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HOUSE BILL NO. 1407

Offered January 22, 2026

A BILL to amend and reenact §§ 18.2-340.16, 18.2-340.19, and 18.2-340.23 of the Code of Virginia, relating to charitable gaming; veterans service organizations; use of proceeds.

Patron—Nivar

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-340.16, 18.2-340.19, and 18.2-340.23 of the Code of Virginia are amended and reenacted as follows:

§ 18.2-340.16. Definitions.

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

"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 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 adjusted gross receipts" means the gross receipts derived from charitable gaming other than electronic gaming less the amount of prize money paid out to players.

"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.

"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.

"Electronic gaming adjusted gross receipts" means the gross receipts derived from electronic gaming less (i) the total amount in prize money paid out to players and (ii) the contractually agreed-upon percentage retained by the electronic gaming manufacturer.

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

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

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

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

"Instant bingo," "pull tabs," or "seal cards" means specific games of chance played by the random selection of one or more individually prepacked cards with winners being determined by the preprinted or predetermined appearance of concealed letters, numbers, or symbols that must be exposed by the player to

59 determine wins and losses and may include the use of a seal card that conceals one or more numbers or  
60 symbols that have been designated in advance as prize winners. Such cards may be dispensed by mechanical  
61 equipment.

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

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

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

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

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

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

78 "Organization" means any one of the following:

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

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

87 3. An athletic association or booster club or a band booster club established solely to raise funds for  
88 school-sponsored athletic or band activities for a public school or private school accredited pursuant to  
89 § 22.1-19 or to provide scholarships to students attending such school;

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

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

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

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

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

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

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

105 11. An organization that is exempt from income tax pursuant to § 501(c)(3) or 501(c)(4) of the Internal  
106 Revenue Code and is operated, and has always been operated, exclusively to (i) create and foster a spirit of  
107 understanding among the people of the world; (ii) promote the principles of good government and  
108 citizenship; (iii) take an active interest in the civic, cultural, social, and moral welfare of the community; (iv)  
109 provide a forum for the open discussion of matters of public interest; (v) encourage individuals to serve the  
110 community without personal financial reward; and (vi) encourage efficiency and promote high ethical  
111 standards in commerce, industries, professions, public works, and private endeavors;

112 12. 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 (i) raise awareness of law-enforcement officers  
114 who died in the line of duty; (ii) raise funds for the National Law Enforcement Officers Memorial and  
115 Museum; and (iii) raise funds for the charitable causes of other organizations that are exempt from income  
116 tax pursuant to § 501(c)(3) of the Internal Revenue Code;

117 13. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code  
118 and is operated, and has always been operated, exclusively to (i) promote the conservation of the  
119 environment, caves, or other natural resources; (ii) promote or develop opportunities for the use of science  
120 and technology to advance the conservation of the environment, caves, or other natural resources; and (iii)

121 raise funds for the conservation of the environment, caves, or other natural resources or provide grant  
122 opportunities to other nonprofit organizations that are devoted to such conservation efforts;

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

126 15. An organization (i) established on or before December 31, 1963, as a result of its members being  
127 prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of  
128 1926, which required the racial segregation of all public events in the Commonwealth; (ii) that is exempt  
129 from income tax pursuant to § 501(c)(7) of the Internal Revenue Code; and (iii) that is operated, and has  
130 always been operated, for community awareness and action through educational, economic, and cultural  
131 service activities;

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

136 17. A local chamber of commerce; ~~or~~

137 18. *An organization that is exempt from income tax pursuant to § 501(c)(19) of the Internal Revenue Code*  
138 *and is operated, and has always been operated, to provide benefits to veterans of the United States Armed*  
139 *Forces; or*

140 19. Any other nonprofit organization that is exempt from income tax pursuant to § 501(c) of the Internal  
141 Revenue Code and that raises funds by conducting raffles, bingo, instant bingo, pull tabs, or seal cards that  
142 generate annual gross receipts of \$40,000 or less, provided that such gross receipts, less expenses and prizes,  
143 are used exclusively for charitable, educational, religious, or community purposes. Notwithstanding  
144 § 18.2-340.26:1, proceeds from instant bingo, pull tabs, and seal cards shall be included when calculating an  
145 organization's annual gross receipts for the purposes of this subdivision.

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

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

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

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

168 "Social organization" means any qualified organization that provides certification to the Department that  
169 it is:

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

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

177 3. An organization established on or before December 31, 1963, as a result of its members being  
178 prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of  
179 1926, which required the racial segregation of all public events in the Commonwealth, that is qualified under  
180 § 501(c)(7) of the Internal Revenue Code;

181 4. An organization established on or before December 31, 1977, that is qualified under § 501(c)(7) of the  
182 Internal Revenue Code and is incorporated, in part, to raise funds for donation to organizations whose

183 missions include promoting early detection of and public education about and supporting research and  
184 treatment options for heart disease and various cancers;

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

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

189 7. A post or organization of past or present members of the Armed Forces of the United States, or an  
190 auxiliary unit or society of, or a trust or foundation for, any such post or organization qualified under §  
191 501(c)(19) of the Internal Revenue Code.

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

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

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

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

215 **§ 18.2-340.19. Regulations of the Department.**

216 A. The Department shall adopt regulations that:

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

225 a. With respect to charitable gaming, other than electronic gaming, a predetermined percentage of its  
226 *charitable gaming adjusted gross receipts, not to exceed 25 percent.*

227 b. With respect to electronic gaming, a predetermined percentage of its electronic gaming adjusted gross  
228 receipts, *not to exceed 25 percent; however, at no time shall such predetermined percentage be calculated at*  
229 *an amount equal to or less than 10 percent of its gross receipts derived from electronic gaming less the*  
230 *amount of prize money paid out to players.*

231 *For purposes of this subdivision 1, "religious, charitable, community, or educational purposes" includes*  
232 *operational expenses necessary to maintain the organization's facilities, including building maintenance and*  
233 *repairs.*

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

237 Membership lists furnished to the Department in accordance with this subdivision shall not be a matter of  
238 public record and shall be exempt from disclosure under the provisions of the Freedom of Information Act  
239 (§ 2.2-3700 et seq.).

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

243 4. Establish requirements for the audit of all reports required in accordance with §§ 18.2-340.30 and  
244 18.2-340.30:2.

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

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

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

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

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

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

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

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

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

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

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

295 **§ 18.2-340.23. Organizations exempt from certain fees and reports.**

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

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

304 C. If any organization's actual gross receipts from raffles for the 12-month period exceed \$40,000 as  
 305 described in subsection A or actual gross receipts from all charitable gaming other than raffles conducted on a  
 306 total of no more than seven days per calendar year exceed \$40,000 as described in subsection B, the

307 Department shall require the organization to obtain a permit pursuant to the provisions of § 18.2-340.25 and  
308 file by a specified date the report required by § 18.2-340.30.

309 D. Any (i) organization described in subdivision ~~48 19~~ of the definition of "organization" in § 18.2-340.16  
310 or (ii) volunteer fire department or volunteer emergency medical services agency or auxiliary unit thereof that  
311 has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political subdivision  
312 where the volunteer fire department or volunteer emergency medical services agency is located as being part  
313 of the safety program of such political subdivision shall be exempt from the payment of application fees  
314 required by § 18.2-340.25 and the payment of audit fees required by § 18.2-340.31. Any such organization,  
315 department, agency, or unit that conducts electronic gaming shall be subject to such application fees and audit  
316 fees for its electronic gaming activities; however, in accordance with the provisions of § 18.2-340.31, any  
317 audit fees may be paid by either the organization or the electronic gaming manufacturer whose electronic  
318 gaming devices are present on the premises of the organization, department, agency, or unit. Nothing in this  
319 subsection shall be construed as exempting any organizations described in subdivision ~~48 19~~ of the definition  
320 of "organization" in § 18.2-340.16, volunteer fire departments, or volunteer emergency medical services  
321 agencies from any other provisions of this article or other Department regulations.

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

325 **2. That the Department of Agriculture and Consumer Services (the Department) shall promulgate**  
326 **regulations in accordance with subdivision A 1 of § 18.2-340.19 of the Code of Virginia, as amended by**  
327 **this act, that establish uniform standards and metrics for determining a specified amount of expenses**  
328 **relating to (i) the acquisition, construction, maintenance, or repair of any interest in real property or**  
329 **(ii) the rental of real property by an organization as described in subdivision 5, 6, or 7 of the definition**  
330 **of "social organization" in § 18.2-340.16 of the Code of Virginia, as amended by this act, where such**  
331 **real property is involved in the operation of the organization and used for lawful religious, charitable,**  
332 **community, or educational purposes that a qualified organization may count toward meeting their use**  
333 **of proceeds requirements. The Department shall promulgate such regulations to become effective on**  
334 **January 1, 2027. The Department's initial adoption of such regulations shall be exempt from the**  
335 **Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), provided that, prior to the final**  
336 **adoption of such regulations, the Department publishes in the Virginia Register of Regulations and**  
337 **posts on the Virginia Regulatory Town Hall an action that provides (a) a 30-day comment period; (b) a**  
338 **summary of the proposed regulations, the text of the proposed regulations, and the name, address,**  
339 **email address, and telephone number of the agency contact person responsible for receiving public**  
340 **comments; and (c) the statutory authority to promulgate the regulations.**

341 **3. That the provisions of the first enactment of this act shall become effective on January 1, 2027.**