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VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

[S 1280]

Approved

**Be it enacted by the General Assembly of Virginia:**  
**1. That §§ 18.2-340.19, 58.1-4007.3, 58.1-4122.1, and 59.1-369 of the Code of Virginia are amended and reenacted as follows:**

- § 18.2-340.19. Regulations of the Department.**
  - A. The Department shall adopt regulations that:
    1. Require, as a condition of receiving a charitable gaming permit or authorization to conduct electronic gaming, that the applicant use a predetermined percentage of its receipts for those lawful religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized, including (i) those expenses relating to the acquisition, construction, maintenance, or repair of any interest in real property or (ii) expenses related to the rental of real property by an organization as described by subdivision 5, 6, or 7 of the definition of "social organization" in § 18.2-340.16 where such real property is involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes, as follows:
      - a. With respect to charitable gaming, other than electronic gaming, a predetermined percentage of its gross receipts.
      - b. With respect to electronic gaming, a predetermined percentage of its electronic gaming adjusted gross receipts.
    2. Specify the conditions under which a complete list of the organization's members who participate in the management, operation, or conduct of charitable gaming may be required in order for the Department to ascertain the percentage of Virginia residents in accordance with subdivision A 3 of § 18.2-340.24.
 

Membership lists furnished to the Department in accordance with this subdivision shall not be a matter of public record and shall be exempt from disclosure under the provisions of the Freedom of Information Act (§ 2.2-3700 et seq.).
    3. Prescribe fees for processing applications for charitable gaming permits and authorizing social organizations to conduct electronic gaming. Such fees may reflect the nature and extent of the charitable gaming activity proposed to be conducted.
    4. Establish requirements for the audit of all reports required in accordance with §§ 18.2-340.30 and 18.2-340.30:2.
    5. Define electronic and mechanical equipment used in the conduct of charitable gaming. Department regulations shall include capacity for such equipment to provide full automatic daubing as numbers are called. For the purposes of this subdivision, electronic or mechanical equipment for instant bingo, pull tabs, or seal cards shall include such equipment that displays facsimiles of instant bingo, pull tabs, or seal cards and are used solely for the purpose of dispensing or opening such paper or electronic cards, or both; but shall not include (i) devices operated by dropping one or more coins or tokens into a slot and pulling a handle or pushing a button or touchpoint on a touchscreen to activate one to three or more reels marked into horizontal segments by varying symbols, where the predetermined prize amount depends on how and how many of the symbols line up when the rotating reels come to rest, or (ii) other similar devices that display flashing lights or illuminations, or bells, whistles, or other sounds, solely intended to entice players to play. Such regulations shall not prohibit (a) devices that display spinning, rotating, or rolling reels or animations or flashing lights; (b) devices that accept vouchers; (c) the purchase and play of an electronic pull tab with a single press or touch of a button; or (d) the use of multiple video monitors or touchscreens on an electronic gaming device.
    6. Prescribe the conditions under which a qualified organization may (i) provide food and nonalcoholic beverages to its members who participate in the management, operation, or conduct of bingo; (ii) permit members who participate in the management, operation, or conduct of bingo to play bingo; and (iii) subject to the provisions of subdivision 12 of § 18.2-340.33, permit nonmembers to participate in the conduct of bingo so long as the nonmembers are under the direct supervision of a bona fide member of the organization during the bingo game.
    7. Prescribe the conditions under which a qualified organization may sell raffle tickets for a raffle drawing that will be held outside the Commonwealth pursuant to subsection B of § 18.2-340.26.
    8. Prescribe the conditions under which persons who are bona fide members of a qualified organization or a child, above the age of 13 years, of a bona fide member of such organization may participate in the conduct

57 or operation of bingo games.

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

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

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

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

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

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

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

85 **§ 58.1-4007.3. Posting of illegal gaming tip line; problem gambling helpline.**

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

91 **§ 58.1-4122.1. Posting of illegal gaming tip line; problem gambling helpline.**

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

97 **§ 59.1-369. Powers and duties of the Commission.**

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

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

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

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

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

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

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

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

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

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

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

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

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

181 necessary and desirable.

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

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

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

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

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

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

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