

## 1 SENATE BILL NO. 118

## 2 AMENDMENT IN THE NATURE OF A SUBSTITUTE

3 (Proposed by the Senate Committee on General Laws and Technology

4 on \_\_\_\_\_)

5 (Patron Prior to Substitute—Senator Locke)

6 *A BILL to amend and reenact §§ 58.1-4100 and 58.1-4102 of the Code of Virginia and to amend the Code of  
7 Virginia by adding in Chapter 41 of Title 58.1 an article numbered 12, consisting of sections numbered  
8 58.1-4142 through 58.1-4157, relating to Virginia Lottery; casinos; internet gaming authorized;  
9 penalties.*10 **Be it enacted by the General Assembly of Virginia:**11 **1. That §§ 58.1-4100 and 58.1-4102 of the Code of Virginia are amended and reenacted and that the  
12 Code of Virginia is amended by adding in Chapter 41 of Title 58.1 an article numbered 12, consisting  
13 of sections numbered 58.1-4142 through 58.1-4157, as follows:**14 **§ 58.1-4100. Definitions.**

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

16 *"Adjusted gross internet gaming revenue" means the amount of money paid as internet wagers minus (i)  
17 all winnings and the cash value of merchandise paid out as winnings to bettors; (ii) the value of bonuses or  
18 promotions placed as internet wagers, provided that the amount of bonuses and promotions deducted does  
19 not exceed 25 percent of the amount of money paid as internet wagers; and (iii) uncollectible gaming  
20 receivables, which shall not exceed two percent, or a different percentage as determined by the Board, of  
21 gross revenue minus all cash paid out as winnings to bettors.*22 *"Adjusted gross receipts" means the gross receipts from casino gaming less winnings paid to winners.*23 *"Board" means the Virginia Lottery Board established in the Virginia Lottery Law (§ 58.1-4000 et seq.).*24 *"Casino gaming" or "game" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines,  
25 roulette wheels, Klondike tables, Mah Jongg, electronic table games, hybrid table games, punchboards, faro  
26 layouts, numbers tickets, push cards, jar tickets, or pull tabs, or any variation of the aforementioned games,  
27 and any other activity that is authorized by the Board as a wagering game or device under this chapter.*28 *"Casino gaming" or "game" includes on-premises mobile casino gaming.*29 *"Casino gaming establishment" means the premises, including the entire property located at the address of  
30 the licensed casino, upon which lawful casino gaming is authorized and licensed as provided in this chapter.*31 *"Casino gaming establishment" does not include a riverboat or similar vessel.*

32        "Casino gaming operator" means any person issued a license by the Board to operate a casino gaming  
33        establishment.

34        "Cheat" means to alter the selection criteria that determine the result of a game or the amount or frequency  
35        of payment in a game for the purpose of obtaining an advantage for one or more participants in a game over  
36        other participants in a game.

37        "Counter check" means an interest-free negotiable instrument for a specified amount executed by a player  
38        and held by the casino that serves as evidence of the casino gaming patron's obligation to pay the casino and  
39        that can be exchanged by the casino gaming patron for the specified amount in chips, tokens, credits,  
40        electronic credits, electronic cash, or electronic cards.

41        "Department" means the independent agency responsible for the administration of the Virginia Lottery  
42        created in the Virginia Lottery Law (§ 58.1-4000 et seq.).

43        "Director" means the Director of the Virginia Lottery.

44        "Eligible host city" means any city described in § 58.1-4107 in which a casino gaming establishment is  
45        authorized to be located.

46        "Entity" means a person that is not a natural person.

47        "Gaming operation" means the conduct of authorized casino gaming within a casino gaming  
48        establishment.

49        "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, electronic  
50        credits, electronic cash, or electronic cards by casino gaming patrons. "Gross receipts" shall not include the  
51        cash value of promotions or credits provided to and exchanged by casino gaming patrons for chips, tokens,  
52        electronic credits, electronic cash, or electronic cards. "Gross receipts" shall also not include uncollectable  
53        counter checks.

54        "Immediate family" means (i) a spouse and (ii) any other person residing in the same household as an  
55        officer or employee and who is a dependent of the officer or employee or of whom the officer or employee is  
56        a dependent.

57        "Individual" means a natural person.

58        "*Internet game*" means a game that is offered for play through the internet in which an individual wagers  
59        money or something of monetary value for the opportunity to win money or something of monetary value.

60        "*Internet gaming*" means operating, conducting, or offering for play an internet game.

61        "*Internet gaming account*" means an electronic ledger in which all of the following types of transactions

62     relative to an authorized account holder are recorded: (i) deposits and credits; (ii) withdrawals; (iii) internet  
63     wagers; (iv) monetary value of winnings; (v) service or other transaction-related charges authorized by the  
64     account holder, if any; and (vi) adjustments to the account.

65     "Internet gaming operator" means a person that is issued an internet gaming operator license by the  
66     Board pursuant to § 58.1-4144.

67     "Internet gaming operator license" means a license issued by the Board to a person to operate, conduct,  
68     or offer internet gaming.

69     "Internet gaming platform" means an integrated system of hardware, software, applications, including  
70     mobile applications, and servers through which an internet gaming operator operates, conducts, or offers  
71     internet gaming.

72     "Internet gaming platform provider license" means a license issued by the Board to a person for the  
73     purpose of providing an internet gaming platform to an internet gaming operator.

74     "Internet gaming supplier" means an entity that provides ancillary services, goods, software, or other  
75     components necessary for the offering of internet games and the determination of internet gaming outcomes  
76     to any internet gaming operator or internet gaming platform provider, including customer identity services,  
77     age verification services, geolocation services, payment processing and similar financial services, live  
78     internet game studios, and any other providers of internet gaming services authorized by the Commission.

79     "Internet gaming supplier" does not include telecommunications providers, internet service providers, or any  
80     other goods or services not specifically designed for, or designed for use in connection with, internet gaming.

81     "Internet gaming supplier license" means a license issued by the Board to a person to act as an internet  
82     gaming supplier.

83     "Internet wager" means money or something of monetary value risked on an internet game.

84     "Internet wagering" means risking money or something of monetary value for the opportunity to win  
85     money or something of monetary value on an internet game.

86     "Licensee" or "license holder" means any person holding an operator's license under § 58.1-4111.

87     "Live dealer internet game" means an internet game conducted by a gaming attendant or gaming  
88     equipment, or both, in a live internet game studio in which video is streamed on an internet gaming platform  
89     and patrons have the ability to communicate game decisions through the internet gaming platform and may  
90     be permitted to interact with game attendants and fellow patrons.

91     "Live internet game simulcast" means an internet live feed of a live dealer internet game that is conducted  
92     in a live internet game studio and in which participants have the ability to wager in real-time.

93        "*Live internet game studio*" means a physical location that utilizes live video and audio streaming  
94        technology to provide an internet gaming licensee with a live internet game simulcast.

95        "*Mobile application*" means an application on a mobile phone or other electronic device through which  
96        an individual is able to place an internet wager.

97        "*On-premises mobile casino gaming*" means casino gaming offered by a casino gaming operator at a  
98        casino gaming establishment using a computer network of both federal and nonfederal interoperable packet-  
99        switched data networks through which the casino gaming operator may offer casino gaming to individuals  
100       who have established an on-premises mobile casino gaming account with the casino gaming operator and  
101       who are physically present on the premises of the casino gaming establishment, as authorized by regulations  
102       promulgated by the Board.

103       "*Permit holder*" means any person holding a supplier or service permit pursuant to this chapter.

104       "*Person*" means an individual, partnership, joint venture, association, limited liability company, stock  
105       corporation, or nonstock corporation and includes any person that directly or indirectly controls or is under  
106       common control with another person.

107       "*Preferred casino gaming operator*" means the proposed casino gaming establishment and operator thereof  
108       submitted by an eligible host city to the Board as an applicant for licensure.

109       "*Prepaid access instrument*" means a system device that allows a casino gaming patron access to funds  
110       that have been paid in advance and can be retrieved or transferred at some point in the future through such a  
111       device. In order to transfer funds for gaming purposes, a prepaid access instrument shall be redeemed for  
112       tokens, chips, credits, electronic credits, electronic cash, electronic cards, or used in conjunction with an  
113       approved cashless wagering system or interactive gaming account.

114       "*Principal*" means any individual who solely or together with his immediate family members (i) owns or  
115       controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or  
116       (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership  
117       interests of such entity, and any person who manages a gaming operation on behalf of a licensee.

118       "*Professional sports*" means the same as such term is defined in § 58.1-4030.

119       "*Promotional free play spend*" means the value of the play of a casino game or internet game that does  
120       not require the player to provide anything of value in return for that specific instance of play.

121       "*Qualified internet gaming entity*" means an entity that offers internet gaming as an operator, platform  
122       provider, or similar, pursuant to a valid license in two or more jurisdictions in the United States.

123        "Security" has the same meaning as provided in § 13.1-501. If the Board finds that any obligation, stock,  
124    or other equity interest creates control of or voice in the management operations of an entity in the manner of  
125    a security, then such interest shall be considered a security.

126        "Sports betting" means the same as such term is defined in § 58.1-4030.

127        "Sports betting facility" means an area, kiosk, or device located inside a casino gaming establishment  
128    licensed pursuant to this chapter that is designated for sports betting.

129        "Supplier" means any person that sells or leases, or contracts to sell or lease, any casino gaming  
130    equipment, devices, or supplies, or provides any management services, to a licensee.

131        *"Sweepstakes" means a promotional, advertising, or marketing event, contest, or game, whether played  
132    online or in person, in which a prize or prize equivalent is awarded, either directly or indirectly through  
133    means such as a dual currency system of payment, as determined by the Board, that allows a participant to  
134    exchange the currency for a prize or prize equivalent.*

135        "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4103 that  
136    allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision  
137    B 1 of § 58.1-4103 by placing their names on a voluntary exclusion list and following the procedures set forth  
138    by the Board.

139        "Youth sports" means the same as such term is defined in § 58.1-4030.

140        **§ 58.1-4102. Powers and duties of the Board; regulations.**

141        The Board shall have the power and duty to:

142        1. Issue permits and licenses under this chapter and supervise all gaming operations licensed under the  
143    provisions of this chapter, including all persons conducting or participating in any gaming operation. The  
144    Board shall employ such persons to be present during gaming operations as are necessary to ensure that such  
145    gaming operations are conducted with order and the highest degree of integrity.

146        2. Adopt regulations regarding the conditions under which casino gaming shall be conducted in the  
147    Commonwealth and all such other regulations it deems necessary and appropriate to further the purposes of  
148    this chapter.

149        3. *Adopt regulations regarding the conditions under which internet gaming shall be conducted in the  
150    Commonwealth, and enter into multijurisdictional agreements as necessary pursuant to the provisions of  
151    Article 12 (§ 58.1-4142 et seq.). Such regulations shall be consistent, to the extent practicable, with the  
152    Board's regulations governing sports betting.*

153 4. Issue an operator's license only to a person who meets the criteria of § 58.1-4107.

154 4. 5. Issue subpoenas for the attendance of witnesses before the Board, administer oaths, and compel

155 production of records or other documents and testimony of such witnesses whenever in the judgment of the

156 Board it is necessary to do so for the effectual discharge of its duties.

157 5. 6. Order such audits as it deems necessary and desirable.

158 6. 7. Provide for the withholding of the applicable amount of state and federal income tax of persons

159 claiming a prize or payoff for winning a game and establish the thresholds for such withholdings.

160 8. *Investigate and take enforcement action, including issuing cease and desist orders and obtaining*

161 *injunctive relief, against a person that offers internet gaming, sports betting, or sweepstakes games in the*

162 *Commonwealth without an appropriate license issued by the Board.*

163 *Article 12.*

164 *Internet Gaming.*

165 **§ 58.1-4142. Authorized internet gaming.**

166 *Internet gaming is prohibited except when offered by an internet gaming operator licensed pursuant to the*

167 *provisions of this article. Any authorized internet gaming shall comply with the provisions of this article and*

168 *any regulations promulgated by the Board related to internet gaming.*

169 *An internet gaming operator or internet gaming platform provider shall be permitted to offer live internet*

170 *game simulcasts from any live internet game studio premises located within the Commonwealth. The Board*

171 *shall require all live internet game studios to be licensed as an internet gaming supplier.*

172 **§ 58.1-4143. Notice of intent; platform fee; renewal.**

173 *Any casino gaming operator that intends to conduct internet gaming shall submit a separate notice of*

174 *intent to the Director, on a form approved by the Director, for each internet gaming platform that it intends*

175 *to offer; however, no casino gaming operator may offer more than three internet gaming platforms. Each*

176 *notice of intent shall be accompanied by a \$2 million platform fee, which shall enable the casino gaming*

177 *operator to operate one internet gaming platform for the term of the casino gaming operator's internet*

178 *gaming operator license. If the remaining time on the casino gaming operator's internet gaming operator's*

179 *license is less than the full five-year term at the time the notice of intent is submitted, the platform fee shall be*

180 *prorated accordingly. The internet gaming operator shall pay a platform renewal fee concurrently with its*

181 *casino gaming license renewal of \$1 million per internet gaming platform. All fees paid pursuant to this*

182 *section shall be deposited into the Internet Gaming Platform Fee Holding Fund, established pursuant to §*

183 *58.1-4156.*

184        **§ 58.1-4144. Internet gaming operator license; fees.**

185        A. The Board may issue an internet gaming operator license to a casino gaming operator as an  
186 amendment to a casino gaming operator's license issued pursuant to § 58.1-4108. The Board may issue an  
187 internet gaming operator license to a casino gaming operator that submits an application on forms approved  
188 by the Board, meets the qualifications set herein and by the Board in regulations, and pays an initial  
189 licensing fee of \$500,000.

190        B. All applicants for an internet gaming operator license that submit an application within 30 days of the  
191 date on which the Department first begins to accept applications for an internet gaming operator license  
192 shall be given an equal opportunity to commence offering, conducting, or operating internet gaming in the  
193 Commonwealth upon confirmation by the Board that the applicant's application is complete on the same day.  
194 An internet gaming operator's application for an internet gaming operator license shall be deemed complete  
195 when:

196        1. The casino gaming operator has submitted an application on the form provided by the Board and  
197 remitted the required application fee; and

198        2. The casino gaming operator has submitted a plan for the mitigation of job loss in the gaming industry,  
199 as required by subsection E of § 58.1-4143.

200        C. An internet gaming operator license issued pursuant to this section shall be valid for a period of five  
201 years from the date of issuance or for the remaining duration of the casino gaming operator's license issued  
202 pursuant to § 58.1-4108, whichever is shorter. The fee for renewal of an internet gaming operator license  
203 shall be \$250,000.

204        D. An internet gaming operator may offer up to three internet gaming platforms, either directly or  
205 through a licensed internet gaming platform provider. An internet gaming operator may contract with up to  
206 three internet gaming platform providers to operate the internet gaming platforms on its behalf. Each  
207 internet gaming platform shall be offered under a single distinct brand, except that each internet gaming  
208 platform may use a second distinct brand to offer poker. The internet gaming platforms shall not be required  
209 to be branded or co-branded with the brand of the internet gaming operator or its casino gaming operator.  
210 The provisions of this subsection shall not prohibit a holder of an internet gaming operator license from  
211 using fewer than three internet gaming platforms or from using a single brand to offer both internet poker  
212 and other internet games on an internet gaming platform.

213        E. As a requirement to be considered for an internet gaming operator license, and as an ongoing  
214 requirement of licensure, a casino gaming operator shall maintain a plan for the mitigation of job loss in the

215 gaming industry, describing its plan to reduce the impact of internet gaming on jobs in its casino gaming  
216 establishment. The plan shall include, at a minimum, (i) an estimate of the impact of internet gaming on jobs  
217 at the casino gaming establishment, if any; (ii) any plan to retrain impacted employees for jobs associated  
218 with internet gaming; and (iii) any other plan to mitigate any negative impact of internet gaming on jobs at  
219 the casino gaming establishment. The Director shall make the mitigation plan publicly available during the  
220 pendency of the casino gaming operator's application for an internet gaming operator's license and  
221 throughout the term of the internet gaming operator license, including through publication on the  
222 Department's website.

223 F. As a condition of an internet gaming operator license and an internet gaming platform provider  
224 license, each internet gaming operator and internet gaming platform provider shall commit that a minimum  
225 of 25 percent of total annual promotional free play spend offered through the internet gaming platform  
226 associated with the internet gaming platform provider license shall be promotional free play spend  
227 redeemable only through in-person, on-premises play on casino gaming at the casino gaming establishment  
228 associated with the internet gaming platform provider license.

229 Each licensee subject to this subsection shall maintain adequate records documenting promotional free  
230 play spend offered (i) through the internet gaming platform and (ii) at the casino gaming establishment  
231 associated with the internet gaming platform provider license.

232 The Board shall promulgate regulations describing the method that shall be used for determining the  
233 value of promotional free play spend for purposes of this subsection.

234 **§ 58.1-4145. Temporary internet gaming platform authorization.**

235 A. A qualified internet gaming entity may submit to the Board a request for a temporary internet gaming  
236 platform provider license. Such request shall include a supplemental platform fee of \$10,000 payable to the  
237 Board. Upon receiving a request for a temporary license, the Director shall review the request. If the  
238 Director determines that the entity requesting the temporary license is a qualified internet gaming entity and  
239 has paid the temporary licensing fee, the Board shall authorize the qualified internet gaming entity to  
240 conduct internet gaming for a period of one year under a temporary license or until a final determination on  
241 its internet gaming platform provider license application is made, whichever is later.

242 B. The Board may use information obtained from the applicant pursuant to its license for online sports  
243 betting in the Commonwealth, or information furnished by the applicant to other jurisdictions in which the  
244 applicant is authorized to conduct internet gaming.

245 C. All applicants for an internet gaming platform provider license that submit an application within 30

246 days of the date on which the Department first begins to accept applications for an internet gaming platform  
247 provider license shall be given an equal opportunity to commence offering, conducting, or operating internet  
248 gaming in the Commonwealth on the same day, provided the internet gaming operator with whom the  
249 applicant has contracted has submitted a complete application.

250 **§ 58.1-4146. Multijurisdictional contracts permitted.**

251 The Board may enter into agreements with other jurisdictions to facilitate, administer, and regulate  
252 multijurisdictional internet gaming by internet gaming operators to the extent that entering into the  
253 agreement is consistent with state and federal laws and if the internet gaming conducted under such  
254 agreement is conducted only in the United States.

255 **§ 58.1-4147. Age and identity requirements; verification; geolocation.**

256 A. An internet gaming operator shall provide, or shall require its internet gaming platform provider to  
257 provide, one or more mechanisms on the internet gaming platform that the internet gaming operator uses that  
258 are designed to reasonably verify that an individual is 21 years of age or older and that internet wagering is  
259 limited to transactions that are initiated and received or otherwise made by an authorized participant located  
260 in the Commonwealth or, if the Board authorizes multijurisdictional internet gaming, another jurisdiction in  
261 the United States authorized by such multijurisdictional agreement.

262 B. An individual who wishes to place an internet wager pursuant to the provisions of this article shall  
263 satisfy the verification requirements pursuant to subsection A before such individual may establish an  
264 internet wagering account or make an internet wager on an internet game offered by the internet gaming  
265 operator.

266 C. An internet gaming operator shall include, or shall require its internet gaming platform provider to  
267 include, mechanisms on its internet gaming platform that are designed to detect and prevent the unauthorized  
268 use of internet wagering accounts and to detect and prevent fraud, money laundering, and collusion.

269 D. Internet gaming operators and internet gaming platform providers may permit patrons to make  
270 deposits and withdrawals from an internet gaming account using the following methods:

- 271 1. Online and mobile payment systems that support online money transfers;
- 272 2. Debit card; and
- 273 3. Any other form approved by the Board.

274 E. A patron shall be permitted to use the same account to participate in internet gaming and sports  
275 betting pursuant to Article 2 (§ 58.1-4030 et seq.) of Chapter 40 with an operator or platform provider  
276 licensed to conduct both internet gaming and sports betting.

277       *F. An internet gaming operator, or its internet gaming platform provider, shall not knowingly authorize*  
278       *any of the following individuals to establish an internet wagering account or knowingly allow them to wager*  
279       *on internet games offered by the internet gaming operator:*

280        1. *An individual who is younger than 21 years of age; or*

281        2. *An individual who participates in the voluntary exclusion program.*

282       *G. An internet gaming operator shall display, or shall require its internet gaming platform provider to*  
283       *display, in a clear, conspicuous, and accessible manner, evidence of the internet gaming operator's internet*  
284       *gaming license issued pursuant to this article.*

285       **§ 58.1-4148. Consumer protections; problem gambling.**

286       *A. The Board shall promulgate regulations to promote problem gaming prevention, identification, and*  
287       *curtailment. Such regulations shall include:*

288        1. *Educating potential gamblers of methods and types of games and fairly informing potential gamblers of*  
289       *the odds or likelihood of winning such games;*

290        2. *Establishing and administering programs for educating potential gamblers about responsible*  
291       *gambling, the warning signs of problem or compulsive gambling, and how to prevent and treat problem or*  
292       *compulsive gambling;*

293        3. *Developing and funding responsible gaming education campaigns coupled with prevention and*  
294       *education efforts within communities that raise awareness of potential signs or risk factors of problem or*  
295       *compulsive gambling;*

296        4. *Encouraging the use of harm-minimizing measures by bettors, such as excluding or limiting oneself*  
297       *from cashing checks and making automated teller machine withdrawals, as well as utilizing limit-setting tools*  
298       *and personal data and information to make informed decisions about gambling;*

299        5. *Establishing rules and regulations that enable bettors to cool off, self-limit, and self-exclude from*  
300       *gaming activities statewide and across multiple jurisdictions;*

301        6. *Adopting processes for individuals to express concerns related to problem or compulsive gambling to*  
302       *the Board;*

303        7. *Developing statewide advertising guidelines to ensure that the marketing of internet gaming is not*  
304       *targeted to minors and does not include content, themes, and promotions that have special appeal to problem*  
305       *or compulsive gamblers;*

306        8. *Requiring the electronic posting of signs or notifications on internet gaming platforms that bear a toll-*  
307       *free number for an organization that provides assistance to problem or compulsive gamblers; and*

308        9. Establishing rules and regulations to limit wagering when such bettor has exhibited signs of problem or  
309        compulsive gambling.

310        B. The Board shall promulgate rules and regulations that require an internet gaming operator to  
311        implement responsible gaming programs. Such rules and regulations shall require an internet gaming  
312        operator to develop a strategic implementation plan with the details as to the (i) use of player data and  
313        technology to aid in identifying potential problem gamblers; (ii) use of automated triggers to identify and  
314        manage accounts of potential problem gamblers; and (iii) levels of intervention and education provided to  
315        identified at-risk players, which shall include at a minimum a (a) first phase involving communications with  
316        the individual in order to educate the individual on the availability of various responsible gaming features  
317        and resources offered by the licensee; (b) second phase that includes a video tutorial displayed to the  
318        individual either as one or multiple videos that provide education on the features and resources available;  
319        and (c) third phase, when warranted, that includes access to a responsible gaming professional provided by  
320        the internet gaming operator to advise the individual on possible corrective actions to address at-risk  
321        behavior.

322        C. The Board shall work with national and local organizations to provide services for individuals with  
323        problem gambling or a betting or gambling disorder and to establish prevention initiatives to reduce the  
324        number of individuals with problem gambling or a gambling disorder, including utilizing currently  
325        established programs for problem gambling or gambling disorders.

326        D. The Board shall annually generate a report outlining activities with respect to problem gambling or  
327        gambling disorders, including descriptions of programs, grants, and other resources made available, the  
328        number of individuals seeking assistance, the number of individuals who reported completing programs and  
329        therapies, and the rate of recidivism, if known to the Board. The Board shall file the annual report with the  
330        Governor, the Speaker of the House of Delegates, and the Chair of the Senate Committee on Rules, and shall  
331        publish such report on its website no later than January 1 of each year.

332        E. In order to encourage responsible play, an internet gaming operator shall:

333        1. Conspicuously display on each applicable internet website or mobile application a means to initiate a  
334        break in play, such as a periodic pop-up message indicating the amount of time an individual has spent on  
335        the internet gaming operator's website or mobile application; and

336        2. Provide access to an account statement that shall include detailed account activity for at least 12 prior  
337        months, including, at a minimum, information relating to deposits, withdrawals, and win and loss statistics.

338        F. In order to assist those persons who may have a gambling problem, an internet gaming operator shall:

339       1. *Cause the words "If you or someone you know has a gambling problem and wants help, call 1-800-*  
340       *GAMBLER," or some comparable language approved by the Department, which language shall include the*  
341       *words "gambling problem" and "call 1-800-GAMBLER," or other helpline phone number or contact*  
342       *information approved by the Department, to be displayed prominently to any person visiting or logged onto*  
343       *an internet gaming platform; and*

344       2. *Provide a mechanism by which an account holder may establish the following controls on internet*  
345       *wagering through the internet gaming account, and at the request of a bettor, share the following information*  
346       *with the Board for the sole purpose of disseminating the request to other internet gaming operators:*

347       a. *A limit on the amount of money deposited within a specified period of time and the length of time the*  
348       *account holder will be unable to participate in internet gaming if the account holder reaches the established*  
349       *deposit limit; and*

350       b. *A temporary suspension of internet gaming through the account holder's internet gaming account for a*  
351       *specified number of hours or days.*

352       G. *The internet gaming operator shall not send internet gaming-related electronic mail to an account*  
353       *holder while his internet gaming account is suspended if the suspension is for at least 72 hours. The internet*  
354       *gaming operator shall provide a mechanism by which an account holder may change these controls, except*  
355       *that the account holder may not change gaming controls until the suspension expires. The account holder*  
356       *shall be permitted to withdraw funds from such account upon proper application therefor.*

357       H. *Prior to the commencement of internet gaming, an internet gaming operator shall submit proposed*  
358       *internal controls for internet gaming operations to the Board for approval, as required by the Board*  
359       *pursuant to regulations.*

360       I. *A person shall not provide or make available computers or other internet access devices in a place of*  
361       *public accommodation in the Commonwealth, including a club or other association, to enable individuals to*  
362       *place internet wagers or play an internet game. The prohibition under this subsection does not apply to an*  
363       *internet gaming operator aggregating, providing, or making available computers or other internet access*  
364       *devices at its own casino gaming establishment.*

365       **§ 58.1-4149. Disposition of inactive, dormant internet gaming accounts.**

366       All amounts remaining in internet gaming accounts inactive or dormant for such period and under such  
367       conditions as established by regulation by the Board shall be closed. Any funds remaining in the account at  
368       such time shall be paid 50 percent to the internet gaming operator and 50 percent to the general fund. Before  
369       closing an internet gaming account pursuant to this section, the internet gaming operator shall attempt to

370 contact the account holder by mail, phone, and electronic mail.

371 **§ 58.1-4150. Operating, conducting, or offering internet gaming without a license; penalties.**

372 Any person who operates, conducts, or offers internet gaming without a license is guilty of a Class 6  
373 felony and subject to a fine of not more than \$25,000 and, in the case of a person other than a natural person,  
374 to a fine of not more than \$1 million.

375 **§ 58.1-4151. Tampering with equipment; penalties.**

376 A. Any person who knowingly tampers with software, computers, or other equipment used to operate,  
377 conduct, or offer internet gaming to alter the odds or the payout of a game or disables the game from  
378 operating according to the rules of the game as promulgated by the Board is guilty of a Class 5 felony and  
379 subject to a fine of not more than \$50,000 and, in the case of a person other than a natural person, to a fine  
380 of not more than \$200,000.

381 B. In addition to the penalties provided in subsection A, an employee of a casino gaming operator who  
382 violates this section shall have his permit revoked and shall be subject to such further penalty as the  
383 Department deems appropriate.

384 C. In addition to the penalties provided in subsection A, a casino gaming operator that violates this  
385 section shall have its license to conduct casino gaming suspended for a period determined by the Department  
386 and shall be subject to such further penalty as the Department deems appropriate.

387 **§ 58.1-4152. Tampering affecting odds, payout; penalties.**

388 A. Any person who knowingly operates, conducts, or offers or allows to be operated, conducted, or  
389 offered any internet game that has been tampered with in a way that affects the odds or the payout of a game  
390 or disables the game from operating according to the rules of the game is guilty of a Class 5 felony and  
391 subject to a fine of not more than \$50,000 and, in the case of a person other than a natural person, to a fine  
392 of not more than \$200,000.

393 B. In addition to the penalties provided in subsection A, an employee of a casino gaming operator who  
394 violates this section shall have his permit suspended for a period of not less than 30 days.

395 C. In addition to the penalties provided in subsection A, a casino gaming operator who violates this  
396 section shall have its license to conduct casino gaming suspended for a period of not less than 30 days.

397 **§ 58.1-4153. Tax on adjusted gross internet gaming revenue.**

398 A. There shall be imposed a tax of 15 percent on an internet gaming operator's adjusted gross internet  
399 gaming revenue.

400 B. The tax imposed pursuant to this section is due monthly to the Department, and the operator shall remit

401 *it on or before the twentieth day of the next succeeding calendar month. If the operator's accounting*  
402 *necessitates corrections to a previously remitted tax, the operator shall document such corrections when it*  
403 *pays the following month's taxes.*

404 *C. If the operator's adjusted gross revenue for a month is a negative number, the operator may carry over*  
405 *the negative amount to a return filed for a subsequent month and deduct such amount from its tax liability for*  
406 *such month, provided that such amount shall not be carried over and deducted against tax liability in any*  
407 *month that is more than 12 months later than the month in which such amount was accrued.*

408 *D. With the exception of licensing fees, the tax imposed pursuant to this section shall be in lieu of all other*  
409 *taxes and fees imposed on the operation of internet gaming or on the proceeds from the operation of internet*  
410 *gaming in the Commonwealth.*

411 ***§ 58.1-4154. Distribution of tax revenue.***

412 *A. The Department shall allocate five percent of the tax revenue collected pursuant to § 58.1-4153 to the*  
413 *Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2.*

414 *B. Until January 1, 2030, the Department shall allocate six percent of the tax revenue collected pursuant*  
415 *to § 58.1-4153 to the Internet Gaming Hold Harmless Fund established pursuant to § 58.1-4157 and 89*  
416 *percent of the tax revenue collected pursuant to § 58.1-4153 to the general fund.*

417 *C. Beginning January 1, 2030, the Department shall allocate 95 percent of the tax revenue collected*  
418 *pursuant to § 58.1-4153 to the general fund.*

419 ***§ 58.1-4155. Unlicensed sweepstakes games prohibited; civil penalties.***

420 *A. Except if conducted by a licensed internet gaming operator, offering or conducting a sweepstakes in*  
421 *which a person present in the Commonwealth may participate by paying or proffering something of value,*  
422 *including an entry fee for the opportunity to win or receive cash or a cash equivalent, shall constitute illegal*  
423 *internet gaming in violation of this section, and shall subject the operator or sponsor, or any officer,*  
424 *employee, or agent of the operator or sponsor, to civil liability under this section.*

425 *B. Any person who violates this section shall, in addition to any other sanctions authorized by law, be*  
426 *liable for a civil penalty of not more than \$100,000 for the first offense and not more than \$250,000 for the*  
427 *second and each subsequent offense. Each day that such violation continues shall be deemed a separate*  
428 *offense.*

429 *C. The Board, the Office of the Attorney General, and the Department of State Police may conduct*  
430 *investigations into violations of this section. The Board and the Office of the Attorney General shall have the*  
431 *authority to enforce the provisions of this section, including conducting hearings, issuing cease and desist*

432 letters, and issuing subpoenas to ensure compliance with the provisions of this section.

433 **§ 58.1-4156. Internet Gaming Platform Fee Holding Fund.**

434 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Internet  
435 Gaming Platform Fee Holding Fund, referred to in this section as "the Fund." The Fund shall be established  
436 on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants,  
437 bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund.  
438 Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Except as provided in  
439 subsection B, any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year  
440 shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for  
441 the purpose of funding start-up costs and other costs associated with the implementation and creation of a  
442 gaming commission or other such combined gaming agency. Expenditures and disbursements from the Fund  
443 shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by  
444 the Director.

445 B. Upon the successful creation of a gaming commission or other such combined gaming agency as noted  
446 by the appointment of a governing board and an agency director, and upon the authorization of the Director,  
447 all funds appropriated shall be remitted by the end of each calendar quarter to such gaming commission on  
448 whose behalf the funds were secured for the purpose of funding start-up costs and other costs associated with  
449 implementation and creation of such agency; however, the Director may recover reasonable costs associated  
450 with the administration of the Fund.

451 **§ 58.1-4157. Internet Gaming Hold Harmless Fund.**

452 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Internet  
453 Gaming Hold Harmless Fund, referred to in this section as "the Fund." The Fund shall be established on the  
454 books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests,  
455 and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest  
456 earned on moneys in the Fund shall remain in the Fund and be credited to it. Except as provided in  
457 subsection D, any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year  
458 shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for  
459 the purposes of offsetting any loss of revenue experienced by casino gaming operators that is attributed to  
460 internet gaming. Expenditures and disbursements from the Fund shall be made by the State Treasurer on  
461 warrants issued by the Comptroller upon written request signed by the Director.

462 B. The Department shall promulgate regulations establishing an annual schedule for the acceptance of

463 applications from casino gaming operators that are able to demonstrate, to the satisfaction of the  
464 Department, that they experienced a loss of revenue attributable to internet gaming. The Department shall  
465 determine the form and manner in which applications shall be made, the criteria for verifying the amount of  
466 each applicant's revenue loss, and the date on which distributions from the Fund are to be made.

467 C. If, on the annual date of distribution from the Fund, moneys in the Fund are insufficient to cover all  
468 verified losses, the Department shall direct the State Treasurer to reduce the amount of all claims by a  
469 uniform percentage so that applicants receive a share of the funds proportionate to their verified losses.

470 D. Beginning on January 1, 2030, and on January 1 of each year thereafter, the Comptroller shall  
471 transfer any moneys credited to the Fund and not disbursed within two years after the date on which the  
472 money was credited to the general fund.

473 2. That, by September 30, 2026, the Virginia Lottery Board (the Board) shall promulgate regulations  
474 necessary to implement the provisions of this act. The Board's initial adoption of such regulations shall  
475 be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), provided  
476 that, prior to the final adoption of such regulations, the Board publishes in the Virginia Register of  
477 Regulations and posts on the Virginia Regulatory Town Hall an action that provides (i) a 30-day  
478 comment period; (ii) a summary of the proposed regulations, the text of the proposed regulations, and  
479 the name, address, email address, and telephone number of the agency contact person responsible for  
480 receiving public comments; and (iii) the statutory authority to promulgate the regulations.

481 3. That the Director of the Virginia Lottery shall begin accepting notices of intent in accordance with  
482 § 58.1-4143 of the Code of Virginia, as created by this act, on July 1, 2026.

483 4. That each internet gaming platform that submits a notice of intent pursuant to § 58.1-4143 of the  
484 Code of Virginia, as created by this act, within 60 days of the enactment of this act shall be given an  
485 equal opportunity to commence offering, conducting, or operating internet gaming in the  
486 Commonwealth on the same day. Any internet gaming platform for which a notice of intent has not  
487 been received within 60 days of the enactment date of this act shall be permitted to commence offering,  
488 conducting, or operating internet gaming in the Commonwealth no sooner than six months after that  
489 date on which internet gaming is initially launched in the Commonwealth.

490 5. That the provisions of this act may result in a net increase in periods of imprisonment or  
491 commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary  
492 appropriation cannot be determined for periods of imprisonment in state adult correctional facilities;  
493 therefore, Chapter 725 of the Acts of Assembly of 2025 requires the Virginia Criminal Sentencing

494   **Commission to assign a minimum fiscal impact of \$50,000. Pursuant to § 30-19.1:4 of the Code of**  
495   **Virginia, the estimated amount of the necessary appropriation cannot be determined for periods of**  
496   **commitment to the custody of the Department of Juvenile Justice.**