ebbin)

*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.***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.

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

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

62 10. Require all qualified organizations that are subject to Department regulations to post in a conspicuous
63 place in every place where charitable gaming is conducted a sign that bears a toll-free telephone number for
64 "~~Gamblers Anonymous~~" or other organization that provides assistance to compulsive gamblers *the National*
65 *Problem Gambling Helpline*.

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

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

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

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

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

87 **§ 58.1-4007.3. Posting of illegal gaming tip line; problem gambling helpline.**

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

93 **§ 58.1-4122.1. Posting of illegal gaming tip line; problem gambling helpline.**

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

99 **§ 59.1-369. Powers and duties of the Commission.**

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

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

110 2. The Commission, its representatives, and employees shall visit, investigate, and have free access to the
111 office, track, facilities, satellite facilities or other places of business of any license or permit holder, and may
112 compel the production of any of the books, documents, records, or memoranda of any license or permit
113 holder for the purpose of satisfying itself that this chapter and its regulations are strictly complied with. In
114 addition, the Commission may require any person granted a permit by the Commission and shall require any
115 person licensed by the Commission, the recognized majority horsemen's group, and the nonprofit industry
116 stakeholder organization recognized by the Commission under this chapter to produce an annual balance
117 sheet and operating statement prepared by a certified public accountant approved by the Commission. The
118 Commission may require the production of any contract to which such person is or may be a party.

119 3. The Commission shall promulgate regulations and conditions under which horse racing with
120 pari-mutuel wagering shall be conducted in the Commonwealth, and all such other regulations it deems

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

132 4. The Commission shall promulgate regulations and conditions under which simulcast horse racing shall
 133 be conducted at a licensed horse racetrack or satellite facility in the Commonwealth and all such other
 134 regulations it deems necessary and appropriate to effect the purposes of this chapter. Such regulations shall
 135 include provisions that all simulcast horse racing shall comply with the Interstate Horse Racing Act of 1978
 136 (15 U.S.C. § 3001 et seq.) and shall require the holder of a license to schedule no more than 125 live racing
 137 days in the Commonwealth each calendar year; however, the Commission shall have the authority to alter the
 138 required number of live racing days in the event of force majeure. Such regulations shall authorize up to 10
 139 satellite facilities and restrict majority ownership of satellite facilities to an entity licensed by the Commission
 140 that is a significant infrastructure limited licensee, or if by August 1, 2015, there is no such licensee or a
 141 pending application for such license, then the nonprofit industry stakeholder organization recognized by the
 142 Commission may be granted licenses to own or operate satellite facilities. If, however, after the issuance of a
 143 license to own or operate a satellite facility to such nonprofit industry stakeholder organization, the
 144 Commission grants a license to a significant infrastructure limited licensee pursuant to § 59.1-376, then such
 145 limited licensee may own or operate the remaining available satellite facilities authorized in accordance with
 146 this subdivision. In no event shall the Commission authorize any such entities to own or operate more than a
 147 combined total of 10 satellite facilities. Nothing in this subdivision shall be deemed to preclude private local
 148 ownership or participation in any satellite facility. Except as authorized pursuant to subdivision 5, wagering
 149 on simulcast horse racing shall take place only at a licensed horse racetrack or satellite facility. For purposes
 150 of this subdivision, "force majeure" means an event or events reasonably beyond the ability of the
 151 Commission to anticipate and control. "Force majeure" includes acts of God, incidences of terrorism, war or
 152 riots, labor strikes or civil disturbances, floods, earthquakes, fire, explosions, epidemics, hurricanes,
 153 tornadoes, and governmental actions and restrictions.

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

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

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

173 7. The Commission may compel any person holding a license or permit to file with the Commission such
 174 data as shall appear to the Commission to be necessary for the performance of its duties including financial
 175 statements and information relative to stockholders and all others with any pecuniary interest in such person.
 176 It may prescribe the manner in which books and records of such persons shall be kept.

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

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

182 10. The Commission may order such audits, in addition to those required by § 59.1-394, as it deems

183 necessary and desirable.

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

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

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

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

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

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

232 17. The Commission shall promulgate regulations requiring, for each calendar year, any significant
233 infrastructure limited licensee that offers pari-mutuel wagering on historical horse racing to hold at least one
234 live Thoroughbred horse racing day, consisting of not less than eight races per day, for every 100 historical
235 horse racing terminals installed at its significant infrastructure facility together with any satellite facility
236 owned, operated, controlled, managed, or otherwise directly or indirectly affiliated with such licensee. The
237 regulations shall require any such significant infrastructure limited licensee that holds more than one live
238 Thoroughbred horse racing day in accordance with the provisions of this subdivision to hold at least one of
239 those racing days on a weekend. The number of historical horse racing terminals installed at a significant
240 infrastructure facility shall be calculated as of December 31 of the calendar year in question; however, only
241 historical horse racing terminals that are fully operational shall be included in such calculation.