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HOUSE BILL NO. 791

Offered January 14, 2026

Prefiled January 13, 2026

A BILL to amend and reenact §§ 18.2-340.16, 18.2-340.19, 18.2-340.23, and 18.2-340.33 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 18.2-340.28:3, relating to charitable gaming; conduct of athletic event drawings.

Patron—Austin

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-340.16, 18.2-340.19, 18.2-340.23, and 18.2-340.33 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 18.2-340.28:3 as follows:

§ 18.2-340.16. Definitions.

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

"Athletic event drawing" means a 50/50 drawing that is conducted in accordance with § 18.2-340.28:3 and Department regulations by any organization described in subdivision 17 of the definition of "organization."

"Athletic team" means a sports team or motor vehicle racing facility that is (i) a member of Major League Baseball, the National Hockey League, the National Basketball Association, the National Football League, or Major League Soccer; (ii) a professional sports team affiliated with a team under clause (i); (iii) any other professional sports team that has a sports facility or an agreement with a sports facility to conduct home games at such facility; (iv) a stadium, grandstand, bleacher, or contiguous parking lot at a closed-course motor vehicle racing facility where spectators directly observe motor vehicle races with NASCAR, Indy, stock, or drag racing cars; or (v) a collegiate team that competes on behalf of an institution of higher education.

"Bingo" means a specific game of chance played with (i) individual cards having randomly numbered squares ranging from one to 75, (ii) Department-approved electronic devices that display facsimiles of bingo cards and are used for the purpose of marking and monitoring players' cards as numbers are called, or (iii) Department-approved cards, in which prizes are awarded on the basis of designated numbers on such cards conforming to a predetermined pattern of numbers selected at random.

"Bona fide member" means an individual who participates in activities of a qualified organization other than such organization's charitable gaming activities.

"Charitable gaming" or "charitable games" means those athletic event drawings, raffles, Texas Hold'em poker tournaments, and games of chance explicitly authorized by this article. Unless otherwise specified, "charitable gaming" includes electronic gaming authorized by this article.

"Charitable gaming permit" or "permit" means a permit issued by the Department to an organization that authorizes such organization to conduct charitable gaming, and if such organization is qualified as a social organization, electronic gaming.

"Charitable gaming supplies" includes bingo cards or sheets, devices for selecting bingo numbers, instant bingo cards, pull-tab cards and seal cards, playing cards for Texas Hold'em poker, poker chips, and any other equipment or product manufactured for or intended to be used in the conduct of charitable games. However, for the purposes of this article, charitable gaming supplies shall not include items incidental to the conduct of charitable gaming such as markers, wands, or tape.

"Charitable organization" means an organization that is exempt from income tax pursuant to § 115 or 501(c)(3) of the Internal Revenue Code and that has been in existence and fulfilling its charitable purposes, as defined in § 18.2-340.28:3, for at least three years prior to an athletic event drawing. "Charitable organization" does not include any political subdivision.

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

"Conduct" means the actions associated with the provision of a gaming operation during and immediately before or after the permitted activity, which may include (i) selling bingo cards or packs, electronic devices, instant bingo or pull-tab cards, or raffle tickets, (ii) calling bingo games, (iii) distributing prizes, and (iv) any other services provided by volunteer workers.

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

"Electronic gaming" or "electronic games" means any instant bingo, pull tabs, or seal card gaming that is conducted primarily by use of an electronic device. "Electronic gaming" does not include (i) the game of chance identified in clause (ii) of the definition of "bingo" or (ii) network bingo.

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59 "Electronic gaming adjusted gross receipts" means the gross receipts derived from electronic gaming less
60 the total amount in prize money paid out to players.

61 "Electronic gaming manufacturer" means a manufacturer of electronic devices used to conduct electronic
62 gaming.

63 "Fair market rental value" means the rent that a rental property will bring when offered for lease by a
64 lessor who desires to lease the property but is not obligated to do so and leased by a lessee under no necessity
65 of leasing.

66 "Gaming expenses" means prizes, supplies, costs of publicizing gaming activities, audit and
67 administration or permit fees, and a portion of the rent, utilities, accounting and legal fees, and such other
68 reasonable and proper expenses as are directly incurred for the conduct of charitable gaming.

69 "Gross receipts" means the total amount of money generated by an organization from charitable gaming
70 before the deduction of expenses, including prizes.

71 "Instant bingo," "pull tabs," or "seal cards" means specific games of chance played by the random
72 selection of one or more individually prepacked cards with winners being determined by the preprinted or
73 predetermined appearance of concealed letters, numbers, or symbols that must be exposed by the player to
74 determine wins and losses and may include the use of a seal card that conceals one or more numbers or
75 symbols that have been designated in advance as prize winners. Such cards may be dispensed by mechanical
76 equipment.

77 "Jackpot" means a bingo game that the organization has designated on its game program as a jackpot
78 game in which the prize amount is greater than \$100.

79 "Landlord" means any person or his agent, firm, association, organization, partnership, or corporation,
80 employee, or immediate family member thereof, which owns and leases, or leases any premises devoted in
81 whole or in part to the conduct of bingo games or other charitable gaming pursuant to this article, and any
82 person residing in the same household as a landlord.

83 "Management" means the provision of oversight of a gaming operation, which may include the
84 responsibilities of applying for and maintaining a permit or authorization, compiling, submitting, and
85 maintaining required records and financial reports, and ensuring that all aspects of the operation are in
86 compliance with all applicable statutes and regulations.

87 "Network bingo" means a specific bingo game in which pari-mutuel play is permitted.

88 "Network bingo provider" means a person licensed by the Department to operate network bingo.

89 "Operation" means the activities associated with production of a charitable gaming or electronic gaming
90 activity, which may include (i) the direct on-site supervision of the conduct of charitable gaming and
91 electronic gaming; (ii) coordination of volunteers; and (iii) all responsibilities of charitable gaming and
92 electronic gaming designated by the organization's management.

93 "Organization" means any one of the following:

94 1. A volunteer fire department or volunteer emergency medical services agency or auxiliary unit thereof
95 that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political
96 subdivision where the volunteer fire department or volunteer emergency medical services agency is located as
97 being a part of the safety program of such political subdivision;

98 2. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code,
99 is operated, and has always been operated, exclusively for educational purposes, and awards scholarships to
100 accredited public institutions of higher education or other postsecondary schools licensed or certified by the
101 Board of Education or the State Council of Higher Education for Virginia;

102 3. An athletic association or booster club or a band booster club established solely to raise funds for
103 school-sponsored athletic or band activities for a public school or private school accredited pursuant to
104 § 22.1-19 or to provide scholarships to students attending such school;

105 4. An association of war veterans or auxiliary units thereof organized in the United States;

106 5. A fraternal association or corporation operating under the lodge system;

107 6. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code
108 and is operated, and has always been operated, exclusively to provide services and other resources to older
109 Virginians, as defined in § 51.5-116;

110 7. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code
111 and is operated, and has always been operated, exclusively to foster youth amateur sports;

112 8. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code
113 and is operated, and has always been operated, exclusively to provide health care services or conduct medical
114 research;

115 9. An accredited public institution of higher education or other postsecondary school licensed or certified
116 by the Board of Education or the State Council of Higher Education for Virginia that is exempt from income
117 tax pursuant to § 501(c)(3) of the Internal Revenue Code;

118 10. A church or religious organization that is exempt from income tax pursuant to § 501(c)(3) of the
119 Internal Revenue Code;

120 11. An organization that is exempt from income tax pursuant to § 501(c)(3) or 501(c)(4) of the Internal

Revenue Code and is operated, and has always been operated, exclusively to (i) create and foster a spirit of understanding among the people of the world; (ii) promote the principles of good government and citizenship; (iii) take an active interest in the civic, cultural, social, and moral welfare of the community; (iv) provide a forum for the open discussion of matters of public interest; (v) encourage individuals to serve the community without personal financial reward; and (vi) encourage efficiency and promote high ethical standards in commerce, industries, professions, public works, and private endeavors;

12. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code and is operated, and has always been operated, exclusively to (i) raise awareness of law-enforcement officers who died in the line of duty; (ii) raise funds for the National Law Enforcement Officers Memorial and Museum; and (iii) raise funds for the charitable causes of other organizations that are exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code;

13. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code and is operated, and has always been operated, exclusively to (i) promote the conservation of the environment, caves, or other natural resources; (ii) promote or develop opportunities for the use of science and technology to advance the conservation of the environment, caves, or other natural resources; and (iii) raise funds for the conservation of the environment, caves, or other natural resources or provide grant opportunities to other nonprofit organizations that are devoted to such conservation efforts;

14. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code that manages a museum that is operated, and has always been operated, exclusively for the purposes of musical heritage and the legacy of the "1927 Bristol Sessions";

15. An organization (i) established on or before December 31, 1963, as a result of its members being prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of 1926, which required the racial segregation of all public events in the Commonwealth; (ii) that is exempt from income tax pursuant to § 501(c)(7) of the Internal Revenue Code; and (iii) that is operated, and has always been operated, for community awareness and action through educational, economic, and cultural service activities;

16. An organization established on or before December 31, 1977, that is exempt from income tax pursuant to § 501(c)(7) of the Internal Revenue Code and is incorporated, in part, to raise funds for donation to organizations whose missions include promoting early detection of and public education about and supporting research and treatment options for heart disease and various cancers;

17. *An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code and is established by or affiliated with an athletic team for the purpose of raising funds for a charitable organization;*

18. A local chamber of commerce; or

~~18.~~ 19. Any other nonprofit organization that is exempt from income tax pursuant to § 501(c) of the Internal Revenue Code and that raises funds by conducting raffles, bingo, instant bingo, pull tabs, or seal cards that generate annual gross receipts of \$40,000 or less, provided that such gross receipts, less expenses and prizes, are used exclusively for charitable, educational, religious, or community purposes. Notwithstanding § 18.2-340.26:1, proceeds from instant bingo, pull tabs, and seal cards shall be included when calculating an organization's annual gross receipts for the purposes of this subdivision.

"Pari-mutuel play" means an integrated network operated by a licensee of the Department comprised of participating ~~charitable~~ organizations for the conduct of network bingo games in which the purchase of a network bingo card by a player automatically includes the player in a pool with all other players in the network, and where the prize to the winning player is awarded based on a percentage of the total amount of network bingo cards sold in a particular network.

"Qualified organization" means any organization to which a valid permit has been issued by the Department to conduct charitable gaming or any organization that is exempt pursuant to § 18.2-340.23.

"Raffle" means a lottery in which the prize is won by (i) a random drawing of the name or prearranged number of one or more persons purchasing chances or (ii) a random contest in which the winning name or preassigned number of one or more persons purchasing chances is determined by a race involving inanimate objects floating on a body of water, commonly referred to as a "duck race."

"Reasonable and proper business expenses" means business expenses actually incurred by a qualified organization in the conduct of charitable gaming and not otherwise allowed under this article or under Department regulations on real estate and personal property tax payments, travel expenses, payments of utilities and trash collection services, legal and accounting fees, costs of business furniture, fixtures and office equipment and costs of acquisition, maintenance, repair, or construction of an organization's real property. For the purpose of this definition, (i) salaries and wages of employees whose primary responsibility is to provide services for the principal benefit of an organization's members or (ii) expenses for social or recreational activities for the principal benefit of a social organization's members may qualify as a business expense, if so determined by the Department. However, payments made pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund shall be deemed a reasonable and proper business expense.

183 "Social organization" means any qualified organization that provides certification to the Department that
184 it is:

185 1. An accredited public institution of higher education or other postsecondary school licensed or certified
186 by the Board of Education or the State Council of Higher Education for Virginia qualified under § 501(c)(3)
187 of the Internal Revenue Code;

188 2. An organization established on or before November 10, 1922, that is qualified under § 501(c)(4) of the
189 Internal Revenue Code, is the only federally chartered Marine Corps-related veterans organization in the
190 country, and is operated for the purpose of promoting the interest and preserving the traditions of the United
191 States Marine Corps;

192 3. An organization established on or before December 31, 1963, as a result of its members being
193 prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of
194 1926, which required the racial segregation of all public events in the Commonwealth, that is qualified under
195 § 501(c)(7) of the Internal Revenue Code;

196 4. An organization established on or before December 31, 1977, that is qualified under § 501(c)(7) of the
197 Internal Revenue Code and is incorporated, in part, to raise funds for donation to organizations whose
198 missions include promoting early detection of and public education about and supporting research and
199 treatment options for heart disease and various cancers;

200 5. A fraternal beneficiary society, order, or association qualified under § 501(c)(8) of the Internal Revenue
201 Code;

202 6. A domestic fraternal society, order, or association qualified under § 501(c)(10) of the Internal Revenue
203 Code; or

204 7. A post or organization of past or present members of the Armed Forces of the United States, or an
205 auxiliary unit or society of, or a trust or foundation for, any such post or organization qualified under §
206 501(c)(19) of the Internal Revenue Code.

207 "Social quarters" means, in addition to any specifications prescribed by the Department, an area at a social
208 organization's primary location that (i) such organization designates to be used predominantly by its members
209 for social and recreational activities, (ii) is accessible exclusively to members of the social organization and
210 their guests, and (iii) is not advertised or open to the general public. It shall not disqualify the area from being
211 considered social quarters if guests occasionally accompany members into the area, so long as such guests do
212 not spend their own funds to participate in charitable gaming or electronic gaming activities conducted in the
213 area. In determining if an area is social quarters for purposes of § 18.2-340.26:3, the Department may rely on
214 publications of the Internal Revenue Service regarding the allowable participation of guests in an
215 organization's social and recreational activities for purposes of § 501 of the Internal Revenue Code.

216 "Supplier" means any person who offers to sell, sells, or otherwise provides charitable gaming supplies to
217 any qualified organization.

218 "Texas Hold'em poker game" means a variation of poker in which (i) players receive two cards facedown
219 that may be used individually, (ii) five cards shown face up are shared among all players in the game, (iii)
220 players combine any number of their individual cards with the shared cards to make the highest five-card
221 hand to win the value wagered during the game, and (iv) the ranking of hands and the rules of the game are
222 governed by the official rules of the Poker Tournament Directors Association.

223 "Texas Hold'em poker tournament" or "tournament" means an organized competition of players (i) who
224 pay a fixed fee for entry into the competition and for a certain amount of poker chips for use in the
225 competition; (ii) who may be allowed to pay an additional fee, during set preannounced times of the
226 competition, to receive additional poker chips for use in the competition; (iii) who may be seated at one or
227 more tables simultaneously playing Texas Hold'em poker games; (iv) who upon running out of poker chips
228 are eliminated from the competition; and (v) a pre-set number of whom are awarded prizes of value according
229 to how long such players remain in the competition.

230 **§ 18.2-340.19. Regulations of the Department.**

231 A. The Department shall adopt regulations that:

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

240 a. With respect to charitable gaming, other than electronic gaming *and athletic event drawings*, a
241 predetermined percentage of its gross receipts.

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

244 c. *With respect to athletic event drawings, a predetermined percentage of its adjusted gross receipts,*

which is gross receipts minus prizes.

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

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

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

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

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

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

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

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

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

10. Require all qualified organizations that are subject to Department regulations to post in a conspicuous place in every place where charitable gaming is conducted a sign that bears a toll-free telephone number for the National Problem Gambling Helpline.

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

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

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

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

15. *Prescribe, in accordance with the provisions of § 18.2-340.28:3, the requirements and fees for permitting of affiliated nonprofit organizations, requirements for the conduct of athletic event drawings, including utilizing a mechanical or electronic device, and the requirements related to recordkeeping by and audits of affiliated nonprofit organizations.*

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

§ 18.2-340.23. Organizations exempt from certain fees and reports.

A. No organization that reasonably expects, on the basis of prior charitable gaming annual results or any other quantifiable method, to realize gross receipts of \$40,000 or less in any 12-month period from raffles conducted in accordance with the provisions of this article shall be required to (i) notify the Department of its intention to conduct raffles or (ii) comply with Department regulations governing raffles.

B. Any organization that reasonably expects, on the basis of prior charitable gaming annual results or any other quantifiable method, to realize gross receipts of \$40,000 or less from all charitable gaming other than raffles on a total of no more than seven days per calendar year shall be required to register with the Department pursuant to the provisions of § 18.2-340.24:1.

C. If any organization's actual gross receipts from raffles for the 12-month period exceed \$40,000 as described in subsection A or actual gross receipts from all charitable gaming other than raffles conducted on a total of no more than seven days per calendar year exceed \$40,000 as described in subsection B, the Department shall require the organization to obtain a permit pursuant to the provisions of § 18.2-340.25 and file by a specified date the report required by § 18.2-340.30.

D. Any (i) organization described in subdivision 18 19 of the definition of "organization" in § 18.2-340.16 or (ii) volunteer fire department or volunteer emergency medical services agency or auxiliary unit thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political subdivision where the volunteer fire department or volunteer emergency medical services agency is located as being part of the safety program of such political subdivision shall be exempt from the payment of application fees required by § 18.2-340.25 and the payment of audit fees required by § 18.2-340.31. Any such organization, department, agency, or unit that conducts electronic gaming shall be subject to such application fees and audit fees for its electronic gaming activities; however, in accordance with the provisions of § 18.2-340.31, any audit fees may be paid by either the organization or the electronic gaming manufacturer whose electronic gaming devices are present on the premises of the organization, department, agency, or unit. Nothing in this subsection shall be construed as exempting any organizations described in subdivision 18 19 of the definition of "organization" in § 18.2-340.16, volunteer fire departments, or volunteer emergency medical services agencies from any other provisions of this article or other Department regulations.

E. Nothing in this section shall prevent the Department from conducting any investigation or audit it deems appropriate to ensure an organization's compliance with the provisions of this article and, to the extent applicable, Department regulations.

§ 18.2-340.28:3. Conduct of athletic event drawings; use of funds; unclaimed prizes; recordkeeping.

A. As used in this section, unless the context requires otherwise:

"Affiliated nonprofit organization" means any organization described in subdivision 17 of the definition of "organization" in § 18.2-340.16.

"Institution of higher education" means any nonprofit private institution of higher education and any public institution of higher education as those terms are defined in § 23.1-100.

"Public interest purpose" means one or more of the following:

1. Activities and operations of a nonprofit organization that provide a benevolent, charitable, religious, educational, philanthropic, humane, scientific, patriotic, social welfare, social advocacy, public health, public safety, emergency response, environmental, historic, or civic objective;

2. Activities that initiate, perform, or foster worthy public works or enable or further the erection or maintenance of public structures;

3. Activities that lessen the burdens borne by government or voluntarily support, augment, or supplement the services that government would normally render to people;

4. Activities that improve, expand, maintain, or repair real property owned or leased by a nonprofit organization and related operational expenses used for purposes specified in subdivisions 1, 2, or 3;

5. Nonprofit youth sports activities;

6. Activities relating to the provision of volunteer fire services, emergency medical services, or emergency medical services vehicles; or

7. Activities conducted by any association of war veterans or auxiliary units thereof organized in the United States, including (i) scholarships, (ii) services to economically or socially support veterans, (iii) activities to honor veterans, or (iv) other activities that qualify under subdivisions 1 through 6.

"Public interest purpose" does not include the erection or acquisition of real property, unless such property will be used exclusively for one or more of the purposes specified in this definition.

"Team event" means a practice, scrimmage, or exhibition or similar event at the home stadium or training camp facility of an athletic team.

B. A person may purchase one or more athletic event drawing tickets at a home game or team event. Each ticket purchased shall represent one entry in the drawing for a winner. A single ticket shall be randomly

chosen as the winner after a certain number of tickets are sold or a specified time period expires as designated by the affiliated nonprofit organization. Athletic event drawing tickets may be purchased using cash, credit card, or debit card.

C. An affiliated nonprofit organization conducting an athletic event drawing shall disclose to each ticket purchaser the designated charitable organization for which the athletic event drawing is being conducted. No affiliated nonprofit organization may conduct more than one athletic event drawing per home game or team event or simultaneously conduct any other raffle during any such home game or team event. No such affiliated nonprofit organization may sell tickets for an athletic event drawing in any seating area designated as a family section or to any individual under 18 years of age. No person under 18 years of age may manage, operate, conduct, sell, or purchase a ticket for an athletic event drawing. An affiliated nonprofit organization may conduct an athletic event drawing utilizing a mechanical or electronic device in accordance with Department regulations.

D. An athletic event drawing may be conducted by an affiliated nonprofit organization during a charitable event held within the same arena, stadium, grandstand, bleachers, or other facility during a home game, team event, or motor vehicle race of the athletic team. Drawings may only be held within spectator areas within the arena, stadium, grandstand, or bleachers where the home game, team event, or motor vehicle race is being conducted. No athletic event drawing shall be held at any ancillary areas or facilities, including parking areas, restaurants and bars, or areas outside the arena, stadium, grandstand, or bleachers or areas where the sport is being shown on remote electronic equipment.

E. The prize amount of an athletic event drawing shall be 50 percent of the total amount collected from the sale of athletic event drawing tickets. The predetermined percentage, as prescribed by subdivision A 1 of § 18.2-340.19, shall be donated to one or more designated charitable organizations for which the drawing was conducted within seven days from the date of such drawing.

F. Except as provided in subsection E, an affiliated nonprofit organization may utilize nonprize money collected for administrative expenses directly related to the conduct of the athletic event drawing in accordance with this section.

G. An institution of higher education that is exempt from income tax pursuant to § 115 or 501(c)(3) of the Internal Revenue Code and that has been in existence for at least three years prior to the drawing may conduct an athletic event drawing and receive the proceeds therefrom as the designated charitable organization at any home game or athletic event of any of its own collegiate athletic teams, provided that such proceeds are used exclusively for public interest purposes or for any of the purposes permitted under subsection F.

H. Any prize from an athletic event drawing that remains unclaimed by a winner at the end of the athletic team's season shall be donated within 30 days from the end of the regular season or postseason, whichever is later, by the affiliated nonprofit organization to the designated charitable organization for which the athletic event drawing was conducted.

§ 18.2-340.33. Prohibited practices.

In addition to those other practices prohibited by this article, the following acts or practices are prohibited:

1. No part of the gross receipts or electronic gaming adjusted gross receipts derived by a qualified organization may be used for any purpose other than (i) gaming expenses; (ii) reasonable and proper business expenses; and (iii) those lawful religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized.

2. Except as provided in § 18.2-340.34:1, no qualified organization shall enter into a contract with or otherwise employ for compensation any person for the purpose of organizing, managing, or conducting any charitable games. However, organizations composed of or for deaf or blind persons may use a part of their gross receipts for costs associated with providing clerical assistance in the management and operation but not the conduct of charitable gaming.

The provisions of this subdivision shall not prohibit the joint operation of bingo games held in accordance with § 18.2-340.29.

3. No person shall pay or receive for use of any premises wholly devoted to the conduct of any charitable games, any consideration in excess of the current fair market rental value of such property. Fair market rental value consideration shall not be based upon or determined by reference to a percentage of the proceeds derived from the operation of any charitable games or to the number of people in attendance at such charitable games.

4. No person shall participate in the management or operation of any charitable game unless such person is and, for a period of at least 30 days immediately preceding such participation, has been a bona fide member of the organization. For any organization that is not composed of members, a person who is not a bona fide member may volunteer in the conduct of a charitable game as long as that person is directly supervised by a bona fide official member of the organization.

The provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a qualified organization, provided such employees' participation is limited to the management, operation, or

conduct of no more than one raffle per year; (iii) the spouse or family member of any such bona fide member of a qualified organization provided at least one bona fide member is present; or (iv) persons employed by a qualified organization authorized to sell pull tabs or seal cards in accordance with § 18.2-340.16, provided (a) such sales are conducted by no more than two on-duty employees and (b) such employees receive no compensation for or based on the sale of the pull tabs or seal cards.

5. No person shall receive any remuneration for participating in the management, operation, or conduct of any charitable game, except that:

a. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration not to exceed \$30 per event for providing clerical assistance in the management and operation but not the conduct of charitable games only for such organizations;

b. Persons under the age of 19 who sell raffle tickets for a qualified organization to raise funds for youth activities in which they participate may receive nonmonetary incentive awards or prizes from the organization;

c. Remuneration may be paid to off-duty law-enforcement officers from the jurisdiction in which such bingo games are played for providing uniformed security for such bingo games even if such officer is a member of the sponsoring organization, provided the remuneration paid to such member is in accordance with off-duty law-enforcement personnel work policies approved by the local law-enforcement official and further provided that such member is not otherwise engaged in the management, operation, or conduct of the bingo games of that organization, or to private security services businesses licensed pursuant to § 9.1-139 providing uniformed security for such bingo games, provided that employees of such businesses shall not otherwise be involved in the management, operation, or conduct of the bingo games of that organization;

d. A member of a qualified organization lawfully participating in the management, operation, or conduct of a bingo game may be provided food and nonalcoholic beverages by such organization for on-premises consumption during the bingo game provided the food and beverages are provided in accordance with Department regulations;

e. Remuneration may be paid to bingo managers or callers who have a current registration certificate issued by the Department in accordance with § 18.2-340.34:1, or who are exempt from such registration requirement. Except as provided for in subdivision f and subsection E of § 18.2-340.34:1, such remuneration shall not exceed \$200 per session;

f. For services provided on any day designated as a legal holiday pursuant to § 2.2-3300, remuneration shall be paid at a rate not less than one and one-half times the remuneration rate paid pursuant to subdivision e to bingo managers or callers who have a current registration certificate issued by the Department in accordance with § 18.2-340.34:1, or who are exempt from such registration requirement; ~~and~~

g. Volunteers of a qualified organization may be reimbursed for their reasonable and necessary travel expenses, not to exceed \$50 per session; *and*

h. An affiliated nonprofit organization that conducts athletic event drawings in accordance with § 18.2-340.28:3 may utilize nonprize money collected to employ or provide remuneration to individuals 18 years of age or older to sell athletic event drawing tickets, or otherwise be involved in the conduct of the athletic event drawing; however, such expenditure may not exceed two percent of the total gross receipts generated from the sale of such athletic event drawing tickets.

6. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct, management, or operation of any bingo games; (ii) sell, lease, or otherwise provide for consideration any bingo supplies, including bingo cards, instant bingo cards, or other game pieces; or (iii) require as a condition of the lease or by contract that a particular manufacturer, distributor, or supplier of bingo supplies or equipment be used by the organization.

The provisions of this subdivision shall not apply to any qualified organization conducting bingo games on its own behalf at premises owned by it.

7. No qualified organization shall enter into any contract with or otherwise employ or compensate any member of the organization on account of the sale of bingo supplies or equipment.

8. No organization shall award any bingo prize money or any merchandise valued in excess of the following amounts:

a. No bingo door prize shall exceed \$250 for a single door prize or \$500 in cumulative door prizes in any one session;

b. No regular bingo or special bingo game prize shall exceed \$100. However, up to 10 games per bingo session may feature a regular bingo or special bingo game prize of up to \$200;

c. No instant bingo, pull tab, or seal card prize for a single card shall exceed \$2,000;

d. Except as provided in this subdivision 8, no bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one session exceed \$1,000. Proceeds from the sale of bingo cards and the sheets used for bingo jackpot games shall be accounted for separately from the bingo cards or sheets used for any other bingo games; and

e. No single network bingo prize shall exceed \$25,000. Proceeds from the sale of network bingo cards shall be accounted for separately from bingo cards and sheets used for any other bingo game.

493 9. The provisions of subdivision 8 shall not apply to any progressive bingo game in which (i) a regular or
494 special prize, not to exceed \$100, is awarded on the basis of predetermined numbers or patterns selected at
495 random and (ii) a progressive prize, not to exceed \$500 for the initial progressive prize and \$5,000 for the
496 maximum progressive prize, is awarded if the predetermined numbers or patterns are covered when a certain
497 number of numbers is called, provided that (a) there are no more than six such games per session per
498 organization, (b) the amount of increase of the progressive prize per session is no more than \$200, (c) the
499 bingo cards or sheets used in such games are sold separately from the bingo cards or sheets used for any other
500 bingo games, (d) the organization separately accounts for the proceeds from such sale, and (e) such games are
501 otherwise operated in accordance with the Department's rules of play.

502 10. No organization shall award any raffle or *athletic event drawing* prize valued at more than \$100,000.

503 The provisions of this subdivision shall not apply to a raffle conducted no more than three times per
504 calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501(c) of the
505 Internal Revenue Code for a prize consisting of a lot improved by a residential dwelling where 100 percent of
506 the moneys received from such a raffle, less deductions for the fair market value for the cost of acquisition of
507 the land and materials, are donated to lawful religious, charitable, community, or educational organizations
508 specifically chartered or organized under the laws of the Commonwealth and qualified as a § 501(c) tax-
509 exempt organization. No more than one such raffle shall be conducted in any one geographical region of the
510 Commonwealth.

511 11. No qualified organization composed of or for deaf or blind persons that employs a person not a
512 member to provide clerical assistance in the management and operation but not the conduct of any charitable
513 games shall conduct such games unless it has in force fidelity insurance, as defined in § 38.2-120, written by
514 an insurer licensed to do business in the Commonwealth.

515 12. No person shall participate in the management or operation of any charitable game if he has ever been
516 convicted of any felony or if he has been convicted of any misdemeanor involving fraud, theft, or financial
517 crimes within the preceding five years. No person shall participate in the conduct of any charitable game if,
518 within the preceding 10 years, he has been convicted of any felony or if, within the preceding five years he
519 has been convicted of any misdemeanor involving fraud, theft, or financial crimes. In addition, no person
520 shall participate in the management, operation, or conduct of any charitable game if that person, within the
521 preceding five years, has participated in the management, operation, or conduct of any charitable game that
522 was found by the Department or a court of competent jurisdiction to have been operated in violation of state
523 law, local ordinance, or Department regulation.

524 13. Qualified organizations jointly conducting bingo games pursuant to § 18.2-340.29 shall not
525 circumvent any restrictions and prohibitions that would otherwise apply if a single organization were
526 conducting such games. These restrictions and prohibitions shall include the frequency with which bingo
527 games may be held, the value of merchandise or money awarded as prizes, or any other practice prohibited
528 under this section.

529 14. A qualified organization shall not purchase any charitable gaming supplies for use in the
530 Commonwealth from any person who is not currently registered with the Department as a supplier pursuant
531 to § 18.2-340.34.

532 15. Unless otherwise permitted in this article, no part of an organization's charitable gaming gross receipts
533 shall be used for an organization's social or recreational activities.

534 16. No organization qualified to conduct Texas Hold'em poker tournaments pursuant to § 18.2-340.28:2
535 shall conduct any Texas Hold'em poker games where the game has no predetermined end time and the
536 players wager actual money or poker chips that have cash value.