

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 "*Labor organization*" means a labor organization as defined in 29 U.S.C. § 152(5).

87 "*Labor peace agreement*" means an agreement with a labor organization that contains, at a minimum,
88 provisions prohibiting the labor organization and its members from engaging in any picketing, work
89 stoppage, boycott, or other economic interference with the casino gaming establishment's operations for the
90 duration of that casino gaming license.

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

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

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

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

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

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

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

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

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

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

119 "*Principal*" means any individual who solely or together with his immediate family members (i) owns or
120 controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or
121 (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership

122 interests of such entity, and any person who manages a gaming operation on behalf of a licensee.
 123 "Professional sports" means the same as such term is defined in § 58.1-4030.
 124 "*Promotional free play spend*" means the value of the play of a casino game or internet game that does
 125 not require the player to provide anything of value in return for that specific instance of play.
 126 "*Qualified internet gaming entity*" means an entity that offers internet gaming as an operator, platform
 127 provider, or similar, pursuant to a valid license in two or more jurisdictions in the United States.
 128 "Security" has the same meaning as provided in § 13.1-501. If the Board finds that any obligation, stock,
 129 or other equity interest creates control of or voice in the management operations of an entity in the manner of
 130 a security, then such interest shall be considered a security.
 131 "Sports betting" means the same as such term is defined in § 58.1-4030.
 132 "Sports betting facility" means an area, kiosk, or device located inside a casino gaming establishment
 133 licensed pursuant to this chapter that is designated for sports betting.
 134 "Supplier" means any person that sells or leases, or contracts to sell or lease, any casino gaming
 135 equipment, devices, or supplies, or provides any management services, to a licensee.
 136 "*Sweepstakes*" means a promotional, advertising, or marketing event, contest, or game, whether played
 137 online or in person, in which a prize or prize equivalent is awarded, either directly or indirectly through
 138 means such as a dual currency system of payment, as determined by the Board, that allows a participant to
 139 exchange the currency for a prize or prize equivalent.
 140 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4103 that
 141 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision
 142 B 1 of § 58.1-4103 by placing their names on a voluntary exclusion list and following the procedures set forth
 143 by the Board.
 144 "Youth sports" means the same as such term is defined in § 58.1-4030.
 145 **§ 58.1-4102. Powers and duties of the Board; regulations.**
 146 The Board shall have the power and duty to:
 147 1. Issue permits and licenses under this chapter and supervise all gaming operations licensed under the
 148 provisions of this chapter, including all persons conducting or participating in any gaming operation. The
 149 Board shall employ such persons to be present during gaming operations as are necessary to ensure that such
 150 gaming operations are conducted with order and the highest degree of integrity.
 151 2. Adopt regulations regarding the conditions under which casino gaming shall be conducted in the
 152 Commonwealth and all such other regulations it deems necessary and appropriate to further the purposes of
 153 this chapter.
 154 3. Adopt regulations regarding the conditions under which internet gaming shall be conducted in the
 155 Commonwealth, and enter into multijurisdictional agreements as necessary pursuant to the provisions of
 156 Article 12 (§ 58.1-4142 et seq.). Such regulations shall be consistent, to the extent practicable, with the
 157 Board's regulations governing sports betting.
 158 4. Issue an operator's license only to a person who meets the criteria of § 58.1-4107.
 159 4. 5. Issue subpoenas for the attendance of witnesses before the Board, administer oaths, and compel
 160 production of records or other documents and testimony of such witnesses whenever in the judgment of the
 161 Board it is necessary to do so for the effectual discharge of its duties.
 162 5. 6. Order such audits as it deems necessary and desirable.
 163 6. 7. Provide for the withholding of the applicable amount of state and federal income tax of persons
 164 claiming a prize or payoff for winning a game and establish the thresholds for such withholdings.
 165 8. *Investigate and take enforcement action, including issuing cease and desist orders and obtaining
 166 injunctive relief, against a person that offers internet gaming, sports betting, or sweepstakes games in the
 167 Commonwealth without an appropriate license issued by the Board.*
 168 *Article 12.*
 169 *Internet Gaming.*
 170 **§ 58.1-4142. Authorized internet gaming.**
 171 *Internet gaming is prohibited except when offered by an internet gaming operator licensed pursuant to the
 172 provisions of this article. Any authorized internet gaming shall comply with the provisions of this article and
 173 any regulations promulgated by the Board related to internet gaming.*
 174 *An internet gaming operator or internet gaming platform provider shall be permitted to offer live internet
 175 game simulcasts from any live internet game studio premises located within the Commonwealth. The Board
 176 shall require all live internet game studios to be licensed as an internet gaming supplier.*
 177 **§ 58.1-4143. Notice of intent; platform fee; renewal.**
 178 *Any casino gaming operator that intends to conduct internet gaming shall submit a separate notice of
 179 intent to the Director, on a form approved by the Director, for each internet gaming platform that it intends
 180 to offer; however, no casino gaming operator may offer more than three internet gaming platforms. Each
 181 notice of intent shall be accompanied by a \$2 million platform fee, which shall enable the casino gaming
 182 operator to operate one internet gaming platform for the term of the casino gaming operator's internet
 183 gaming operator license. If the remaining time on the casino gaming operator's internet gaming operator's*

184 license is less than the full five-year term at the time the notice of intent is submitted, the platform fee shall be
185 prorated accordingly. The internet gaming operator shall pay a platform renewal fee concurrently with its
186 casino gaming license renewal of \$1 million per internet gaming platform. All fees paid pursuant to this
187 section shall be deposited into the Internet Gaming Platform Fee Holding Fund, established pursuant to §
188 58.1-4156.

189 **§ 58.1-4144. Internet gaming operator license; fees.**

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

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

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

203 2. The casino gaming operator has submitted a plan for the mitigation of job loss in the gaming industry,
204 as required by subsection E; and

205 3. The casino gaming operator has submitted the labor peace agreements required under subsection F.

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

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

219 E. As a requirement to be considered for an internet gaming operator license, and as an ongoing
220 requirement of licensure, a casino gaming operator shall maintain a plan for the mitigation of job loss in the
221 gaming industry, describing its plan to reduce the impact of internet gaming on jobs in its casino gaming
222 establishment. The plan shall include, at a minimum, (i) an estimate of the impact of internet gaming on jobs
223 at the casino gaming establishment, if any; (ii) any plan to retrain impacted employees for jobs associated
224 with internet gaming; and (iii) any other plan to mitigate any negative impact of internet gaming on jobs at
225 the casino gaming establishment. The Director shall make the mitigation plan publicly available during the
226 pendency of the casino gaming operator's application for an internet gaming operator's license and
227 throughout the term of the internet gaming operator license, including through publication on the
228 Department's website.

229 F. In order to protect the Commonwealth's financial interests, and to ensure the efficient and
230 uninterrupted operation of the casino gaming establishment and internet gaming operations, as a
231 requirement for a full and adequate application for an internet gaming license, and as an ongoing, material
232 term of such license, an applicant for an internet gaming operator's license and each sub-lessee or sub-
233 contractor performing operations at the casino gaming establishment shall provide written evidence that
234 each has entered into a signed labor peace agreement with each labor organization that represents, or seeks
235 to represent, its workforce at the casino gaming establishment that is seeking the internet operator gaming
236 license and at any live internet game studio.

237 1. Nothing in this subsection requires an employer to (i) recognize a particular labor organization or (ii)
238 to enter into a collective bargaining agreement establishing the substantive terms and conditions of
239 employment.

240 2. This subsection is not intended to, and shall not be interpreted to, enact or express any generally
241 applicable policy regarding labor-management relations or to regulate such relations in any way.

242 G. As a condition of an internet gaming operator license and an internet gaming platform provider
243 license, each internet gaming operator and internet gaming platform provider shall commit that a minimum
244 of 25 percent of total annual promotional free play spend offered through the internet gaming platform
245 associated with the internet gaming platform provider license shall be promotional free play spend

246 *redeemable only through in-person, on-premises play on casino gaming at the casino gaming establishment*
 247 *associated with the internet gaming platform provider license.*

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

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

253 **§ 58.1-4145. Temporary internet gaming platform authorization.**

254 *A. A qualified internet gaming entity may submit to the Board a request for a temporary internet gaming*
 255 *platform provider license. Such request shall include a supplemental platform fee of \$10,000 payable to the*
 256 *Board. Upon receiving a request for a temporary license, the Director shall review the request. If the*
 257 *Director determines that the entity requesting the temporary license is a qualified internet gaming entity and*
 258 *has paid the temporary licensing fee, the Board shall authorize the qualified internet gaming entity to*
 259 *conduct internet gaming for a period of one year under a temporary license or until a final determination on*
 260 *its internet gaming platform provider license application is made, whichever is later.*

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

264 *C. All applicants for an internet gaming platform provider license that submit an application within 30*
 265 *days of the date on which the Department first begins to accept applications for an internet gaming platform*
 266 *provider license shall be given an equal opportunity to commence offering, conducting, or operating internet*
 267 *gaming in the Commonwealth on the same day, provided the internet gaming operator with whom the*
 268 *applicant has contracted has submitted a complete application.*

269 **§ 58.1-4146. Multijurisdictional contracts permitted.**

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

274 **§ 58.1-4147. Age and identity requirements; verification; geolocation.**

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

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

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

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

- 290 *1. Online and mobile payment systems that support online money transfers;*
- 291 *2. Debit card; and*
- 292 *3. Any other form approved by the Board.*

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

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

- 299 *1. An individual who is younger than 21 years of age; or*
- 300 *2. An individual who participates in the voluntary exclusion program.*

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

304 **§ 58.1-4148. Consumer protections; problem gambling.**

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

- 307 *1. Educating potential gamblers of methods and types of games and fairly informing potential gamblers of*

308 the odds or likelihood of winning such games;

309 2. Establishing and administering programs for educating potential gamblers about responsible
310 gambling, the warning signs of problem or compulsive gambling, and how to prevent and treat problem or
311 compulsive gambling;

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

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

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

320 6. Adopting processes for individuals to express concerns related to problem or compulsive gambling to
321 the Board;

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

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

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

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

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

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

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

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

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

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

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

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

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

369 b. A temporary suspension of internet gaming through the account holder's internet gaming account for a

370 specified number of hours or days.

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

376 H. Prior to the commencement of internet gaming, an internet gaming operator shall submit proposed
 377 internal controls for internet gaming operations to the Board for approval, as required by the Board
 378 pursuant to regulations.

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

384 **§ 58.1-4149. Disposition of inactive, dormant internet gaming accounts.**

385 All amounts remaining in internet gaming accounts inactive or dormant for such period and under such
 386 conditions as established by regulation by the Board shall be closed. Any funds remaining in the account at
 387 such time shall be paid 50 percent to the internet gaming operator and 50 percent to the general fund. Before
 388 closing an internet gaming account pursuant to this section, the internet gaming operator shall attempt to
 389 contact the account holder by mail, phone, and electronic mail.

390 **§ 58.1-4150. Operating, conducting, or offering internet gaming without a license; penalties.**

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

394 **§ 58.1-4151. Tampering with equipment; penalties.**

395 A. Any person who knowingly tampers with software, computers, or other equipment used to operate,
 396 conduct, or offer internet gaming to alter the odds or the payout of a game or disables the game from
 397 operating according to the rules of the game as promulgated by the Board is guilty of a Class 5 felony and
 398 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
 399 of not more than \$200,000.

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

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

406 **§ 58.1-4152. Tampering affecting odds, payout; penalties.**

407 A. Any person who knowingly operates, conducts, or offers or allows to be operated, conducted, or
 408 offered any internet game that has been tampered with in a way that affects the odds or the payout of a game
 409 or disables the game from operating according to the rules of the game is guilty of a Class 5 felony and
 410 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
 411 of not more than \$200,000.

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

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

416 **§ 58.1-4153. Tax on adjusted gross internet gaming revenue.**

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

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

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

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

430 **§ 58.1-4154. Distribution of tax revenue.**

431 A. The Department shall allocate five percent of the tax revenue collected pursuant to § 58.1-4153 to the

432 *Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2.*

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

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

438 **§ 58.1-4155. Unlicensed sweepstakes games prohibited; civil penalties.**

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

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

448 *C. The Board, the Office of the Attorney General, and the Department of State Police may conduct*
449 *investigations into violations of this section. The Board and the Office of the Attorney General shall have the*
450 *authority to enforce the provisions of this section, including conducting hearings, issuing cease and desist*
451 *letters, and issuing subpoenas to ensure compliance with the provisions of this section.*

452 **§ 58.1-4156. Internet Gaming Platform Fee Holding Fund.**

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

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

470 **§ 58.1-4157. Internet Gaming Hold Harmless Fund.**

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

481 *B. The Department shall promulgate regulations establishing an annual schedule for the acceptance of*
482 *applications from casino gaming operators that are able to demonstrate, to the satisfaction of the*
483 *Department, that they experienced a loss of revenue attributable to internet gaming. The Department shall*
484 *determine the form and manner in which applications shall be made, the criteria for verifying the amount of*
485 *each applicant's revenue loss, and the date on which distributions from the Fund are to be made.*

486 *C. If, on the annual date of distribution from the Fund, moneys in the Fund are insufficient to cover all*
487 *verified losses, the Department shall direct the Comptroller to reduce the amount of all claims by a uniform*
488 *percentage so that applicants receive a share of the funds proportionate to their verified losses.*

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

492 **2. That, by September 30, 2026, the Virginia Lottery Board (the Board) shall promulgate regulations**
493 **necessary to implement the provisions of this act. The Board's initial adoption of such regulations shall**

494 be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), provided
495 that, prior to the final adoption of such regulations, the Board publishes in the Virginia Register of
496 Regulations and posts on the Virginia Regulatory Town Hall an action that provides (i) a 30-day
497 comment period; (ii) a summary of the proposed regulations, the text of the proposed regulations, and
498 the name, address, email address, and telephone number of the agency contact person responsible for
499 receiving public comments; and (iii) the statutory authority to promulgate the regulations.

500 3. That the Director of the Virginia Lottery shall begin accepting notices of intent in accordance with
501 § 58.1-4143 of the Code of Virginia, as created by this act, on July 1, 2026.

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

509 5. That the provisions of this act shall not become effective unless reenacted by the 2027 Session of the
510 General Assembly.

511 6. That the provisions of this act may result in a net increase in periods of imprisonment or
512 commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary
513 appropriation is _____ for periods of imprisonment in state adult correctional facilities; therefore,
514 Chapter 725 of the Acts of Assembly of 2025 requires the Virginia Criminal Sentencing Commission to
515 assign a minimum fiscal impact of \$50,000. Pursuant to § 30-19.1:4 of the Code of Virginia, the
516 estimated amount of the necessary appropriation is _____ for periods of commitment to the custody
517 of the Department of Juvenile Justice.