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SENATE BILL NO. 1323
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 Craig)

A BILL to amend and reenact §§ 18.2-325, 18.2-331.1, 18.2-334, 18.2-513, 37.2-314.2, 58.1-4015.1, and 58.1-4048 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 18.2-331.2, 18.2-331.3, 18.2-331.4, and 18.2-334.7, by adding in Title 58.1 a chapter numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4226, and by adding in Title 59.1 a chapter numbered 58, consisting of a section numbered 59.1-607, relating to Virginia Gaming Commerce Regulation Act established; penalties.

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-325, 18.2-331.1, 18.2-334, 18.2-513, 37.2-314.2, 58.1-4015.1, and 58.1-4048 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 18.2-331.2, 18.2-331.3, 18.2-331.4, and 18.2-334.7, by adding in Title 58.1 a chapter numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4226, and by adding in Title 59.1 a chapter numbered 58, consisting of a section numbered 59.1-607 as follows:

§ 18.2-325. Definitions.

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

"Electronic gaming device" means the same as that term is defined in § 58.1-4200.

"Gambling device" includes:

1. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other papers, that are actually used in an illegal gambling operation or activity; and

2. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or video versions thereof, including those dependent upon the insertion of a coin or other object for their operation, that operates, either completely automatically or with the aid of some physical act by the player or operator, in such a manner that, depending upon elements of chance, it may eject something of value or determine the prize or other thing of value to which the player is entitled, provided, however, that the return to the user of nothing more than additional chances or the right to use such machine is not deemed something of value within the meaning of this subdivision, and provided further, that machines that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other in composition, size, shape, or color shall not be deemed gambling devices within the meaning of this subdivision.

Such devices are no less gambling devices if they indicate beforehand the definite result of one or more operations but not all the operations. Nor are they any less gambling devices because, apart from their use or adaptability as such, they may also sell or deliver something of value on a basis other than chance.

"Gambling device" does not include an electronic gaming device authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

"Host location" means the same as that term is defined in § 58.1-4200.

"Illegal gambling" means the making, placing, or receipt of any bet or wager in the Commonwealth of money or other consideration or thing of value, made in exchange for a chance to win a prize, stake, or other consideration or thing of value, dependent upon the result of any game, contest, or any other event the outcome of which is uncertain or a matter of chance, whether such game, contest, or event occurs or is to occur inside or outside the limits of the Commonwealth.

For the purposes of this subdivision definition and notwithstanding any provision in this section to the contrary, the making, placing, or receipt of any bet or wager of money or other consideration or thing of value shall include the purchase of a product, Internet access, or other thing made in exchange for a chance to win a prize, stake, or other consideration or thing of value by means of the operation of a gambling device as described in subdivision 3 b, 2 of the definition of "gambling device," regardless of whether the chance to win such prize, stake, or other consideration or thing of value may be offered in the absence of a purchase.

~~"Illegal gambling" also means the playing or offering for play of any skill game.~~

~~2. "Illegal gambling" does not include the playing or offering for play of any electronic gaming device authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.~~

"Interstate gambling" means the conduct of an enterprise for profit that engages in the purchase or sale within the Commonwealth of any interest in a lottery of another state or country whether or not such interest is an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of such interest.

~~3. "Gambling device" includes:~~

~~a. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other~~

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60 papers, which are actually used in an illegal gambling operation or activity;

61 b. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or
 62 video versions thereof, including but not limited to those dependent upon the insertion of a coin or other
 63 object for their operation, which operates, either completely automatically or with the aid of some physical
 64 act by the player or operator, in such a manner that, depending upon elements of chance, it may eject
 65 something of value or determine the prize or other thing of value to which the player is entitled, provided,
 66 however, that the return to the user of nothing more than additional chances or the right to use such machine
 67 is not deemed something of value within the meaning of this subsection; and provided further, that machines
 68 that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other
 69 in composition, size, shape, or color, shall not be deemed gambling devices within the meaning of this
 70 subsection; and

71 e. Skill games.

72 Such devices are no less gambling devices if they indicate beforehand the definite result of one or more
 73 operations but not all the operations. Nor are they any less a gambling device because, apart from their use or
 74 adaptability as such, they may also sell or deliver something of value on a basis other than chance.

75 4. "Operator" includes any person, firm, or association of persons, who conducts, finances, manages,
 76 supervises, directs, or owns all or part of an illegal gambling enterprise, activity, or operation.

77 5. "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural person.

78 6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or
 79 other device that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate,
 80 or play a game, the outcome of which is determined by any element of skill of the player and that may deliver
 81 or entitle the person playing or operating the device to receive cash or cash equivalents, gift cards, vouchers,
 82 billets, tickets, tokens, or electronic credits to be exchanged for cash or cash equivalents whether the payoff is
 83 made automatically from the device or manually. "Skill game" includes (i) a device that contains a meter or
 84 measurement device that records the number of free games or portions of games that are rewarded and (ii) a
 85 device designed or adapted to enable a person using the device to increase the chances of winning free games
 86 or portions of games by paying more than the amount that is ordinarily required to play the game. "Skill
 87 game" does not include any amusement device, as defined in § 18.2-334.6.

88 7. "Unregistered electronic gaming device" means any electronic gaming device that does not
 89 conspicuously display on the face of the electronic gaming device a required registration label pursuant to
 90 the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1. Any electronic gaming device without such a
 91 registration label displayed may be inferred, subject to rebuttal, to be unregistered.

92 "Unregulated location" means any location that is not fully or partially regulated or operated by the
 93 Virginia Lottery or the Virginia Lottery Board, the Department of Agriculture and Consumer Services, the
 94 Virginia Alcoholic Beverage Control Authority, or the Virginia Racing Commission.

95 **§ 18.2-331.1. Operation of electronic gaming devices and gambling devices at unregulated locations;**
 96 **civil penalty.**

97 A. In addition to any other penalty provided by law, any person who conducts, finances, manages,
 98 supervises, directs, sells, or owns an *electronic gaming device* or a gambling device that is located in an
 99 unregulated location is subject to a civil penalty of up to \$25,000 for each *electronic gaming device* or
 100 gambling device located in such unregulated location.

101 B. The Attorney General, an attorney for the Commonwealth, or the attorney for any locality may cause
 102 an action in equity to be brought in the name of the Commonwealth or of the locality, as applicable, to
 103 immediately enjoin the operation of an *electronic gaming device* or a gambling device in violation of this
 104 section and to request an attachment against all such devices and any moneys within such devices pursuant to
 105 Chapter 20 (§ 8.01-533 et seq.) of Title 8.01, and to recover the civil penalty of up to \$25,000 per device.

106 C. In any action brought under this section, the Attorney General, the attorney for the Commonwealth, or
 107 the attorney for the locality may recover reasonable expenses incurred by the state or local agency in
 108 investigating and preparing the case, and attorney fees.

109 D. Any civil penalties assessed under this section in an action in equity brought in the name of the
 110 Commonwealth shall be paid into the Literary Fund. Any civil penalties assessed under this section in an
 111 action in equity brought in the name of a locality shall be paid into the general fund of the locality.

112 **§ 18.2-331.2. Operating, placing, or possessing an electronic gaming device in an unregulated location;**
 113 **penalty.**

114 A. It is unlawful for any person to operate, place, or possess an *electronic gaming device* in any
 115 unregulated location.

116 B. Any *electronic gaming device* operated, placed, or possessed in an unregulated location may be
 117 inferred, subject to rebuttal, to be in violation of this section and is subject to immediate seizure by law
 118 enforcement and may be forfeited to the Commonwealth in accordance with the procedures contained in
 119 Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

120 C. Any person violating this section is guilty of a Class 1 misdemeanor.

121 D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the

122 warrant, indictment, or information that such person has been before convicted of two or more offenses
 123 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,
 124 indictment, or information, is guilty of a Class 6 felony.

125 E. Any person who is convicted of a felony offense under this section shall have his electronic gaming
 126 device license suspended for a period of two years. Any person who is convicted of a second felony offense
 127 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any
 128 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device
 129 license permanently suspended. The court shall order the suspension of such license upon conviction.

130 **§ 18.2-331.3. Operating, possessing, or placing any unregistered electronic gaming device in any**
 131 **location; penalty.**

132 A. It is unlawful for any person to offer for play in any location any unregistered electronic gaming
 133 device.

134 B. Any electronic gaming device without a registration label displayed as required by Chapter 42 (§
 135 58.1-4200 et seq.) of Title 58.1 may be inferred, subject to rebuttal, to be in violation of this section and is
 136 subject to immediate seizure by law enforcement and may be forfeited to the Commonwealth in accordance
 137 with the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

138 C. Any person violating this section is guilty of a Class 1 misdemeanor.

139 D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the
 140 warrant, indictment, or information that such person has been before convicted of two or more offenses
 141 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,
 142 indictment, or information, is guilty of a Class 6 felony.

143 E. Any person who is convicted of a felony offense under this section shall have his electronic gaming
 144 device license suspended for a period of two years. Any person who is convicted of a second felony offense
 145 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any
 146 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device
 147 license permanently suspended. The court shall order the suspension of such license upon conviction.

148 **§ 18.2-331.4. Offering for play electronic gaming devices in excess of the statutory limits; penalty.**

149 A. It is unlawful for any person to offer for play, in a single location, an electronic gaming device that is
 150 in excess of the licensing requirements or statutory limits prescribed in Chapter 42 (§ 58.1-4200 et seq.) of
 151 Title 58.1 regardless of whether such electronic gaming device is properly registered.

152 An electronic gaming device may be relocated from one location to another location or warehoused and
 153 subsequently placed in a host location provided that the number of electronic gaming devices offered for play
 154 in a single prescribed location does not exceed the licensing requirements or statutory limits for the number
 155 of games that may be offered for play at that location.

156 B. Any electronic gaming devices, whether registered or not, that are operating in excess of such licensing
 157 requirements or statutory limits are subject to immediate seizure and may be forfeited to the Commonwealth
 158 in accordance with the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

159 C. Any person violating this section is guilty of a Class 1 misdemeanor.

160 D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the
 161 warrant, indictment, or information that such person has been before convicted of two or more offenses
 162 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,
 163 indictment, or information, is guilty of a Class 6 felony.

164 E. Any person who is convicted of a felony offense under this section shall have his electronic gaming
 165 device license suspended for a period of two years. Any person who is convicted of a second felony offense
 166 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any
 167 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device
 168 license permanently suspended. The court shall order the suspension of such license upon conviction.

169 **§ 18.2-334. Exception to article; private residences.**

170 Nothing in this article shall be construed to make it illegal to participate in a game of chance conducted in
 171 a private residence, provided that such private residence is not commonly used for such games of chance and
 172 there is no operator as defined in subsection 4 of § 18.2-325.

173 **§ 18.2-334.7. Exemptions to article; electronic gaming devices.**

174 Nothing in this article shall be construed to make it illegal to play any electronic gaming device or
 175 conduct any related activity that is lawful under Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

176 **§ 18.2-513. Definitions.**

177 As used in this chapter:

178 "Criminal street gang" means the same as that term is defined in § 18.2-46.1.

179 "Enterprise" includes any of the following: sole proprietorship, partnership, corporation, business trust,
 180 criminal street gang, or other group of three or more individuals associated for the purpose of criminal
 181 activity.

182 "Proceeds" means the same as that term is defined in § 18.2-246.2.

183 "Racketeering activity" means to commit, attempt to commit, or conspire to commit or to solicit, coerce,

184 or intimidate another person to commit two or more of the following offenses: Article 2.1 (§ 18.2-46.1 et
 185 seq.) of Chapter 4, § 18.2-460; a felony offense of § 3.2-4212, 3.2-4219, 10.1-1455, 18.2-31, 18.2-32,
 186 18.2-32.1, 18.2-33, or 18.2-35, Article 2.2 (§ 18.2-46.4 et seq.) of Chapter 4, § 18.2-47, 18.2-48, 18.2-48.1,
 187 18.2-49, 18.2-51, 18.2-51.2, 18.2-52, 18.2-53, 18.2-55, 18.2-58, 18.2-59, 18.2-77, 18.2-79, 18.2-80, 18.2-89,
 188 18.2-90, 18.2-91, 18.2-92, 18.2-93, 18.2-95, 18.2-96, or 18.2-103.1, Article 4 (§ 18.2-111 et seq.) of Chapter
 189 5, Article 1 (§ 18.2-168 et seq.) of Chapter 6, § 18.2-178 or 18.2-186, Article 6 (§ 18.2-191 et seq.) of
 190 Chapter 6, Article 9 (§ 18.2-246.1 et seq.) of Chapter 6, § 18.2-246.13, Article 1 (§ 18.2-247 et seq.) of
 191 Chapter 7, § 18.2-279, 18.2-286.1, 18.2-289, 18.2-300, 18.2-308.2, 18.2-308.2:1, 18.2-328, 18.2-331.2,
 192 18.2-331.3, 18.2-331.4, 18.2-346, 18.2-346.01, 18.2-348, 18.2-348.1, 18.2-349, 18.2-355, 18.2-356, 18.2-357
 193 , 18.2-357.1, 18.2-368, 18.2-369, or 18.2-374.1, Article 8 (§ 18.2-433.1 et seq.) of Chapter 9, Article 1 (§
 194 18.2-434 et seq.) of Chapter 10, Article 2 (§ 18.2-438 et seq.) of Chapter 10, Article 3 (§ 18.2-446 et seq.) of
 195 Chapter 10, Article 1.1 (§ 18.2-498.1 et seq.) of Chapter 12, § 3.2-6571, 18.2-516, 32.1-314, 58.1-1008.2,
 196 58.1-1017, or 58.1-1017.1; or any substantially similar offenses under the laws of any other state, the District
 197 of Columbia, or the United States or its territories.

198 **§ 37.2-314.2. Problem Gambling Treatment and Support Fund.**

199 A. As used in this section:

200 "Compulsive gambling" means persistent and recurrent problem gambling behavior leading to clinically
 201 significant impairment or distress, as indicated by an individual exhibiting four or more of the criteria as
 202 defined by the Diagnostic Statistical Manual of Mental Disorders in a 12-month period and where the
 203 behavior is not better explained by a manic episode.

204 "Problem gambling" means a gambling behavior that causes disruptions in any major area of life,
 205 including the psychological, social, or vocational areas of life, but does not fulfill the criteria for diagnosis as
 206 a gambling disorder.

207 B. There is hereby created in the state treasury a special nonreverting fund to be known as the Problem
 208 Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be
 209 established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of §
 210 58.1-4038, *moneys required to be deposited into the Fund pursuant to subsection B of § 59.1-607*, and
 211 moneys required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1 shall
 212 be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in
 213 the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of
 214 each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be
 215 used solely for the purposes of (i) providing counseling and other support services for compulsive and
 216 problem gamblers, (ii) developing and implementing compulsive and problem gambling treatment and
 217 prevention programs, and (iii) providing grants to support organizations that provide assistance to compulsive
 218 and problem gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer
 219 on warrants issued by the Comptroller upon written request signed by the Commissioner.

220 **§ 58.1-4015.1. Voluntary exclusion program.**

221 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

222 B. The regulations shall include the following provisions:

223 1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
 224 program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of
 225 this article; (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino
 226 gaming that may be allowed under the laws of the Commonwealth; (iv) *playing any electronic gaming device*
 227 *authorized pursuant to Chapter 42 (§ 58.1-4200 et seq.)*; (v) participating in charitable gaming, as defined in
 228 § 18.2-340.16; ~~(vi)~~ (vi) participating in fantasy contests, as defined in § 59.1-556; or ~~(vii)~~ (vii) wagering on
 229 horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in
 230 administering the voluntary exclusion program pursuant to the provisions of this section.

231 2. A person who participates in the voluntary exclusion program may choose an exclusion period of two
 232 years, five years, or lifetime.

233 3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
 234 program may not petition the Board for removal from the program for the duration of his exclusion period.

235 4. The name of a person participating in the program shall be included on a list of excluded persons. The
 236 list of persons entering the voluntary exclusion program and the personal information of the participants shall
 237 be confidential, with dissemination by the Department limited to sales agents and permit holders, as defined
 238 in § 58.1-4030, and any other parties the Department deems necessary for purposes of enforcement. The list
 239 and the personal information of participants in the voluntary exclusion program shall not be subject to
 240 disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may
 241 disseminate the list to other parties upon request by the participant and agreement by the Board.

242 5. Sales agents and permit holders shall make all reasonable attempts as determined by the Board to cease
 243 all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall
 244 not preclude sales agents and permit holders from seeking the payment of a debt incurred by a person before

245 entering the program. In addition, a permit holder may share the names of individuals who self-exclude
 246 across its corporate enterprise, including sharing such information with any of its affiliates.

247 **§ 58.1-4048. Gaming Regulatory Fund.**

248 There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming
 249 Regulatory Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the
 250 Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other
 251 funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on
 252 moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,
 253 including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in
 254 the Fund. Moneys in the Fund shall be used solely to offset the Department's costs associated with (i) the
 255 conduct of investigations required by § 58.1-4032, 58.1-4043, 58.1-4104, 58.1-4109, 58.1-4116, 58.1-4120,
 256 or 58.1-4121 or any other provision of this article ~~or~~, Chapter 41 (§ 58.1-4100 et seq.), or Chapter 42 (§
 257 58.1-4200 et seq.) and (ii) the enforcement of regulations promulgated by the Virginia Lottery Board
 258 pursuant to subdivisions A 14 and 15 of § 58.1-4007, subdivision 2 of § 58.1-4102, and § §§ 58.1-4103,
 259 58.1-4202, and 58.1-4204. Expenditures and disbursements from the Fund shall be made by the State
 260 Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

261 **CHAPTER 42.**

262 **VIRGINIA GAMING COMMERCE REGULATION ACT OF 2025.**

263 **Article 1.**

264 **General Provisions.**

265 **§ 58.1-4200. Definitions.**

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

267 *"ABC retail location" means a business location for which a valid authority retail license has been issued*
 268 *to a business by the Virginia Alcoholic Beverage Control Authority or the Board of Directors of the Virginia*
 269 *Alcoholic Beverage Control Authority pursuant to Title 4.1.*

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

271 *"Category" means the type of license granted by the Department, to include a manufacturer, distributor,*
 272 *operator, or host location license.*

273 *"Commercial motor vehicle" means the same as that term is defined in § 46.2-341.4.*

274 *"Department" means the independent agency responsible for the administration of the Virginia Lottery*
 275 *pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40 and the regulation of sports betting pursuant to*
 276 *Article 2 (§ 58.1-4030 et seq.) of Chapter 40, casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.),*
 277 *and electronic gaming devices pursuant to this chapter.*

278 *"Director" means the Director of the Virginia Lottery.*

279 *"Distributor" means any person registered with the Board that sells, leases, offers, or provides and*
 280 *distributes electronic gaming devices to an operator for use or play in the Commonwealth, and that buys or*
 281 *leases electronic gaming devices from a manufacturer licensee. No distributor shall contract directly with a*
 282 *host location.*

283 *"Electronic gaming" means activity using an electronic gaming device as authorized under this chapter.*

284 *"Electronic gaming device" means a physical terminal, machine, or other device, including electronic or*
 285 *computerized devices, that requires the insertion of a coin, currency, ticket, token, or similar object to*
 286 *operate, activate, or play a game, the outcome of which shall be determined by the predominant skill of the*
 287 *player, and that may deliver or entitle the person playing or operating the device to receive cash in excess of*
 288 *the cost of operating, activating, or playing the game. "Electronic gaming device" does not include any*
 289 *amusement device, as defined in § 18.2-334.6, any mobile telephone device, charitable games authorized*
 290 *pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, sports betting authorized under*
 291 *Article 2 (§ 58.1-4030 et seq.) of Chapter 40, casino gaming authorized under Chapter 41 (§ 58.1-4100 et*
 292 *seq.), or historical horse racing authorized pursuant to Chapter 29 (§ 59.1-364 et seq.) of Title 59.1.*

293 *"Gaming tax" means the tax imposed on electronic gaming devices.*

294 *"Gross profits" means all revenue generated from the play of electronic gaming devices minus prizes or*
 295 *cash winnings paid out to successful players.*

296 *"Host location" means a business establishment at which electronic gaming devices are placed, operated,*
 297 *and offered to the public for play in the gaming area by an operator licensee. "Host location" includes truck*
 298 *stops, as defined in this chapter, and any ABC retail location.*

299 *"Independent testing laboratory" means a laboratory selected by the Director with a national reputation*
 300 *for honesty, independence, and timeliness that is demonstrably competent and qualified to scientifically test*
 301 *and evaluate electronic gaming devices for compliance with this chapter and to otherwise perform the*
 302 *functions assigned to it by this chapter. No manufacturer, operator, distributor, or host location licensee*
 303 *shall have any ownership interest in any independent testing laboratory approved by the Director.*

304 *"Individual" means a natural person.*

305 *"Inducement" means anything of value offered, given, transferred, or paid, directly or indirectly, by a*

306 *manufacturer, distributor, procurement agent, operator, or any employee, agent, contractor, or other person*
307 *acting on behalf of any manufacturer, distributor, operator, or procurement agent to any host location*
308 *licensee or any applicant for a host location license pursuant to this chapter, or to any employee, investor,*
309 *owner, or officer of a host location licensee or applicant for a host location license as an enticement to*
310 *solicit, enter into, grant, execute, renew, extend, or maintain a use agreement by and between a host location*
311 *licensee and a distributor licensee, including any cash, incentive, marketing or advertising cost, gift, food,*
312 *beverage, loan, financing arrangement, prepayment of gross revenue, or any other contribution payment that*
313 *offsets a host location licensee's capital or operational costs, or as otherwise determined by the Board.*

314 *"Inducement" does not include costs paid by a distributor or operator licensee related to:*

315 *1. Costs for structural changes or modular materials or equipment used to meet minimum standards for*
316 *the gaming area as required by the Board or to maintain the security of the gaming area, the electronic*
317 *gaming devices, and ticket redemption terminals.*

318 *2. Surveillance equipment, alarm systems, and similar equipment or systems intended to monitor and*
319 *secure the electronic gaming devices, the ticket redemption terminals, and the gaming area and the perimeter*
320 *of the host location licensee's establishment, and any means of ingress and egress thereto.*

321 *3. Any wiring or rewiring of the gaming area necessary to operate electronic gaming devices, ticket*
322 *redemption terminals, or ancillary equipment.*

323 *4. Any software updates to the electronic gaming devices or ticket redemption terminals or ongoing*
324 *maintenance of electronic gaming devices, ticket redemption terminals, network connections, site controllers,*
325 *chairs, tables, supports, or other ancillary equipment necessary to operate the electronic gaming devices and*
326 *the ticket redemption terminals in the gaming area.*

327 *5. Any requirement established by the Board regarding minimum standards for the operation of electronic*
328 *gaming devices, ticket redemption terminals, in whole or in part, by the distributor or operator licensee.*

329 *"Licensee" or "license holder" means any person holding a manufacturer, distributor, operator, or host*
330 *location license pursuant to Article 2 (§ 58.1-4205 et seq.).*

331 *"Locality" means a county, city, or town, as those terms are defined in § 15.2-102.*

332 *"Lottery" means the lottery or lotteries established and operated pursuant to Chapter 40 (§ 58.1-4000 et*
333 *seq.).*

334 *"Manufacturer" means any person that manufactures and sells or leases electronic gaming devices or*
335 *software and hardware for electronic gaming devices to distributors.*

336 *"Operator" means a person registered with the Board to place or service electronic gaming devices at the*
337 *premises of a host location by (i) purchasing or leasing electronic gaming devices from a licensed*
338 *manufacturer or distributor; (ii) providing the placement, repair, maintenance, replacement, or removal of*
339 *electronic gaming devices to host locations; (iii) maintaining and servicing such devices; and (iv) facilitating*
340 *data collection and data and financial reporting as required by this chapter and as determined by the Board.*

341 *"Person" means any individual, group of individuals, firm, company, corporation, partnership, business,*
342 *trust, association, or other legal entity.*

343 *"Player" means an individual who plays an electronic gaming device.*

344 *"Procurement agent" means a person licensed by the Board that acts as an agent, either as an employee*
345 *or as an independent contractor of a manufacturer or manufacturers, distributor or distributors, operator or*
346 *operators, and shares in the gross profits, is paid a commission, or is otherwise compensated for the purpose*
347 *of soliciting or procuring a use agreement among two or more licensees in different categories.*

348 *"Profits after taxes" means the gross profit minus the tax imposed upon all gross profits generated from*
349 *the play of electronic gaming devices pursuant to §§ 58.1-4217 and 58.1-4218.*

350 *"Regulation" means any statement of general application having the force of law, affecting the rights or*
351 *conduct of any person, adopted by the Board in accordance with the authority conferred on it by applicable*
352 *laws.*

353 *"Single play" means the period beginning when a player activates and pays for the interactive gameplay*
354 *function of an electronic gaming device and ending at the time when the gameplay function or series of free*
355 *subgames thereunder will not continue without payment by the player of additional consideration.*

356 *"Successful player" means an individual who wins a payout on one or more plays of an electronic gaming*
357 *device.*

358 *"Ticket redemption terminal" means a terminal where a voucher dispensed by an electronic gaming*
359 *device may be redeemed for cash or a cash equivalent.*

360 *"Truck stop" means an establishment that (i) is equipped with diesel fuel islands used for fueling*
361 *commercial motor vehicles and has sold, on average, at least 50,000 gallons of diesel or biodiesel fuel each*
362 *month for the previous 12 months, or is projected to sell an average of at least 50,000 gallons of diesel or*
363 *biodiesel fuel each month for the next 12 months; (ii) has a convenience store; (iii) is situated on not less*
364 *than three acres of land that the establishment owns or leases; and (iv) has parking spaces dedicated to*
365 *commercial motor vehicles.*

366 *"Use agreement" means a written agreement conforming to the regulations established by the Board and*

367 those minimum requirements set forth in this chapter among two or more licensees in different categories.
 368 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4204 that
 369 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision
 370 B 1 of § 58.1-4204 by placing their names on a voluntary exclusion list and following the procedures set forth
 371 by the Board.

372 **§ 58.1-4201. Powers and duties of the Director related to electronic gaming devices; reporting.**

373 A. The Director shall have the following powers and duties related to the regulation of electronic gaming
 374 devices:

375 1. Issue licenses under Article 2 (§ 58.1-4205 et seq.) and supervise all activities licensed under the
 376 provisions of this chapter, including the manufacture, distribution, operation, hosting, and playing of
 377 electronic gaming devices;

378 2. Suspend, revoke, or refuse to renew any license issued pursuant to Article 2 (§ 58.1-4205 et seq.) or the
 379 rules and regulations adopted pursuant to this chapter;

380 3. Inspect, investigate, and have free access to the offices, facilities, or other places of business of any
 381 licensee and compel the production of any books, documents, records, or memoranda of any licensee for the
 382 purpose of satisfying himself that this chapter and Board regulations are strictly complied with;

383 4. Order such audits and inspections as deemed necessary;

384 5. Certify monthly to the State Comptroller and the Board a full and complete statement of electronic
 385 gaming device revenues for the previous month;

386 6. Assess and collect civil penalties for violations of this chapter and Board regulations;

387 7. Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate Committee
 388 on Finance and Appropriations, House Committee on Finance, and House Committee on Appropriations the
 389 total electronic gaming device revenues and expenses for the previous month and make an annual report,
 390 which shall include a full and complete statement of electronic gaming device revenues and expenses and a
 391 list of all licensees licensed pursuant to this chapter, to the Governor and the General Assembly, including
 392 recommendations for changes in this chapter as the Director and Board deem prudent;

393 8. Require training for host location licensees and the employees of any host location licensee as
 394 necessary on any topic the Director deems appropriate, including technical operations, security, problem
 395 gambling identification measures, and age verification procedures;

396 9. Establish monthly reporting requirements for each electronic gaming device on the amounts wagered
 397 and amounts awarded on the last 500 plays and the last 100 plays for each electronic gaming device; and

398 10. Do all acts necessary and advisable to carry out the purposes and provisions of this chapter.

399 B. Upon request by the assessing official of a locality, the Director shall provide to such assessing official
 400 of such locality a statement of the amount of the gaming tax collected in such locality pursuant to Article 4 (§
 401 58.1-4218 et seq.) from each electronic gaming device, from each host location, and from all electronic
 402 gaming devices and host locations in the aggregate.

403 **§ 58.1-4202. Powers and duties of the Board related to electronic gaming devices.**

404 In addition to the regulations adopted pursuant to § 58.1-4007, the Board shall promulgate regulations
 405 related to electronic gaming devices that:

406 1. Develop such forms, licenses, identification cards, and applications as are necessary or convenient for
 407 the administration of this chapter;

408 2. Establish requirements for all licensees under this chapter for the form, content, and retention of all
 409 records and accounts;

410 3. Establish procedures for the collection of all fees levied pursuant to this chapter and set due dates for
 411 the payment of such fees;

412 4. Establish a process for the approval or disapproval of electronic gaming devices and games offered on
 413 such devices;

414 5. Establish cash handling procedures for operator and host location licensees that require such licensees
 415 to keep separate accounts for gaming and nongaming transactions;

416 6. Establish standard terms between licensees in different categories;

417 7. Establish rules and regulations that ensure transparency with respect to operational, transactional,
 418 and financial information provided to licensees that allow such licensees to be able to verify appropriate
 419 distributions of profits after taxes pursuant to the user agreement among any such licensees;

420 8. Establish rules and regulations to ensure public safety and protocols to deter criminal activity within
 421 and around the host location's premises;

422 9. Promulgate regulations that establish limitations on excessive ATM fees for players in host locations;

423 10. Establish rules and regulations related to the level of substantial skill and the differential level of skill
 424 that meets the definition of "electronic gaming device" in § 58.1-4200;

425 11. Establish rules and regulations for the licensing of procurement agents;

426 12. Establish a process for accepting license applications, including consideration of the aggregate cap
 427 on the number of electronic gaming devices as well as regional diversity and population;

428 13. Require inspections of all licensees at a frequency determined by the Board;

429 14. Require appropriate surveillance equipment, alarm systems, or similar equipment or systems intended
 430 to monitor and secure the gaming area and electronic gaming devices, ticket redemption terminals,
 431 electronic identification terminals, and the perimeter of the host location licensee's establishment, and any
 432 means of ingress and egress thereto;

433 15. Establish a program of periodic testing and inspection for all electronic gaming devices;

434 16. Prohibit licensees and their affiliates from advertising or marketing their products and services
 435 related to electronic gaming devices to players or potential players. However, (i) licensees shall be allowed
 436 to describe their products and services on a website operated and maintained by the licensee and (ii) host
 437 location licensees shall be allowed to advertise on one sign located at the host location, provided that such
 438 sign is no larger than three feet in height by three feet in width;

439 17. Require host location licensees to post at least one sign in a conspicuous location at the entrance of
 440 any gaming area on the premises of its establishment. Such sign shall include (i) language that makes it clear
 441 that only individuals 21 years of age or older may play an electronic gaming device; (ii) a toll-free telephone
 442 number for problem gambling assistance that has been approved by the Virginia Council on Problem
 443 Gambling or another organization that provides assistance to problem gamblers; and (iii) the toll-free
 444 telephone number and website for the illegal gaming tip line established by the Office of the Gaming
 445 Enforcement Coordinator in the Department of State Police for members of the public to report concerns
 446 about, or suspected instances of, illegal gaming activities. The Board shall also distribute written guidance to
 447 host location licensees that shall be used to educate host location employees on how to recognize intoxicated
 448 individuals; and

449 18. Provide guidelines and recommendations necessary and advisable to carry out the purposes and
 450 provisions of this chapter.

451 **§ 58.1-4203. Adoption of local ordinance or referendum to prohibit electronic gaming devices.**

452 A. For the purposes of this section, "locality" means the same as that term is defined in § 1-221.

453 B. The governing body of a locality may hold a referendum on the question of whether electronic gaming
 454 devices shall be prohibited in the locality.

455 C. If a local ordinance to prohibit electronic gaming devices has been adopted by the locality, a
 456 referendum with the opposite purpose may not be conducted for at least one calendar year from the effective
 457 date of the ordinance.

458 D. A referendum may be called for either by resolution of the governing body of a locality or upon a
 459 petition of qualified voters equal in number to at least 2.5 percent of the number registered in the jurisdiction
 460 on January 1 preceding its filing or by at least 5,000 qualified voters in the jurisdiction, whichever is less.
 461 Upon the filing of a petition or passage of a resolution by the local governing body, the court shall order the
 462 election officials of the locality on the date fixed in the order to conduct a referendum on the question. The
 463 clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the
 464 county, city, or town once a week for three consecutive weeks prior to the referendum.

465 The regular election officers of such locality shall open the polls at the various voting places in such
 466 locality on the date specified in such order and conduct such election in the manner provided by law. The
 467 election shall be by ballot, which shall be prepared by the electoral board of the locality and on which shall
 468 be printed the following question:

469 "Shall electronic gaming devices, also known as "skill games" be prohibited at lottery retailers or ABC
 470 retail locations, which may include convenience stores, gas stations, truck stops, and other locations in
 471 _____ (name of locality) as may be authorized by the Virginia Lottery?

472 [] Yes

473 [] No"

474 In the blank shall be inserted the name of the locality in which such election is held. Any voter desiring to
 475 vote "Yes" shall mark in the square provided for such purpose immediately preceding the word "Yes," leaving
 476 the square immediately preceding the word "No" unmarked. Any voter desiring to vote "No" shall mark in the
 477 square provided such purpose immediately preceding the word "No," leaving the square immediately
 478 preceding the word "Yes" unmarked.

479 The ballots shall be counted, the returns made and canvassed as in other elections, and the results
 480 certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an
 481 order proclaiming the results of such election and a duly certified copy of such order shall be transmitted to
 482 the Department and to the governing body of such locality.

483 E. No license requirement, license fee, permit fee, sticker fee, or tax shall be imposed by any locality upon
 484 an electronic gaming device manufacturer, distributor, operator, or host location relating to the ownership,
 485 placement, use, or operation of electronic gaming devices or associated equipment.

486 **§ 58.1-4204. Voluntary exclusion program.**

487 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

488 B. The regulations shall include the following provisions:

489 1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion

490 program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions
 491 of Chapter 40 (§ 58.1-4000 et seq.) or 41 (§ 58.1-4100 et seq.); (ii) participating in sports betting, as defined
 492 in § 58.1-4030; (iii) engaging in any form of casino gaming authorized under the provisions of Chapter 41 (§
 493 58.1-4100 et seq.); (iv) playing any electronic gaming device authorized under the provisions of this chapter;
 494 (v) participating in charitable gaming, as defined in § 18.2-340.16; (vi) participating in fantasy contests, as
 495 defined in § 59.1-556; or (vii) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the
 496 request of the Department, shall assist in administering the voluntary exclusion program pursuant to the
 497 provisions of this section.

498 2. A person who participates in the voluntary exclusion program may choose an exclusion period of two
 499 years, five years, or lifetime.

500 3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
 501 program may not petition the Board for removal from the program for the duration of his exclusion period.

502 4. The name of a person participating in the program shall be included on a list of excluded persons. The
 503 list of persons entering the voluntary exclusion program and the personal information of the participants
 504 shall be confidential, except that dissemination of such information by the Department to the entity that
 505 manages its central accounting system established pursuant to § 58.1-4216 and any other parties the
 506 Department deems necessary for purposes of enforcement shall be allowed. The list and the personal
 507 information of participants in the voluntary exclusion program shall not be subject to disclosure under the
 508 Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to
 509 other parties upon request by the participant and agreement by the Board.

510 Article 2.

511 Licenses and Requirements of Licensees.

512 **§ 58.1-4205. Licenses that may be granted by the Director; fees.**

513 A. The Director may grant the following four license categories of industry licenses:

514 1. Manufacturer license, which shall authorize the licensee to manufacture and sell or lease to a
 515 distributor or operator licensee electronic gaming devices, software and hardware for electronic gaming
 516 devices, and all tools and components necessary for the operation, repair, and maintenance of any such
 517 electronic gaming device.

518 2. Distributor license, which shall authorize the licensee to (i) buy or lease electronic gaming devices
 519 from a manufacturer licensee and (ii) sell or lease such devices to operator licensees.

520 3. Operator license, which shall authorize the licensee to (i) place or service electronic gaming devices at
 521 host locations, (ii) buy or lease electronic gaming devices from a manufacturer or distributor licensee, (iii)
 522 provide electronic gaming devices to host location licensees, (iv) maintain and service such devices, and (v)
 523 facilitate the data requirements and data reporting as required by this chapter.

524 4. Host location license, which shall authorize the licensee to allow the placement and offering for play of
 525 electronic gaming devices at such licensee's establishment.

526 B. An applicant for a manufacturer, distributor, operator, or host location license shall submit an
 527 application to the Director on forms provided by the Director. All distributor, operator, and host location
 528 applicants shall be required to submit a copy of a valid use agreement as a condition of licensure.
 529 The Board shall have the discretion to determine which license category applies to an applicant and the
 530 corresponding fees that apply to the applicant when such applicant meets the criteria for multiple licenses.
 531 Each host location premises shall be separately licensed.

532 C. A nonrefundable fee of \$250,000 shall be paid by an applicant for a manufacturer license to the
 533 Department upon issuance of such license, and annually thereafter as a condition of licensure renewal or
 534 continued licensure.

535 A nonrefundable fee of \$250,000 shall be paid by an applicant for a distributor license to the Department
 536 upon issuance of such license, and annually thereafter as a condition of licensure renewal or continued
 537 licensure.

538 A nonrefundable fee of \$25,000 shall be paid by an applicant for an operator license to the Department
 539 upon issuance of such license, and annually thereafter as a condition of licensure renewal or continued
 540 licensure.

541 A nonrefundable fee of \$1,000 shall be paid by an applicant for a host location license that does not meet
 542 the definition of a "truck stop" as defined in § 58.1-4200 to the Department upon issuance of such license,
 543 and annually thereafter as a condition of licensure renewal or continued licensure.

544 A nonrefundable fee of \$2,500 shall be paid by an applicant for a host location license that meets the
 545 definition of a "truck stop" as defined in § 58.1-4200 to the Department upon issuance of such license, and
 546 annually thereafter as a condition of licensure renewal or continued licensure.

547 All fees collected by the Department pursuant to this subsection shall be deposited into the Gaming
 548 Regulatory Fund established pursuant to § 58.1-4048.

549 **§ 58.1-4206. General licensing requirements; penalty.**

550 A. The Department, in conjunction with an approved outside vendor or accredited law-enforcement

551 agency, shall conduct a background investigation, including a criminal history records check and
 552 fingerprinting, of the following individuals: (i) every individual applying for a license pursuant to this article;
 553 (ii) every individual who is an officer, director, board member, owner of at least a 10 percent interest in any
 554 licensee, or principal of a licensee or applicant for a license and any employee of the licensee, as determined
 555 by the Board, who is directly involved with a licensee; (iii) all security personnel of any licensee; and (iv) any
 556 individual conducting cash handling, maintenance, or service on any electronic gaming device. Each such
 557 individual shall submit his fingerprints and personal descriptive information to the Central Criminal Records
 558 Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records search and
 559 to the Department of State Police for a Virginia criminal history records check. The results of the
 560 background check and national and state criminal records check shall be returned to the Department. This
 561 subsection shall not apply to employees of host location licensees.

562 B. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license
 563 issued pursuant to this chapter to any person who has been (i) convicted of a crime involving moral
 564 turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any fraud or
 565 misrepresentation in any connection, or (iv) convicted of a felony.

566 C. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license
 567 issued pursuant to this article to a partnership or corporation if he determines that any general or limited
 568 partner, or officer or director of such partnership or corporation, has been (i) convicted of a crime involving
 569 moral turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any
 570 fraud or misrepresentation in any connection, or (iv) convicted of a felony.

571 D. The Director may also refuse to grant a license pursuant to this article if:

572 1. The Director reasonably believes that the applicant's prior activities, criminal record, or associations
 573 are likely to either (i) pose a threat to the public interest, (ii) impede the regulation of electronic gaming
 574 devices, or (iii) promote unfair or illegal activities in the conduct of electronic gaming devices;

575 2. The applicant or any general or limited partner or any officer or director of such applicant knowingly
 576 makes a false statement of material fact or deliberately fails to disclose information requested by the
 577 Director;

578 3. The applicant or any general or limited partner or any officer or director of such applicant knowingly
 579 fails to comply with the provisions of this chapter or any requirements of the Director;

580 4. The applicant's license to manufacture, distribute, operate, or offer to the public for play an electronic
 581 gaming device issued by any other jurisdiction has been suspended or revoked; or

582 5. The applicant's application is incomplete.

583 E. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or
 584 knowingly or willfully makes a false, fictitious, or fraudulent statement or representation in any application
 585 pursuant to this article is guilty of a Class 1 misdemeanor. The Director shall revoke the license of a licensee
 586 if, subsequent to the issuance of the license, the Director determines that the licensee knowingly or recklessly
 587 made a false statement of material fact to the Director in applying for the license.

588 **§ 58.1-4207. Distributor and operator licensees.**

589 A. No distributor licensee shall own an electronic gaming device unless such device (i) is approved by the
 590 Director, (ii) has been manufactured by a manufacturer licensee, and (iii) is purchased from a manufacturer
 591 licensee or distributor licensee. No contract between a distributor or operator licensee and a manufacturer
 592 licensee shall grant the distributor licensee exclusive rights to own, maintain, or place a type, model, or
 593 brand of electronic gaming device or ticket redemption terminal in the Commonwealth.

594 B. No operator licensee shall place or maintain an electronic gaming device at any establishment where it
 595 is offered to the public for play for a charge, directly or indirectly, unless such establishment is a host
 596 location licensee and has an agreement with standard terms.

597 **§ 58.1-4208. Host location licensees; civil penalty.**

598 A. Only the following locations are eligible to receive a host location license:

599 1. Host locations that do not meet the definition of a "truck stop" licensed as an agent to sell lottery tickets
 600 or shares pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40;

601 2. Host locations that meet the definition of "truck stop" licensed as an agent to sell lottery tickets or
 602 shares pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40; and

603 3. Host locations that are ABC retail locations.

604 B. No more than three electronic gaming devices may be located in an establishment listed in subdivision
 605 A 1. No more than seven electronic gaming devices may be located in an establishment listed in subdivision A
 606 2 or 3.

607 C. No host location licensee shall allow an electronic gaming device to be placed upon the premises of
 608 such licensee's establishment unless such device is owned or leased, placed, and maintained by an operator
 609 licensee. The primary business of a host location licensee shall not be the offering for play of electronic
 610 gaming devices.

611 D. No host location licensee shall use the term "casino" in its entity name, in any advertisement in

612 association with its product or service, or in any manner prohibited by Board regulation. Any host location
 613 licensee that violates the provisions of this subsection shall be subject to a civil penalty established by the
 614 Board. The Director shall enforce the provisions of this subsection. All penalties collected pursuant to this
 615 subsection shall accrue to the Literary Fund.

616 E. In an effort to promote responsible gaming by players, host location licensees shall:

617 1. Affix to a clearly visible and conspicuous location on each electronic gaming device a label that bears
 618 a toll-free number for problem gambling assistance that has been approved by the Virginia Council on
 619 Problem Gambling or other organizations that provide assistance to problem gamblers;

620 2. Provide informational leaflets or other similar materials in the gaming area on the dangers associated
 621 with problem gambling; and

622 3. Comply with, and require its employees to comply with, any applicable Board regulations, including
 623 regulations regarding player self-exclusion programs, player identification, and player age verification.

624 Nothing contained in this subsection shall be construed to create any cause of action against the Board or
 625 Department for the failure of a host location licensee to comply with the requirements of this section.

626 F. All host location licensees shall comply with the provisions of this chapter and regulations adopted by
 627 the Board.

628 **§ 58.1-4209. License posting; expiration.**

629 A. Each license granted by the Director shall designate the physical location where the business of the
 630 licensee will be carried out.

631 B. Each license shall be posted in a location conspicuous to the public at the place where the licensee
 632 carries out the business for which the license is granted.

633 C. The privileges conferred by any initial license application approved by the Director shall continue
 634 until the last day of the twelfth month after the effective date of such license. Upon completion of the first year
 635 of licensure, licenses shall be renewed until the next June 30 based upon the payment of a prorated renewal
 636 fee. Annually thereafter, licenses shall be renewed on July 1 and include payment of the renewal fee. A
 637 license may be sooner terminated for any cause for which the Director would be entitled to refuse to grant a
 638 license or by operation of law, voluntary surrender, or order of the Director.

639 D. The Director may grant licenses for one year.

640 E. Sixty days before the expiration of a license, the license holder may submit a renewal application on
 641 forms prescribed by the Board. The Director may deny a license renewal if he finds grounds for denial as
 642 described in § 58.1-4206.

643 **§ 58.1-4210. Prohibition against the issuance of multiple licenses.**

644 A. For purposes of this section, "interest" means the direct or indirect ownership of any equity ownership
 645 interest or a partial equity ownership interest or any other type of financial interest, including being an
 646 investor, shareholder, member, lender, or employee.

647 B. No licensee that has been issued a manufacturer license, distributor license, or operator license shall
 648 be issued a host location license or have any interest in a host location licensee.

649 C. No licensee that has been issued a manufacturer license, distributor license, or host location license
 650 shall be issued an operator license or have any interest in an operator licensee.

651 D. No licensee that has been issued a host location license shall be issued a manufacturer license or
 652 distributor license or have any interest in a manufacturer licensee or distributor licensee.

653 E. A licensee that has been issued a manufacturer license may also be issued a distributor licensee or
 654 have an interest in a distributor licensee.

655 F. A licensee that has been issued a distributor license may also be issued a manufacturer license or have
 656 an interest in a manufacturer licensee.

657 G. Host location applicants with interest in multiple host locations shall submit a separate application for
 658 each individual host location premises.

659 **§ 58.1-4211. Prohibition against transferring licenses or interests.**

660 No licensee shall transfer its license or assign responsibility for compliance with the conditions of its
 661 license to any party, including a transfer of effective control of the licensee. No distributor licensee shall
 662 transfer any electronic gaming device or any interest in a use agreement.

663 **§ 58.1-4212. Suspension and revocation of licenses; civil penalties; hearing and appeal.**

664 A. If the Director determines that any provision of this chapter or any regulation or condition of the
 665 Board has not been complied with or has been violated by a licensee, he may, with at least 15 days' notice
 666 and a hearing, (i) assess a civil penalty against the licensee under a framework established by the Board and
 667 (ii) suspend or revoke the license holder's license. If any license is suspended or revoked, the Director shall
 668 state his reasons for doing so, which shall be entered of record. Any civil penalties collected pursuant to this
 669 section shall be paid into the state treasury and credited to the Literary Fund.

670 B. Any person aggrieved by a refusal of the Director to issue any license, the suspension or revocation of
 671 a license, the imposition of a fine, or any other action of the Director may seek review of such action in
 672 accordance with Board regulations and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the

673 *Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025*
 674 *et seq.) of the Administrative Process Act.*

675 *C. Suspension or revocation of a license by the Director for any violation shall not preclude criminal*
 676 *liability for such violation.*

677 **§ 58.1-4213. Minimum requirements for use agreements among two or more categories of licensees;**
 678 **division of revenue.**

679 *A. The Board shall promulgate regulations determining the minimum requirements and terms for use*
 680 *agreements among licensees, including timelines for submitting use agreements to the Department.*

681 *B. A copy of the use agreement shall be maintained in the business office of both the operator and the host*
 682 *location and shall be available at all times for inspection by the Director. An operator shall file a copy of any*
 683 *such use agreement with the Director within 30 days after the execution of such agreement.*

684 *C. No person shall receive any portion of gross profits generated from electronic gaming devices located*
 685 *at a host location's premises except for the distributor, operator, and host location that are parties to the use*
 686 *agreement, except as approved by the Director in compliance with applicable rules and regulations adopted*
 687 *by the Board.*

688 *Article 3.*

689 *Authorization of Electronic Gaming Devices.*

690 **§ 58.1-4214. Approval of electronic gaming devices by the Director; minimum requirements.**

691 *A. No electronic gaming device shall be offered for play by the public in the Commonwealth unless such*
 692 *electronic gaming device has first been approved by the Director. The Director shall not approve more than*
 693 *30,000 electronic gaming devices in the aggregate, as measured by electronic gaming devices approved for*
 694 *host location licensees for operation at any one time in the Commonwealth, and such approvals shall be*
 695 *determined by the Board.*

696 *B. Before selling or otherwise providing an electronic gaming device to a distributor, a manufacturer*
 697 *shall provide a prototype or production sample of such electronic gaming device to an independent testing*
 698 *laboratory that has been approved by the Director, which shall evaluate and certify whether such electronic*
 699 *gaming device meets the definition of electronic gaming device under § 58.1-4200, the requirements of §*
 700 *58.1-4215, and any other requirements established in Board regulations.*

701 *A prototype or production sample of each type, version, or model of electronic gaming device being*
 702 *operated in the Commonwealth shall be tested by an independent testing laboratory approved by the Director*
 703 *to ensure its integrity, level of skill required, and proper working order. This evaluation shall include a*
 704 *review of installed software periodically within a timeframe established by the Director.*

705 *The independent testing laboratory's software may be embedded within the game software, utilize an*
 706 *interface port to communicate with the device, or require the removal of device media for external*
 707 *verification.*

708 *C. Along with the prototype or production sample of the electronic gaming device, the manufacturer shall*
 709 *provide the following information concerning the electronic gaming device to the independent testing*
 710 *laboratory:*

711 *1. The available wagering denominations;*

712 *2. The minimum wager amount;*

713 *3. The maximum wager amount per play, which shall not exceed \$5;*

714 *4. The method of calculating winning payouts, including skill level achieved; and*

715 *5. Payout calculations set forth in sufficient detail to audit a payout through manual calculation.*

716 *D. The report of the independent testing laboratory shall be submitted by the manufacturer to the*
 717 *Director. The Director shall use the report in evaluating whether the electronic gaming device shall be*
 718 *approved under this chapter.*

719 *E. If at any time a manufacturer makes a substantive change to game play for any electronic gaming*
 720 *device that has previously been approved by the Director, such manufacturer shall resubmit the electronic*
 721 *gaming device to the Director in a manner prescribed by Board regulation.*

722 *F. The manufacturer licensee shall pay the cost of the independent testing laboratory's review and testing,*
 723 *and the reports of the same shall be delivered to the licensee and the Director.*

724 **§ 58.1-4215. Minimum requirements of electronic gaming devices.**

725 *In addition to meeting the definition of electronic gaming device established in § 58.1-4200, electronic*
 726 *gaming devices shall:*

727 *1. Show the rules of play for each game in a way that adequately describes or displays such information*
 728 *so that a reasonable person could understand the game prior to placing a wager;*

729 *2. Accept only cash wagers or tickets generated from electronic gaming devices that may be redeemed for*
 730 *play at another electronic gaming device located on the same premises;*

731 *3. Prohibit the modification of the rules of play for a game once a game is initiated;*

732 *4. Prohibit the remote modification or manipulation of games, except as required or approved by the*
 733 *Director pursuant to the provisions of this chapter;*

734 *5. Pay out no more than \$4,000 in winnings for a single play of a game;*

735 6. Have an identification badge or sufficient integrity affixed to the exterior of the device by the
736 manufacturer that is not removable without leaving evidence of tampering;

737 7. Have a currency storage area that is secured by two locks before the currency can be removed and that
738 is only accessible by the operator licensee;

739 8. Make payments to successful players by issuing a voucher that can be redeemed for cash at the host
740 location's ticket redemption terminal;

741 9. Have the ability to allow for an independent integrity check by an independent testing laboratory
742 approved by the Director of all software that may affect the integrity of the game;

743 10. Be connected to the central accounting system established and operated by the Department under the
744 provisions of § 58.1-4216;

745 11. Have the ability to detect and display the device's complete play history and winnings for the previous
746 100 games;

747 12. Contain a non-resettable meter, which shall be located in a locked area of the device that is accessible
748 only by a key;

749 13. Have the capability of storing the meter information for a minimum of 180 days after a power loss to
750 the device; and

751 14. Conspicuously display the required registration label on the face of the device issued in accordance
752 with this chapter.

753 **§ 58.1-4216. Requirement for central accounting system.**

754 A. Each electronic gaming device and ticket redemption terminal being operated in the Commonwealth
755 shall be connected to a central accounting system established and operated by the Department.

756 The central accounting system shall collect the following information from each device: (i) cash in; (ii)
757 payouts; (iii) points, credits, or amounts played; (iv) points, credits, or amounts won; (v) gross profit; (vi) the
758 number of plays of the game; and (vii) the amounts paid to play the game.

759 The central accounting system shall not provide for the monitoring or reading of personal or financial
760 information concerning players of electronic gaming devices.

761 B. Within 90 days after the end of each fiscal year, the category of licensee responsible for the remittance
762 of the gaming tax as determined by the Board, shall submit to the Director a third-party, independent audit of
763 the financial transactions and condition of such licensee's total operations. All audits required by this
764 subsection shall conform to Board regulations.

765 **§ 58.1-4217. Conspicuous labeling of all electronic gaming devices.**

766 The distributor of each electronic gaming device shall cause to be adhered to each electronic gaming
767 device a label as prescribed by the Director prior to the placement of such electronic gaming device in a host
768 location. The Department shall provide the required labels. All labels shall be adhered on the face of all
769 electronic gaming devices in a conspicuous and visible location to the Department, law-enforcement agents
770 and officers, and players of the game. Any electronic gaming device offered for play without the requisite
771 label adhered to the electronic gaming device shall be, in addition to any other penalty provided by law, in
772 violation of this chapter.

773 **Article 4.**

774 **Taxation.**

775 **§ 58.1-4218. Gaming tax on gross profits.**

776 A. 1. Distributors shall remit a monthly tax of \$1,200 to the Department for each electronic gaming device
777 that such distributor provided for play in the Commonwealth during the previous month. No more than a
778 total of 30,000 electronic gaming devices may be distributed for play in the Commonwealth at any time.

779 2. The gaming tax imposed pursuant to this section shall not apply to any activity regulated under Article
780 2 (§ 58.1-4030 et seq.) of Chapter 40 or Chapter 41 (§ 58.1-4100 et seq.).

781 3. The gaming taxes collected shall accrue to the Virginia Gaming Commerce Regulation Fund and be
782 allocated in accordance with § 59.1-607.

783 B. The gaming tax collected pursuant to this section shall be collected by the Department at a frequency
784 established by Board regulations and shall be accompanied by forms and returns prescribed by the Board.
785 The Director may suspend or revoke a license for willful failure to submit any such payments or associated
786 returns within the specified time.

787 **§ 58.1-4219. Elementary and Secondary Education Fund.**

788 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Elementary
789 and Secondary Education Fund, referred to in this section as the "Fund." The Fund shall be established on
790 the books of the Comptroller and interest earned on moneys in the Fund shall remain in the Fund and be
791 credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year
792 shall not revert to the general fund but shall remain in the Fund. The Fund shall consist of (i) any gross
793 receipts tax distributed pursuant to subdivision B 2 of § 59.1-607; (ii) any other moneys appropriated to it by
794 the General Assembly; and (iii) such other sums as may be made available to it from any other source, public
795 or private, all of which shall be credited to the Fund.

796 Amounts appropriated from the Fund to the Commonwealth's counties, cities, and towns, and the school

797 *divisions thereof, shall be expended for the purposes of public elementary and secondary education.*

798 *Any county, city, or town that accepts a distribution from the Fund shall provide its portion of the cost of*
 799 *maintaining an educational program meeting the standards of quality prescribed pursuant to Article VIII,*
 800 *Section 2 of the Constitution of Virginia without the use of distributions from the Fund.*

801 *B. For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, all*
 802 *deposits to and appropriations from the Fund shall be accounted for and considered to be a part of the*
 803 *general fund of the state treasury.*

804 *Article 5.*

805 *Prohibited Acts; Penalties, Etc.*

806 **§ 58.1-4220. *Illegal manufacture, distribution, or hosting; penalty.***

807 *A. In addition to any other penalties provided for by law, no person shall:*

808 *1. Manufacture, sell, or lease to any person electronic gaming devices or major components or parts,*
 809 *including software and hardware, for electronic gaming devices without a manufacturer license issued by the*
 810 *Director.*

811 *2. Distribute, sell, or lease to any person electronic gaming devices or major components or parts,*
 812 *including software or hardware, for electronic gaming devices, or purchase, own, operate, possess, or place*
 813 *in the Commonwealth electronic gaming devices, or maintain and service such devices without a distributor*
 814 *license issued by the Director.*

815 *3. Operate an establishment where one or more electronic gaming devices are made available for play by*
 816 *the public without a host location license issued by the Director.*

817 *4. Solicit, offer, or enter into any contract or agreement for the placement of an electronic gaming device*
 818 *until the distributor, operator, host location, and procurement agent, if applicable, are all issued a license by*
 819 *the Director pursuant to this chapter.*

820 *B. A violation of this section is a Class 6 felony.*

821 **§ 58.1-4221. *Underage play prohibited; penalty.***

822 *A. In addition to any other penalties provided for by law, no person younger than 21 years of age shall be*
 823 *eligible to operate an electronic gaming device regulated pursuant to this chapter. Host location licensees*
 824 *shall check a valid government issued photo identification, such as a driver's license, passport, or other*
 825 *identification card, for the purpose of verifying the age of any person who seeks to operate an electronic*
 826 *gaming device. A distributor licensee shall adhere to the front of all electronic gaming devices a notice in*
 827 *16-point Times New Roman bold font that states the following: "No person shall play any electronic gaming*
 828 *device unless such person is 21 years of age or older."*

829 *B. In addition to any other penalties provided for by law, no person shall redeem any evidence of*
 830 *winnings from any person who is not 21 years of age or older.*

831 *C. A violation of this section is a Class 1 misdemeanor.*

832 **§ 58.1-4222. *Prohibited acts by host location licensees; penalty.***

833 *A. In addition to any other penalties provided for by law, no host location licensee or its employees or*
 834 *agents shall:*

835 *1. Knowingly permit any person who is not 21 years of age or older to play any electronic gaming device;*

836 *2. Give any reward for the play of an electronic gaming device that is not authorized by this chapter;*

837 *3. Give any reward for the play of an electronic gaming device that is redeemable at a location other than*
 838 *the host location's ticket redemption terminal;*

839 *4. Accept any inducement from a distributor licensee; or*

840 *5. Extend credit to any person for the purpose of playing any electronic gaming device.*

841 *B. A violation of this section is a Class 1 misdemeanor.*

842 *C. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the*
 843 *warrant, indictment, or information that such person has been before convicted of two or more offenses*
 844 *under this section and such prior convictions occurred before the date of the offense alleged in the warrant,*
 845 *indictment, or information, is guilty of a Class 6 felony.*

846 *D. Any person who is convicted of a felony offense under this section shall have his electronic gaming*
 847 *device license suspended for a period of two years. Any person who is convicted of a second felony offense*
 848 *under this section shall have his electronic gaming device license suspended for a period of 10 years, and any*
 849 *person who is convicted of a third or subsequent felony offense shall have his electronic gaming device*
 850 *license permanently suspended. The court shall order the suspension of such license upon conviction.*

851 **§ 58.1-4223. *Illegal tampering with electronic gaming devices; penalty.***

852 *In addition to any other penalties provided for by law, no person other than an operator licensee shall*
 853 *possess or use any key or device designed for the purpose of opening, entering, or affecting the operation of*
 854 *an electronic gaming device or otherwise tamper with an electronic gaming device. A violation of this section*
 855 *is a Class 6 felony.*

856 **§ 58.1-4224. *Conspiracies and attempts to commit violations; penalty.***

857 *A. In addition to any other penalties provided for by law, any person who conspires, confederates, or*

858 combines with another, either within or outside of the Commonwealth, to commit a felony prohibited by this
859 chapter is guilty of a Class 6 felony.

860 *B. In addition to any other penalties provided for by law, any person who attempts to commit any act*
861 *prohibited by this chapter is guilty of a criminal offense and shall be punished as provided in § 18.2-26,*
862 *18.2-27, or 18.2-28, as appropriate.*

863 **§ 58.1-4225. Exclusion from the applicability of this chapter.**

864 *This chapter shall not apply to sports betting authorized under Article 2 (§ 58.1-4030 et seq.) of Chapter*
865 *40 or casino gaming authorized under Chapter 41 (§ 58.1-4100 et seq.).*

866 **§ 58.1-4226. Certain provisions in Article 1 (§ 58.1-4000 et seq.) of Chapter 40 to apply mutatis**
867 **mutandis.**

868 *Except as provided in this chapter, the provisions of subdivision A 54 of § 2.2-3711, § 11-16.1,*
869 *subdivision A 15 of § 19.2-389, and Article 1 (§ 58.1-4000 et seq.) of Chapter 40 shall apply mutatis*
870 *mutandis to electronic gaming devices under this chapter. The Board shall promulgate regulations to*
871 *interpret and clarify the applicability of Article 1 to this chapter.*

872 **CHAPTER 58.**

873 **VIRGINIA GAMING COMMERCE REGULATION.**

874 **§ 59.1-607. Virginia Gaming Commerce Regulation Fund; distribution of gross profits and gaming tax**
875 **revenue.**

876 *A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia*
877 *Gaming Commerce Regulation Fund, referred to in this section as the "Fund." The Fund shall be established*
878 *on the books of the Comptroller. All moneys required to be deposited into the Fund pursuant to this chapter*
879 *shall be paid into the state treasury and credited to the Fund and interest earned on moneys in the Fund shall*
880 *remain in the Fund and be credited to it.*

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

882 *1. Two and a half percent to the Problem Gambling Treatment and Support Fund established pursuant to*
883 *§ 37.2-314.2;*

884 *2. Seventy percent to the Elementary and Secondary Education Fund established pursuant to § 58.1-4219*
885 *for the purpose of elementary and secondary public education in the Commonwealth;*

886 *3. Fifteen percent to the Department of Taxation for distribution to the locality in which the host location*
887 *operates provided that such locality agrees to appropriate at least 33 percent of such distribution to the*
888 *locality's local law-enforcement agencies;*

889 *4. Two and a half percent to the Department of State Police to be used by the Office of the Gaming*
890 *Enforcement Coordinator established pursuant to § 52-54;*

891 *5. Five percent to the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601; and*

892 *6. Five percent to the Gaming Regulatory Fund established pursuant to § 58.1-4048 to cover the costs of*
893 *administration and oversight of electronic gaming devices, including the central accounting system, in*
894 *accordance with the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.*

895 *C. Allocation of funds pursuant to this section shall occur no later than 60 days after such funds are*
896 *collected and only after the Department has verified the accuracy of the collected balances.*

897 *D. For purposes of this section, "Department" means the independent agency responsible for the*
898 *administration of the Virginia Lottery pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40 of Title 58.1*
899 *and the regulation of sports betting pursuant to Article 2 (§ 58.1-4030 et seq.) of Chapter 40 of Title 58.1,*
900 *casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and electronic gaming devices*
901 *pursuant to Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.*

902 **2. That, notwithstanding the provisions of the first enactment of this act to the contrary and until the**
903 **Virginia Lottery Board (the Board) adopts the permanent regulations necessary to implement the**
904 **provisions of this act pursuant to the fifth enactment of this act, the provisions of the first enactment of**
905 **this act shall be administered by the Virginia Alcoholic Beverage Control Authority (the Authority).**
906 **During the Authority's administration of such provisions, the Authority shall be vested with all powers**
907 **and duties of the Board that are necessary for such administration of the provisions of the first, second,**
908 **third, and fourth enactments of this act, including the collection of fees and taxes as described in §§**
909 **58.1-4205 and 58.1-4218 of the Code of Virginia, as created by this act. No later than August 30, 2025,**
910 **each distributor of an electronic gaming device shall file a registration statement with the Authority on**
911 **such form as may be prescribed by the Authority. Such registration statement shall include all**
912 **electronic gaming devices that are available for play by such distributor and such information as may**
913 **be prescribed by the Authority. Such registration statement also shall include (i) the total number of**
914 **electronic gaming devices provided for play in the Commonwealth by such distributor; (ii) the address**
915 **of each location where the electronic gaming devices are provided for play in the Commonwealth by**
916 **such distributor; (iii) the total number of electronic gaming devices provided for play in the**
917 **Commonwealth by such distributor at each respective location; and (iv) the name, address, and contact**
918 **information of the individual responsible for full and total compliance with Chapter 42 (§ 58.1-4200 et**

919 seq.) of Title 58.1 of the Code of Virginia, as created by this act, and law and a statement that such
920 individual shall be responsible for any penalty assessed for violations of Chapter 42 (§ 58.1-4200 et
921 seq.) of Title 58.1 of the Code of Virginia, as created by this act, or law applicable to the distributor of
922 any electronic gaming devices. Such individual shall certify that the initial registration is a true and
923 accurate accounting of the information provided in the initial registration statement. Failure to file
924 such registration statement by August 30, 2025, shall result in the barring of any such electronic
925 gaming devices not registered. Any such electronic gaming device not included in such registration
926 statement that is operating or placed in the Commonwealth shall be considered an unregistered
927 electronic gaming device, as defined in § 18.2-325 of the Code of Virginia, as amended by this act, and
928 subject such penalties pursuant to § 18.2-331.2, 18.2-331.3, or 18.2-331.4 of the Code of Virginia, as
929 created by this act. Each distributor of an electronic gaming device shall post a surety bond naming the
930 Authority as beneficiary. The Authority may call the bond for any violation of Chapter 42 (§ 58.1-4200
931 et seq.) of Title 58.1 of the Code of Virginia, as created by this act, or law regulating electronic gaming
932 devices.

933 3. That by July 30, 2025, the Virginia Alcoholic Beverage Control Authority (the Authority) shall
934 create a registration label that is to be adhered to each individual electronic gaming device that is
935 properly registered with the Authority. The Authority shall make available such label to the
936 distributor of each and every electronic gaming device placed in a host location, as provided for in §§
937 58.1-4200 and 58.1-4208 of the Code of Virginia, as created by this act, by August 25, 2025, and no later
938 than September 1, 2025, the distributor of each and every electronic gaming device placed in a host
939 location shall cause such label to be adhered to each individual electronic gaming device that was
940 previously prescribed by the Authority. All labels shall be placed on the face of the electronic gaming
941 device in a clearly visible and conspicuous location for law enforcement and players. Any electronic
942 gaming device found to not have such label and not be properly registered with the Authority shall be
943 in violation of this act and subject to immediate seizure and forfeiture pursuant to § 18.2-331.2,
944 18.2-331.3, or 18.2-331.4 of the Code of Virginia, as created by this act.

945 4. That beginning October 1, 2025, and each month following until the Virginia Lottery Board (the
946 Board) adopts the regulations necessary to implement the provisions of this act, each distributor shall
947 provide a report to the Virginia Alcoholic Beverage Control Authority (the Authority), in such form as
948 required by the Authority, detailing (i) the total number of electronic gaming devices provided for play
949 in the Commonwealth by such distributor, (ii) the address of each location where the electronic gaming
950 devices are provided for play in the Commonwealth by such distributor, (iii) the total number of
951 electronic gaming devices provided for play in the Commonwealth by such distributor at each
952 respective location, (iv) the total amount wagered during the previous month on each electronic gaming
953 device provided for play in the Commonwealth by such distributor at each respective location where
954 the electronic gaming device was provided, and (v) the total amount of prizes or winnings awarded
955 during the previous month on each electronic gaming device provided for play in the Commonwealth
956 by such distributor at each respective location where the electronic gaming device was provided. The
957 Authority shall aggregate information collected pursuant to this enactment and report it to the
958 Governor, the Chairman of the Senate Committee on Finance and Appropriations, and the Chairmen
959 of the House Committees on Appropriations and Finance on a monthly basis. The October 1, 2025,
960 report from each distributor to the Authority shall also include the required reportable information
961 for the period of time from July 1, 2025, to September 30, 2025.

962 For purposes of the second, third, and fourth enactments, "distributor" means any person that (i)
963 manufactures and sells electronic gaming devices, including software and hardware, and distributes
964 such devices to a host location or (ii) purchases or leases electronic gaming devices from a
965 manufacturer and provides such devices to a host location, and who otherwise maintains such
966 electronic gaming devices and is otherwise responsible for on-site data collection and accounting.

967 5. That, by June 30, 2026, the Virginia Lottery Board (the Board) shall implement permanent
968 regulations necessary to implement the provisions of this act. The Board's initial adoption of such
969 regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of
970 Virginia), except that the Board shall provide an opportunity for public comment on the regulations
971 prior to adoption. The Board shall certify in writing to the Virginia Code Commission the date of final
972 adoption of such regulations. However, the Board may adopt emergency regulations necessary to
973 implement the provisions of this act by January 1, 2026. The Board's adoption of such emergency
974 regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of
975 Virginia), except that the Board shall provide an opportunity for public comment on the regulations
976 prior to adoption.

977 6. That the initial procurement by the Virginia Lottery of the central accounting system for electronic
978 gaming devices required by § 58.1-4216 of the Code of Virginia, as created by this act, shall be exempt
979 from the departmental procurement regulations promulgated by the Virginia Lottery Board pursuant

980 to § 58.1-4007 of the Code of Virginia. The Virginia Lottery may charge reasonable fees to recover any
981 actual costs incurred in such initial procurement to manufacturers, distributors, and operators, as such
982 terms are defined in § 58.1-4200 of the Code of Virginia, as created by this act, and any fees so charged
983 shall be in addition to any authorized by the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1
984 of the Code of Virginia, as created by this act.

985 7. That the Virginia Lottery (the Department) is authorized to begin accepting applications for
986 licensure in accordance with the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1 of the Code
987 of Virginia, as created by this act, on January 1, 2026. Licenses shall be issued no later than July 1,
988 2026. Notwithstanding the provisions of § 58.1-4205 of the Code of Virginia, as created by this act, the
989 Department may, for an amount of time to be determined by the Virginia Lottery Board, require an
990 applicant for licensure to pay all application fees at the time the applicant submits its application to the
991 Department. Any applicant who, during such period, submits an application and accompanying fee but
992 is not granted a license by the Department shall be reimbursed. The Director of the Virginia Lottery
993 shall, beginning August 30, 2025, provide quarterly status updates to the Chairmen of the Senate
994 Committee on Finance and Appropriations, House Committee on Appropriations, Senate Committee
995 on General Laws and Technology, and House Committee on General Laws and to the Governor on the
996 status and implementation of this act, including the procurement of the central accounting system for
997 electronic gaming devices required by § 58.1-4216 of the Code of Virginia, as created by this act.

998 8. That the provisions of this act may result in a net increase in periods of imprisonment or
999 commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary
1000 appropriation cannot be determined for periods of imprisonment in state adult correctional facilities;
1001 therefore, Chapter 2 of the Acts of Assembly of 2024, Special Session I, requires the Virginia Criminal
1002 Sentencing Commission to assign a minimum fiscal impact of \$50,000. Pursuant to § 30-19.1:4 of the
1003 Code of Virginia, the estimated amount of the necessary appropriation cannot be determined for
1004 periods of commitment to the custody of the Department of Juvenile Justice.