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HOUSE BILL NO. 1527

Offered January 29, 2026

A BILL to amend and reenact §§ 58.1-4037, 58.1-4038, 58.1-4039 of the Code of Virginia and to amend the Code of Virginia by adding in Article 2 of Chapter 40 of Title 58.1 a section numbered 58.1-4049, relating to sports betting; NCAA Division I sports.

Patron—McGuire

Unanimous consent to introduce

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-4037, 58.1-4038, 58.1-4039 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 2 of Chapter 40 of Title 58.1 a section numbered 58.1-4049 as follows:

§ 58.1-4037. Taxation.

A. ~~There~~ Except as provided in subsection B, there shall be imposed a tax of 15 percent on a permit holder's adjusted gross revenue.

B. On the gross revenue generated by a permit holder on bets placed on NCAA Division I sports played at Virginia colleges and universities, there shall be imposed a tax of 50 percent.

C. The tax imposed pursuant to this section is due monthly to the Department, and the permit holder shall remit it on or before the twentieth day of the next succeeding calendar month. If the permit holder's accounting necessitates corrections to a previously remitted tax, the permit holder shall document such corrections when it pays the following month's taxes.

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

§ 58.1-4038. Distribution of tax revenue.

A. The Department shall allocate ~~2.5~~:

1. Five percent of the tax revenue collected pursuant to subsection A of § 58.1-4037 to the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2; and

~~B. The Department shall allocate the~~ 2. The remaining ~~97.5~~ 95 percent of the tax revenue collected pursuant to subsection A of § 58.1-4037 to the general fund.

B. The Department shall allocate 100 percent of the tax revenue collected pursuant to subsection B of § 58.1-4037 to the NCAA Division I Sports Betting Fund established pursuant to § 58.1-4049.

§ 58.1-4039. Events on which betting is prohibited; penalty.

A. 1. No person shall place or accept a bet on youth sports.

2. No person shall place or accept a proposition bet on college sports.

3. No person shall place or accept a bet on Virginia college sports, except for Virginia colleges and universities participating in an NCAA Division I competition for a given sport.

B. 1. A sports governing body may notify the Department that it desires to restrict, limit, or prohibit sports betting on its sporting events by providing notice in accordance with requirements prescribed by the Director. A sports governing body also may request to restrict the types of bets that may be offered. Notwithstanding § 58.1-4030, for purposes of this section, "sports governing body" includes any organization that is not headquartered in the United States and that otherwise meets the definition of "sports governing body."

2. For any request made pursuant to subdivision 1, the requester shall bear the burden of establishing to the satisfaction of the Director that the relevant betting or other activity poses a significant and unreasonable integrity risk. The Director shall seek input from affected permit holders before making a determination on such request.

3. If the Director denies a request made pursuant to subdivision 1, the Director shall give the requester notice and the right to be heard and offer proof in opposition to such determination in accordance with regulations established by the Board. If the Director grants a request, the Board shall promulgate by regulation such restrictions, limitations, or prohibitions as may be requested.

4. A permit holder shall not offer or take any bets in violation of regulations promulgated by the Board pursuant to this subsection.

C. The prohibitions in subdivisions A 1 and A 3 shall be limited to the single game or match in which a youth sports or Virginia college sports team is a participant. The prohibitions shall not be construed to

59 prohibit betting on other games in a tournament or multigame event in which a youth sports or Virginia  
60 college sports team participates, so long as such other games do not have a participant that is a youth sports or  
61 Virginia college sports team.

62 D. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

63 **§ 58.1-4049. NCAA Division I Sports Betting Fund.**

64 *There is hereby created in the state treasury a special nonreverting fund to be known as the NCAA*  
65 *Division I Sports Betting Fund, referred to in this section as "the Fund." The Fund shall be established on the*  
66 *books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests,*  
67 *and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest*  
68 *earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the*  
69 *Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall*  
70 *remain in the Fund. Moneys in the Fund shall be used solely for the purposes of supporting NCAA Division I*  
71 *college and university athletic programs in the Commonwealth. Disbursements from the Fund shall be made*  
72 *directly to such college and university athletic programs in proportion to the amount of money such*  
73 *programs generate for the Fund. Expenditures and disbursements from the Fund shall be made by the State*  
74 *Treasurer on warrants issued by the Comptroller upon written request signed by Director.*

75 **2. That the provisions of this act shall become effective only upon enactment of legislation by the**  
76 **General Assembly that establishes a Virginia Gaming Commission or other similar agency for the**  
77 **purposes of overseeing legal forms of gaming in the Commonwealth, at which time the provisions of**  
78 **this act shall become effective in accordance with the provisions of such legislation.**