

26101978D

## 1 SENATE BILL NO. 129

2 Offered January 14, 2026

3 Prefiled January 6, 2026

4 A BILL to amend and reenact §§ 2.2-3705.3, as it is currently effective and as it shall become effective,  
5 37.2-314.2, 59.1-556 through 59.1-559, 59.1-561, 59.1-562, 59.1-563, 59.1-565, 59.1-566, and 59.1-567  
6 of the Code of Virginia, to amend the Code of Virginia by adding in Chapter 3 of Title 11 a section  
7 numbered 11-16.3 and by adding a section numbered 59.1-563.1, and to repeal § 59.1-564 of the Code of  
8 Virginia, relating to Fantasy Contests Act; regulation and taxation.  
9

10 Patron—Ebbin

11 Referred to Committee on General Laws and Technology

## 12 Be it enacted by the General Assembly of Virginia:

13 1. That §§ 2.2-3705.3, as it is currently effective and as it shall become effective, 37.2-314.2, 59.1-556  
14 through 59.1-559, 59.1-561, 59.1-562, 59.1-563, 59.1-565, 59.1-566, and 59.1-567 of the Code of Virginia  
15 are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 3 of Title  
16 11 a section numbered 11-16.3 and by adding a section numbered 59.1-563.1 as follows:17 § 2.2-3705.3. (Effective until July 1, 2026) Exclusions to application of chapter; records relating to  
18 administrative investigations.19 The following information contained in a public record is excluded from the mandatory disclosure  
20 provisions of this chapter but may be disclosed by the custodian in his discretion, except where such  
21 disclosure is prohibited by law. Redaction of information excluded under this section from a public record  
22 shall be conducted in accordance with § 2.2-3704.01.23 1. Information relating to investigations of applicants for licenses and permits, and of all licensees and  
24 permittees, made by or submitted to the Virginia Alcoholic Beverage Control Authority, the Virginia  
25 Cannabis Control Authority, the Virginia Lottery pursuant to Chapter 40 (§ 58.1-4000 et seq.) and Chapter 41  
26 (§ 58.1-4100 et seq.) of Title 58.1, the Virginia Racing Commission, the Department of Agriculture and  
27 Consumer Services ~~relating to investigations and applications~~ pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.)  
28 of Chapter 8 of Title 18.2 and the Fantasy Contests Act (§ 59.1-556 et seq.), or the Private Security Services  
29 Unit of the Department of Criminal Justice Services.30 2. Records of active investigations being conducted by the Virginia Cannabis Control Authority or by the  
31 Department of Health Professions or any health regulatory board in the Commonwealth pursuant to  
32 § 54.1-108.33 3. Investigator notes, and other correspondence and information, furnished in confidence with respect to  
34 an active investigation of individual employment discrimination complaints made to the Department of  
35 Human Resource Management, to such personnel of any local public body, including local school boards, as  
36 are responsible for conducting such investigations in confidence, or to any public institution of higher  
37 education. However, nothing in this subdivision shall prevent the disclosure of information taken from  
38 inactive reports in a form that does not reveal the identity of charging parties, persons supplying the  
39 information, or other individuals involved in the investigation.40 4. Records of active investigations being conducted by the Department of Medical Assistance Services  
41 pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.42 5. Investigative notes and other correspondence and information furnished in confidence with respect to  
43 an investigation or conciliation process involving an alleged unlawful discriminatory practice under the  
44 Virginia Human Rights Act (§ 2.2-3900 et seq.) or under any local ordinance adopted in accordance with the  
45 authority specified in § 2.2-524, or adopted pursuant to § 15.2-965, or adopted prior to July 1, 1987, in  
46 accordance with applicable law, relating to local human rights or human relations commissions. However,  
47 nothing in this subdivision shall prevent the distribution of information taken from inactive reports in a form  
48 that does not reveal the identity of the parties involved or other persons supplying information.49 6. Information relating to studies and investigations by the Virginia Lottery of (i) lottery agents, (ii) lottery  
50 vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the law or regulations that  
51 cause abuses in the administration and operation of the lottery and any evasions of such provisions, or (v) the  
52 use of the lottery as a subterfuge for organized crime and illegal gambling where such information has not  
53 been publicly released, published or copyrighted. All studies and investigations referred to under clauses (iii),  
54 (iv), and (v) shall be open to inspection and copying upon completion of the study or investigation.55 7. Investigative notes, correspondence and information furnished in confidence, and records otherwise  
56 exempted by this chapter or any Virginia statute, provided to or produced by or for (i) the Auditor of Public  
57 Accounts; (ii) the Joint Legislative Audit and Review Commission; (iii) an appropriate authority as defined in  
58

INTRODUCED

SB129

59     § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower  
60 Protection Act (§ 2.2-3009 et seq.); (iv) the Office of the State Inspector General with respect to an  
61 investigation initiated through the Fraud, Waste and Abuse Hotline or an investigation initiated pursuant to  
62 Chapter 3.2 (§ 2.2-307 et seq.); (v) internal auditors appointed by the head of a state agency or by any public  
63 institution of higher education; (vi) the committee or the auditor with respect to an investigation or audit  
64 conducted pursuant to § 15.2-825; (vii) the auditors, appointed by the local governing body of any county,  
65 city, or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an  
66 investigation of any officer, department, or program of such body; or (viii) the Behavioral Health  
67 Commission. Information contained in completed investigations shall be disclosed in a form that does not  
68 reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is  
69 excluded by this subdivision, the information disclosed shall include the agency involved, the identity of the  
70 person who is the subject of the complaint, the nature of the complaint, and the actions taken to resolve the  
71 complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject  
72 of the complaint may be released only with the consent of the subject person. Local governing bodies shall  
73 adopt guidelines to govern the disclosure required by this subdivision.

74     8. The names and personal contact information of complainants furnished in confidence with respect to an  
75 investigation of individual zoning enforcement complaints or complaints relating to the Uniform Statewide  
76 Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et seq.) made to a local  
77 governing body. As used in this subdivision, "personal contact information" includes the complainant's home  
78 or business (i) address, (ii) email address, or (iii) telephone number or comparable number assigned to any  
79 other electronic communication device.

80     9. Records of active investigations being conducted by the Department of Criminal Justice Services  
81 pursuant to Article 4 (§ 9.1-138 et seq.), Article 4.1 (§ 9.1-150.1 et seq.), Article 11 (§ 9.1-185 et seq.), and  
82 Article 12 (§ 9.1-186 et seq.) of Chapter 1 of Title 9.1.

83     10. Information furnished to or prepared by the Board of Education pursuant to subsection D of  
84 § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security, unauthorized  
85 alteration, or improper administration of tests by local school board employees responsible for the  
86 distribution or administration of the tests. However, this section shall not prohibit the disclosure of such  
87 information to (i) a local school board or division superintendent for the purpose of permitting such board or  
88 superintendent to consider or to take personnel action with regard to an employee or (ii) any requester, after  
89 the conclusion of a review or investigation, in a form that (a) does not reveal the identity of any person  
90 making a complaint or supplying information to the Board on a confidential basis and (b) does not  
91 compromise the security of any test mandated by the Board.

92     11. Information contained in (i) an application for licensure or renewal of a license for teachers and other  
93 school personnel, including transcripts or other documents submitted in support of an application, and (ii) an  
94 active investigation conducted by or for the Board of Education related to the denial, suspension,  
95 cancellation, revocation, or reinstatement of teacher and other school personnel licenses including  
96 investigator notes and other correspondence and information, furnished in confidence with respect to such  
97 investigation. However, this subdivision shall not prohibit the disclosure of such (a) application information  
98 to the applicant at his own expense or (b) investigation information to a local school board or division  
99 superintendent for the purpose of permitting such board or superintendent to consider or to take personnel  
100 action with regard to an employee. Information contained in completed investigations shall be disclosed in a  
101 form that does not reveal the identity of any complainant or person supplying information to investigators.  
102 The completed investigation information disclosed shall include information regarding the school or facility  
103 involved, the identity of the person who was the subject of the complaint, the nature of the complaint, and the  
104 actions taken to resolve the complaint. If an investigation fails to support a complaint or does not lead to  
105 corrective action, the identity of the person who was the subject of the complaint may be released only with  
106 the consent of the subject person. No personally identifiable information regarding a current or former  
107 student shall be released except as permitted by state or federal law.

108     12. Information provided in confidence and related to an investigation by the Attorney General under  
109 Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2, Article 10  
110 (§ 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2, or Article 1 (§ 58.1-1000)  
111 of Chapter 10 of Title 58.1. However, information related to an investigation that has been inactive for more  
112 than six months shall, upon request, be disclosed provided such disclosure is not otherwise prohibited by law  
113 and does not reveal the identity of charging parties, complainants, persons supplying information, witnesses,  
114 or other individuals involved in the investigation.

115     13. Records of active investigations being conducted by the Department of Behavioral Health and  
116 Developmental Services pursuant to Chapter 4 (§ 37.2-400 et seq.) of Title 37.2.

117     **§ 2.2-3705.3. (Effective July 1, 2026) Exclusions to application of chapter; records relating to  
118 administrative investigations.**

119     The following information contained in a public record is excluded from the mandatory disclosure  
120 provisions of this chapter but may be disclosed by the custodian in his discretion, except where such

121 disclosure is prohibited by law. Redaction of information excluded under this section from a public record  
 122 shall be conducted in accordance with § 2.2-3704.01.

123 1. Information relating to investigations of applicants for licenses and permits, and of all licensees and  
 124 permittees, made by or submitted to the Virginia Alcoholic Beverage Control Authority, the Virginia  
 125 Cannabis Control Authority, the Virginia Lottery pursuant to Chapter 40 (§ 58.1-4000 et seq.) and Chapter 41  
 126 (§ 58.1-4100 et seq.) of Title 58.1, the Virginia Racing Commission, the Department of Agriculture and  
 127 Consumer Services ~~relating to investigations and applications~~ pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.)  
 128 of Chapter 8 of Title 18.2 and the Fantasy Contests Act (§ 59.1-556 et seq.), or the Private Security Services  
 129 Unit of the Department of Criminal Justice Services.

130 2. Records of active investigations being conducted by the Virginia Cannabis Control Authority or by the  
 131 Department of Health Professions or any health regulatory board in the Commonwealth pursuant to  
 132 § 54.1-108.

133 3. Investigator notes, and other correspondence and information, furnished in confidence with respect to  
 134 an active investigation of individual employment discrimination complaints made to the Department of  
 135 Human Resource Management, to such personnel of any local public body, including local school boards, as  
 136 are responsible for conducting such investigations in confidence, or to any public institution of higher  
 137 education. However, nothing in this subdivision shall prevent the disclosure of information taken from  
 138 inactive reports in a form that does not reveal the identity of charging parties, persons supplying the  
 139 information, or other individuals involved in the investigation.

140 4. Records of active investigations being conducted by the Department of Medical Assistance Services  
 141 pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.

142 5. Investigative notes and other correspondence and information furnished in confidence with respect to  
 143 an investigation or conciliation process involving an alleged unlawful discriminatory practice under the  
 144 Virginia Human Rights Act (§ 2.2-3900 et seq.) or under any local ordinance adopted in accordance with the  
 145 authority specified in § 2.2-524, or adopted pursuant to § 15.2-965, or adopted prior to July 1, 1987, in  
 146 accordance with applicable law, relating to local human rights or human relations commissions. However,  
 147 nothing in this subdivision shall prevent the distribution of information taken from inactive reports in a form  
 148 that does not reveal the identity of the parties involved or other persons supplying information.

149 6. Information relating to studies and investigations by the Virginia Lottery of (i) lottery agents, (ii) lottery  
 150 vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the law or regulations that  
 151 cause abuses in the administration and operation of the lottery and any evasions of such provisions, or (v) the  
 152 use of the lottery as a subterfuge for organized crime and illegal gambling where such information has not  
 153 been publicly released, published or copyrighted. All studies and investigations referred to under clauses (iii),  
 154 (iv), and (v) shall be open to inspection and copying upon completion of the study or investigation.

155 7. Investigative notes, correspondence and information furnished in confidence, and records otherwise  
 156 exempted by this chapter or any Virginia statute, provided to or produced by or for (i) the Auditor of Public  
 157 Accounts; (ii) the Joint Legislative Audit and Review Commission; (iii) an appropriate authority as defined in  
 158 § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower  
 159 Protection Act (§ 2.2-3009 et seq.); (iv) the Office of the State Inspector General with respect to an  
 160 investigation initiated through the Fraud, Waste and Abuse Hotline or an investigation initiated pursuant to  
 161 Chapter 3.2 (§ 2.2-307 et seq.); (v) internal auditors appointed by the head of a state agency or by any public  
 162 institution of higher education; (vi) the committee or the auditor with respect to an investigation or audit  
 163 conducted pursuant to § 15.2-825; (vii) the auditors, appointed by the local governing body of any county,  
 164 city, or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an  
 165 investigation of any officer, department, or program of such body; or (viii) the Behavioral Health  
 166 Commission. Information contained in completed investigations shall be disclosed in a form that does not  
 167 reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is  
 168 excluded by this subdivision, the information disclosed shall include the agency involved, the identity of the  
 169 person who is the subject of the complaint, the nature of the complaint, and the actions taken to resolve the  
 170 complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject  
 171 of the complaint may be released only with the consent of the subject person. Local governing bodies shall  
 172 adopt guidelines to govern the disclosure required by this subdivision.

173 8. The names and personal contact information of complainants furnished in confidence with respect to an  
 174 investigation of individual zoning enforcement complaints or complaints relating to the Uniform Statewide  
 175 Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et seq.) made to a local  
 176 governing body. As used in this subdivision, "personal contact information" includes the complainant's home  
 177 or business (i) address, (ii) email address, or (iii) telephone number or comparable number assigned to any  
 178 other electronic communication device.

179 9. Records of active investigations being conducted by the Department of Criminal Justice Services  
 180 pursuant to Article 4 (§ 9.1-138 et seq.), Article 4.1 (§ 9.1-150.1 et seq.), Article 11 (§ 9.1-185 et seq.), and  
 181 Article 12 (§ 9.1-186 et seq.) of Chapter 1 of Title 9.1.

182 10. Information furnished to or prepared by the Board of Education pursuant to subsection F of

183 § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security, unauthorized  
184 alteration, or improper administration of tests by local school board employees responsible for the  
185 distribution or administration of the tests. However, this section shall not prohibit the disclosure of such  
186 information to (i) a local school board or division superintendent for the purpose of permitting such board or  
187 superintendent to consider or to take personnel action with regard to an employee or (ii) any requester, after  
188 the conclusion of a review or investigation, in a form that (a) does not reveal the identity of any person  
189 making a complaint or supplying information to the Board on a confidential basis and (b) does not  
190 compromise the security of any test mandated by the Board.

191 11. Information contained in (i) an application for licensure or renewal of a license for teachers and other  
192 school personnel, including transcripts or other documents submitted in support of an application, and (ii) an  
193 active investigation conducted by or for the Board of Education related to the denial, suspension,  
194 cancellation, revocation, or reinstatement of teacher and other school personnel licenses including  
195 investigator notes and other correspondence and information, furnished in confidence with respect to such  
196 investigation. However, this subdivision shall not prohibit the disclosure of such (a) application information  
197 to the applicant at his own expense or (b) investigation information to a local school board or division  
198 superintendent for the purpose of permitting such board or superintendent to consider or to take personnel  
199 action with regard to an employee. Information contained in completed investigations shall be disclosed in a  
200 form that does not reveal the identity of any complainant or person supplying information to investigators.  
201 The completed investigation information disclosed shall include information regarding the school or facility  
202 involved, the identity of the person who was the subject of the complaint, the nature of the complaint, and the  
203 actions taken to resolve the complaint. If an investigation fails to support a complaint or does not lead to  
204 corrective action, the identity of the person who was the subject of the complaint may be released only with  
205 the consent of the subject person. No personally identifiable information regarding a current or former  
206 student shall be released except as permitted by state or federal law.

207 12. Information provided in confidence and related to an investigation by the Attorney General under  
208 Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2, Article 10  
209 (§ 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2, or Article 1 (§ 58.1-1000)  
210 of Chapter 10 of Title 58.1. However, information related to an investigation that has been inactive for more  
211 than six months shall, upon request, be disclosed provided such disclosure is not otherwise prohibited by law  
212 and does not reveal the identity of charging parties, complainants, persons supplying information, witnesses,  
213 or other individuals involved in the investigation.

214 13. Records of active investigations being conducted by the Department of Behavioral Health and  
215 Developmental Services pursuant to Chapter 4 (§ 37.2-400 et seq.) of Title 37.2.

216 **§ 11-16.3. Exemption; authorized fantasy contests.**

217 *This chapter shall not apply to any fantasy contests or related activity that is lawful under the Fantasy  
218 Contests Act (§ 59.1-556 et seq.).*

219 **§ 37.2-314.2. Problem Gambling Treatment and Support Fund.**

220 A. As used in this section:

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

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

228 B. There is hereby created in the state treasury a special nonreverting fund to be known as the Problem  
229 Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be  
230 established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of  
231 § 58.1-4038 and moneys required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.)  
232 of Title 58.1, subsection H of § 59.1-557, and § 59.1-563.1 shall be paid into the state treasury and credited to  
233 the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys  
234 remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general  
235 fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing  
236 counseling and other support services for compulsive and problem gamblers, (ii) developing and  
237 implementing compulsive and problem gambling treatment and prevention programs, and (iii) providing  
238 grants to support organizations that provide assistance to compulsive and problem gamblers. Expenditures  
239 and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller  
240 upon written request signed by the Commissioner.

241 **§ 59.1-556. Definitions.**

242 As used in this chapter, unless the context requires otherwise:

243 "Confidential information" means information related to the play of a fantasy contest by fantasy contest  
244 players obtained as a result of or by virtue of a person's employment.

245 "Department" means the Department of Agriculture and Consumer Services.

246 "Entry fee" means cash or cash equivalent that is required to be paid by a fantasy contest ~~participant~~  
247 ~~player~~ to a fantasy contest operator in order to ~~participate~~ compete in a fantasy contest.

248 "Fantasy contest" includes any online fantasy or simulated game or contest with an entry fee in which (i)  
249 *two or more fantasy contest players compete against each other;* (ii) the value of all prizes and awards  
250 offered to winning ~~participants~~ players is established and made known to the ~~participants~~ players in advance  
251 of the contest; (iii) all winning outcomes reflect the relative knowledge and skill of the ~~participants~~  
252 players and shall be determined by accumulated statistical results of the performance of individuals,  
253 including athletes in the case of sports events; and (iv) no winning outcome is based on the score, point  
254 spread, or any performance of any single actual team or combination of teams or solely on any single  
255 performance of an individual athlete or player in any single actual event; and (v) no player competes against  
256 the fantasy contest operator.

257 "Fantasy contest operator" or "operator" means a person or entity ~~that offers fantasy contests for a cash~~  
258 ~~prize to members of the public to which the Department issues a fantasy contest permit pursuant to~~  
259 § 59.1-558.

260 "Fantasy contest permit" means a permit to operate fantasy contests issued pursuant to the provisions of  
261 this chapter.

262 "Fantasy contest player" or "player" means a person who ~~participates~~ competes in a fantasy contest  
263 offered by a fantasy contest operator. "Fantasy contest player" does not include a fantasy contest operator.

264 "Fantasy contest revenue" means the amount equal to the total of all entry fees that a fantasy contest  
265 operator collects from all fantasy contest players, less the total of all sums paid out to all fantasy contest  
266 players, multiplied by the location percentage.

267 "Location percentage" means the percentage of the amount equal to the total of all entry fees, rounded to  
268 the nearest tenth of a percent, collected by a fantasy contest operator from fantasy contest players located in  
269 the Commonwealth, divided by the amount equal to the total of all entry fees collected by a fantasy contest  
270 operator from all fantasy contest players in fantasy contests.

271 "Principal stockholder" means any person who individually or in concert with his spouse and immediate  
272 family members beneficially owns or controls, directly or indirectly, 15 percent or more of the equity  
273 ownership of a fantasy contest operator or who in concert with his spouse and immediate family members has  
274 the power to vote or cause the vote of 15 percent or more of the equity ownership of any such operator.

275 **§ 59.1-557. Application for a fantasy contest permit; penalty.**

276 A. No fantasy contest operator shall offer any fantasy contest in the Commonwealth without first ~~being~~  
277 ~~registered with receiving a permit issued by the Department. Applications for registration a permit~~ shall be on  
278 forms prescribed by the Department. Any ~~registration~~ permit issued by the Department shall be valid for ~~one~~  
279 ~~year three years~~ from the date of issuance.

280 B. The application for ~~registration~~ a permit submitted by a fantasy contest operator shall contain the  
281 following information:

282 1. The name and principal address of the applicant; if a corporation, the state of its incorporation, the full  
283 name and address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to  
284 do business in the Commonwealth; if a partnership or joint venture, the name and address of each officer  
285 thereof;

286 2. The address of any offices of the applicant in the Commonwealth and its designated agent for process  
287 within the Commonwealth. If no such agent is designated, the applicant shall be deemed to have designated  
288 the Commissioner of the Department. If the operator does not maintain an office, the name and address of the  
289 person having custody of its financial records;

290 3. The place where and the date when the applicant was legally established and the form of its  
291 organization;

292 4. The names and addresses of the officers, directors, trustees, and principal salaried executive staff  
293 officer;

294 5. The name and address of each principal stockholder or member of such corporation; and

295 6. *The applicant's experience in operating fantasy contests in any other state or country, including the*  
296 *operator's history and reputation of integrity, financial viability, and compliance with applicable laws and*  
297 *regulations;*

298 7. *The applicant's proposed internal controls, including controls to ensure that no prohibited or*  
299 *voluntarily excluded person will be able to compete in fantasy contests;*

300 8. *The applicant's history of working to prevent problem gambling, including instituting applicable*  
301 *training programs for its employees; and*

302 9. Such information as the Department deems necessary to ensure compliance with the provisions of this  
303 chapter.

304 C. Every ~~registration~~ filed under permit issued pursuant to this chapter shall be accompanied by a  
305 nonrefundable, initial application fee set by the Department of \$50,000.

306 D. As a condition of ~~registration~~ being issued a permit, a fantasy contest operator shall submit evidence

307 satisfactory to the Department that the operator has established and will implement procedures for fantasy  
308 contests that:

309 1. Prevent him or his employees and relatives living in the same household as the operator from  
310 competing in any ~~public~~ fantasy contest offered by such operator in which the operator offers a cash prize;

311 2. Prevent the sharing of confidential information that could affect fantasy contest play with third parties  
312 until ~~the such~~ information is made publicly available;

313 3. Verify that any fantasy contest player is 21 years of age or older;

314 4. Ensure that players who are the subject of a fantasy contest are restricted from entering a fantasy  
315 contest that is determined, in whole or part, on the accumulated statistical results of a team of individuals in  
316 which such players are ~~participants~~ *fantasy contest players*;

317 5. Allow individuals to restrict themselves from entering a fantasy contest upon request and take  
318 reasonable steps to prevent those individuals from entering the operator's fantasy contests;

319 6. Disclose the number of entries a single fantasy contest player may submit to each fantasy contest and  
320 take reasonable steps to prevent such players from submitting more than the allowable number; and

321 7. Segregate player funds from operational funds in separate accounts and maintain a reserve in the form  
322 of cash, cash equivalents, irrevocable letter of credit, bond, or a combination thereof in an amount sufficient  
323 to pay all prizes and awards offered to winning ~~participants~~ *players*.

324 E. If ~~the registration forms~~ *permit application forms* are filed online using a website approved by the  
325 Commissioner of the Department, the operator shall follow the procedures on ~~that~~ *such* website for signing  
326 the ~~forms~~ *application forms*.

327 F. Any operator that allows its ~~registration~~ *permit* to lapse, without requesting an extension of time to file,  
328 shall be required to resubmit an initial ~~registration~~ *permit application*. An extension may be granted by the  
329 Department upon receipt of a written request.

330 G. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or  
331 knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in any permit  
332 application submitted pursuant to this chapter is guilty of a Class 1 misdemeanor.

333 H. In addition to the application fee required pursuant to subsection C, any operator to which the  
334 Department issues a permit shall pay a nonrefundable fee of \$50,000 to the Department prior to the issuance  
335 of such permit. Such fees shall be deposited by the Department into the Problem Gambling Treatment and  
336 Support Fund established pursuant to § 37.2-314.2.

337 **§ 59.1-558. Issuance of permit; denial of same.**

338 A. The Department shall consider all applications for ~~registration~~ *a permit* and shall issue a valid  
339 ~~registration~~ *permit* to an applicant that meets the criteria set forth in this chapter.

340 B. The Department shall deny ~~registration~~ *a permit* to any applicant unless it finds that:

341 1. If the corporation is a stock corporation, such stock is fully paid and nonassessable and has been  
342 subscribed and paid for only in cash or property to the exclusion of past services and, if the corporation is a  
343 nonstock corporation, that there are at least five members;

344 2. All principal stockholders or members have submitted to the jurisdiction of the ~~Virginia~~ courts of the  
345 Commonwealth for the purposes of this chapter, and all nonresident principal stockholders or members have  
346 designated the Commissioner of the Department as their agent for receipt of process;

347 3. The applicant's articles of incorporation provide that the corporation may, on vote of a majority of the  
348 stockholders or members, purchase at fair market value the entire membership interest of any stockholder or  
349 require the resignation of any member who is or becomes unqualified for such position under subsection C;  
350 and

351 4. The applicant meets the criteria established by the Department for the granting of ~~registration~~ *a permit*.

352 C. The Department may deny ~~registration~~ *a permit* to an applicant if it finds that the applicant, or any  
353 officer, partner, principal stockholder, or director of the applicant:

354 1. Has knowingly made a false statement of material fact or has deliberately failed to disclose any  
355 information requested;

356 2. Is or has been found guilty of any illegal, corrupt, or fraudulent act, practice, or conduct in connection  
357 with any fantasy contest in ~~this~~ *the Commonwealth* or any other state or has been convicted of a felony, a  
358 crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust within the 10 years  
359 prior to the date of application for ~~registration~~ *a permit*;

360 3. Has at any time knowingly failed to comply with the provisions of this chapter or of any requirements  
361 of the Department;

362 4. Has had a registration or permit to hold or conduct fantasy contests denied for just cause, suspended, or  
363 revoked in any other state or country;

364 5. Has legally defaulted in the payment of any obligation or debt due to the Commonwealth; or

365 6. Is not qualified to do business in the Commonwealth or is not subject to the jurisdiction of the courts of  
366 the Commonwealth.

367 D. Any operator applying for ~~registration~~ *a permit* or renewal of a ~~registration~~ *permit* may operate during  
368 the application period unless the Department has reasonable cause to believe that such operator is or may be

369 in violation of the provisions of this chapter and the Department requires such operator to suspend the  
 370 operation of any fantasy contest until ~~registration a permit~~ or renewal of ~~registration a permit~~ is issued.

371 E. The Department shall issue such ~~registration permit~~ within 60 days of receipt of the application for  
 372 ~~registration a permit~~. If the ~~registration a permit~~ is not issued, the Department shall provide the operator with  
 373 the *a specific justification for not issuing such registration with specificity permit*.

374 F. *At least 60 days before the expiration of a permit, an operator shall submit a renewal application, on  
 375 forms prescribed by the Department, accompanied by a nonrefundable fee of \$25,000. The Department shall  
 376 make a determination on an application for a renewal of a fantasy contest permit within 30 days of receipt.  
 377 Any fees collected pursuant to this subsection shall be payable to the State Treasurer. All such fees received  
 378 by the State Treasurer shall be remitted to the Department for the administration of this chapter.*

379 **§ 59.1-559. Independent audit required; submission to Department.**

380 A ~~registered~~ An operator that has been issued a permit shall (i) contract with a certified public  
 381 accountant to conduct an independent audit, consistent with the standards accepted by the Board of  
 382 Accountancy; (ii) annually contract with a testing laboratory recognized by the Department to verify  
 383 compliance with the provisions of subsection D of § 59.1-557; and (iii) submit to the Department a copy of  
 384 the (a) audit report and (b) report of the testing laboratory as such reports required by clause clauses (i) and  
 385 (ii).

386 **§ 59.1-561. Suspension or revocation of a permit.**

387 A. ~~After a hearing with 15 days' notice~~, If the Department determines that a fantasy contest operator has  
 388 violated any of the provisions of this chapter, the Department may, with at least 15 days' notice and a  
 389 hearing, (i) suspend or revoke any ~~registration~~ the operator's permit or (ii) impose on such operator a  
 390 monetary penalty of not more than \$1,000 per day for each violation of this chapter, not to exceed \$50,000, in  
 391 any case where a violation of this chapter has been shown by a preponderance of the evidence. The  
 392 Department may revoke a ~~registration permit~~ if it finds that facts not known by it at the time it considered the  
 393 permit application indicate that such ~~registration permit~~ should not have been issued.

394 B. The Department may summarily suspend any ~~registration permit~~ for a period of not more than seven  
 395 days pending a hearing and final determination by the Department if the Department determines that a  
 396 violation of this chapter has occurred and emergency action is required to protect the public health, safety,  
 397 and welfare. The Department shall (i) schedule a hearing within seven business days after the ~~registration~~  
 398 permit is summarily suspended and (ii) notify the ~~registered~~ operator not less than five business days before  
 399 the hearing of the date, time, and place of the hearing.

400 C. If any such ~~registration permit~~ is suspended or revoked, the Department shall state its reasons for doing  
 401 so, which shall be entered of record. Such action shall be final unless appealed in accordance with  
 402 § 59.1-562. Suspension or revocation of a ~~registration permit~~ issued by the Department for any violation shall  
 403 not preclude civil liability for such violation.

404 **§ 59.1-562. Hearing and appeal.**

405 Any person aggrieved by a denial of the Department to issue a ~~registration permit~~, the suspension or  
 406 revocation of a ~~registration permit~~, the imposition of a fine, or any other action of the Department may seek  
 407 review of such action in accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act in  
 408 the Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5  
 409 (§ 2.2-4025 et seq.) of the Administrative Process Act.

410 **§ 59.1-563. Fees and charges.**

411 All Except as provided in subsection H of § 59.1-557 and § 59.1-568, all fees, charges, and monetary  
 412 penalties collected by the Department as provided in this chapter shall be paid into a special fund of the state  
 413 treasury. Such funds shall be used to finance the administration and operation of this chapter.

414 **§ 59.1-563.1. Taxation on fantasy contest revenue; allocation of tax revenue.**

415 A. There shall be imposed a tax of 10 percent on an operator's fantasy contest revenue.

416 B. The tax imposed pursuant to this section is due monthly to the Department, and the fantasy contest  
 417 operator shall remit it on or before the twentieth day of the next succeeding calendar month. If the operator's  
 418 accounting necessitates corrections to a previously remitted tax, the operator shall document such  
 419 corrections when it remits the following month's taxes.

420 C. The Department shall allocate the tax revenue as follows:

421 1. Five percent to the Problem Gambling Treatment and Support Fund established pursuant to  
 422 § 37.2-314.2; and

423 2. Ninety-five percent to the general fund.

424 **§ 59.1-565. Public inspection of information filed with Department; charges for production.**

425 A. Except as provided in subsection B, ~~registrations required to be filed under~~ permits issued pursuant to  
 426 this chapter shall be open to the public for inspection at such time and under such conditions as the  
 427 Department may prescribe. A charge not exceeding \$1 per page may be made for any copy of such  
 428 documents as may be furnished to any person by the Department.

429 B. Reports, data, or documents submitted to the Department pursuant to the audit requirements of  
 430 § 59.1-559 and records submitted to the Department as part of an application for ~~registration a permit~~ or

431 renewal of a permit that contain information about the character or financial responsibility of the operator or  
432 its principal stockholders shall be deemed confidential and shall be exempt from disclosure under the  
433 Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

434 **§ 59.1-566. Permit not endorsement.**

435 No registered fantasy contest operator shall use or exploit the fact of registration under being issued a  
436 permit pursuant to this chapter so as to lead the public to believe that such registration permit in any manner  
437 constitutes an endorsement or approval by the Commonwealth.

438 **§ 59.1-567. Acquisition of interest in fantasy contest operator.**

439 A. If any person acquires actual control of a registered fantasy contest operator that has been issued a  
440 permit pursuant to the provisions of this chapter, such person shall register submit an application for a permit  
441 with the Department in accordance with § 59.1-557.

442 B. Where any such acquisition of control is without prior approval of the Department, the Department  
443 may suspend any registration permit it has issued to such operator, order compliance with this section, or take  
444 such other action as may be appropriate within the authority of the Department.

445 **2. That any fantasy contest operator offering fantasy contests pursuant to a valid registration issued by  
446 the Department of Agriculture and Consumer Services (the Department) to fantasy contest players in the  
447 Commonwealth prior to the effective date of this act may continue to offer fantasy contests in the  
448 Commonwealth until the fantasy contest operator's permit application submitted pursuant to  
449 § 59.1-557 of the Code of Virginia, as amended by this act, has been approved or denied by the  
450 Department pursuant to § 59.1-558 of the Code of Virginia, as amended by this act, so long as the  
451 fantasy contest operator submits such permit application to the Department within 90 days following  
452 the effective date of this act.**

453 **3. That § 59.1-564 of the Code of Virginia is repealed.**