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SENATE BILL NO. 609

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations
on February 10, 2026)

(Patron Prior to Substitute—Senator Lucas)

A *BILL* to amend and reenact §§ 58.1-4000, 58.1-4002 through 58.1-4008, 58.1-4023, 58.1-4027, 58.1-4100, 58.1-4102, 58.1-4103, 58.1-4105 through 58.1-4117, 58.1-4119 through 58.1-4124, 58.1-4126, 58.1-4127, 58.1-4133, 58.1-4136, 58.1-4138, and 58.1-4140 of the Code of Virginia; to amend the Code of Virginia by adding in Title 58.1 a chapter numbered 40.1, containing articles numbered 1 through 2, consisting of sections numbered 58.1-4049 through 58.1-4074, by adding in Title 58.1 a chapter numbered 40.2, consisting of sections numbered 58.1-4075 through 58.1-4093, by adding in Title 58.1 a chapter numbered 42, consisting of sections numbered 58.1-4142 through 58.1-4172, by adding in Title 58.1 a chapter numbered 43, consisting of sections numbered 58.1-4173 through 58.1-4187, by adding in Title 58.1 a chapter numbered 44, containing articles numbered 1 through 6, consisting of sections numbered 58.1-4188 through 58.1-4236; and to repeal Article 1.1:1 (§§ 18.2-340.15 through 18.2-340.37) of Chapter 8 of Title 18.2, §§ 58.1-4001, 58.1-4007.1, 58.1-4007.3, 58.1-4009 through 58.1-4022.1, and 58.1-4029, Article 2 (§§ 58.1-4030 through 58.1-4048) of Chapter 40 of Title 58.1, Chapter 29 (§§ 59.1-364 through 59.1-405) of Title 59.1, and Chapter 51 (§§ 59.1-556 through 59.1-570) of Title 59.1 of the Code of Virginia, relating to revenues, taxes, gaming, and lottery.

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-4000, 58.1-4002 through 58.1-4008, 58.1-4023, 58.1-4027, 58.1-4100, 58.1-4102, 58.1-4103, 58.1-4105 through 58.1-4117, 58.1-4119 through 58.1-4124, 58.1-4126, 58.1-4127, 58.1-4133, 58.1-4136, 58.1-4138, and 58.1-4140 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 58.1 a chapter numbered 40.1, containing articles numbered 1 through 2, consisting of sections numbered 58.1-4049 through 58.1-4074, by adding in Title 58.1 a chapter numbered 40.2, consisting of sections numbered 58.1-4075 through 58.1-4093, by adding in Title 58.1 a chapter numbered 42, consisting of sections numbered 58.1-4142 through 58.1-4172, by adding in Title 58.1 a chapter numbered 43, consisting of sections numbered 58.1-4173 through 58.1-4187, and by adding in Title 58.1 a chapter numbered 44, containing articles numbered 1 through 6, consisting of sections numbered 58.1-4188 through 58.1-4236 as follows:

SUBTITLE IV.

OTHER SOURCES OF STATE REVENUE VIRGINIA LOTTERY AND GAMING AUTHORITY.

CHAPTER 40.

VIRGINIA LOTTERY LAW; SPORTS BETTING GENERAL PROVISIONS.

Article 1.

Powers and Duties of Virginia Lottery Board; Administration of Tickets and Prizes.

§ 58.1-4000. Short title.

This ~~article~~ subtitle shall be known and may be cited as the "Virginia Lottery and Gaming Law."

§ 58.1-4002. Definitions.

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

"Authority" means the independent agency responsible for the administration of the Virginia Lottery and the regulation of sports betting, casino gaming, charitable gaming, fantasy contests, and horse racing pursuant to the provisions of this subtitle.

"Board" means the Virginia Lottery and Gaming Board established by this chapter.

"Casino gaming" or "game" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines, roulette wheels, Klondike tables, punchboards, faro layouts, numbers tickets, push cards, jar tickets, or pull tabs and any other activity that is authorized by the Board as a wagering game or device under Chapter 41 (§ 58.1-4100 et seq.). "Casino gaming" or "game" includes on-premises mobile casino gaming.

"Department" means the independent agency responsible for the administration of the Virginia Lottery pursuant to this article and sports betting pursuant to Article 2 (§ 58.1-4030 et seq.).

"Deputy Director" means the Deputy Director of Gaming appointed pursuant to § 58.1-4007.4.

"Director" means the Director of the Virginia Lottery and Gaming Authority.

"Lottery" or "state lottery" means the lottery or lotteries established and operated pursuant to this ~~chapter~~ Chapter 40.1 (§ 58.1-4049 et seq.).

"On-premises mobile casino gaming" means casino gaming offered by a casino gaming operator at a casino gaming establishment using a computer network of both federal and nonfederal interoperable packet-switched data networks through which the casino gaming operator may offer casino gaming to individuals who have established an on-premises mobile casino gaming account with the casino gaming operator and

59 who are physically present on the premises of the casino gaming establishment, as authorized by regulations
60 promulgated by the Board.

61 "*Racing Commission*" means the Virginia Racing Commission established pursuant to § 58.1-4190.

62 "*Sports betting*" means placing wagers on sporting events as such activity is regulated by the Board.

63 "*Ticket courier service*" means a service operated for the purpose of purchasing Virginia Lottery lottery
64 tickets on behalf of individuals located within or outside the Commonwealth and delivering or transmitting
65 such tickets, or electronic images thereof, to such individuals as a business-for-profit delivery service.

66 "*Voluntary exclusion program*" means a program established by the Board pursuant to § 58.1-4015.1 that
67 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision
68 B 1 of § 58.1-4015.1 by placing their name on a voluntary exclusion list and following the procedures set
69 forth by the Board.

70 **§ 58.1-4003. Virginia Lottery and Gaming Authority established.**

71 Notwithstanding the provisions of Article 1 (§ 18.2-325 et seq.) of Chapter 8 of Title 18.2 or any other
72 provision of law, there is hereby established as an independent agency of the Commonwealth, exclusive of
73 the legislative, executive or judicial branches of government, the Virginia Lottery and Gaming Authority,
74 which shall include a Director and a Virginia Lottery and Gaming Board for the purpose of operating a state
75 lottery and overseeing all gaming regulatory operations in the Commonwealth.

76 **§ 58.1-4004. Membership of Board; appointment; terms; vacancies; removal; expenses.**

77 A. The Board shall consist of seven members, all of whom shall be citizens and residents of the
78 Commonwealth and all of whom shall be appointed by and serve at the pleasure of the Governor, subject to
79 confirmation by a majority of the members elected to each house of the General Assembly if in session when
80 the appointment is made, and if not in session, then at its next succeeding session. At least one member shall
81 be a law-enforcement officer, and at least one member shall be a certified public accountant authorized to
82 practice in the Commonwealth. Prior to the appointment of any Board members, the Governor shall consider
83 the political affiliation and the geographic residence of the Board members. The members shall be appointed
84 for terms of five years. The members shall annually elect one member as chairman of the Board.

85 B. Any vacancy on the Board occurring for any reason other than the expiration of a term shall be filled
86 for the unexpired term in the same manner as the original term.

87 C. The members of the Board shall receive such compensation as provided in § 2.2-2813, shall be subject
88 to the requirements of such section, and shall be allowed reasonable expenses incurred in the performance of
89 their official duties.

90 D. Before entering upon the discharge of their duties, the members of the Board shall take an oath that
91 they will faithfully and honestly execute the duties of the office during their continuance therein and they
92 shall give bond in such amount as may be fixed by the Governor, conditioned upon the faithful discharge of
93 their duties. The premium on such bond shall be paid out of the Virginia Lottery Fund.

94 E. No member of the Board shall:

95 1. Have any direct or indirect financial, ownership, or management interest in any gaming activities,
96 including any casino gaming operation, charitable gaming, pari-mutuel wagering, or lottery.

97 2. Receive or share in, directly or indirectly, the receipts or proceeds of any gaming activities, including
98 any casino gaming operation, charitable gaming, pari-mutuel wagering, or lottery.

99 3. Have an interest in any contract for the manufacture or sale of gaming devices, the conduct of any
100 gaming activity, or the provision of independent consulting services in connection with any gaming
101 establishment or gaming activity.

102 **§ 58.1-4005. Appointment, qualifications, and salary of Director.**

103 A. The ~~Department~~ Authority shall be under the immediate supervision and direction of a Director, who
104 shall be a person of good reputation, particularly as to honesty and integrity, and shall be subject to a
105 thorough background investigation conducted by the Department of State Police prior to appointment. The
106 Director shall be appointed by and serve at the pleasure of the Governor, subject to confirmation by a
107 majority of the members elected to each house of the General Assembly if in session when the appointment is
108 made, and if not in session, then at its next succeeding session. The Director shall receive a salary as provided
109 in the general appropriations act.

110 B. The Director shall devote his full time to the performance of his official duties and shall not be engaged
111 in any other profession or occupation.

112 C. Before entering upon the discharge of his duties, the Director shall take an oath that he will faithfully
113 and honestly execute the duties of his office during his continuance therein and shall give bond in such
114 amount as may be fixed by the Governor, conditioned upon the faithful discharge of his duties. The premium
115 on such bond shall be paid out of the Virginia Lottery Fund.

116 **§ 58.1-4006. Powers of the Director.**

117 A. The Director shall supervise and administer:

118 1. The operation of the lottery in accordance with the provisions of this ~~chapter~~ subtitle and with the rules
119 and regulations promulgated hereunder; and

120 2. The ~~regulation of casino gaming in accordance with Chapter 41 (§ 58.1-4100 et seq.)~~ operation of the

121 *Authority in accordance with the provisions of this subtitle and with the rules and regulations promulgated*
 122 *pursuant to this subtitle.*

123 B. The Director shall also:

124 1. Employ such deputy directors, professional, technical and clerical assistants, and other employees as
 125 may be required to carry out the functions and duties of the ~~Department~~ Authority.

126 2. Act as secretary and executive officer of the Board.

127 3. Require bond or other surety satisfactory to the Director from licensed agents as provided in subsection
 128 E of § 58.1-4009 and ~~Department~~ Authority employees with access to ~~Department~~ Authority funds or lottery
 129 funds, in such amount as provided in the rules and regulations of the Board. The Director may also require
 130 bond from other employees as he deems necessary.

131 4. Confer regularly, but not less than four times each year, with the Board on the operation and
 132 administration of the lottery and the regulation of casino gaming; make available for inspection by the Board,
 133 upon request, all books, records, files, and other information and documents of the ~~Department~~ Authority; and
 134 advise the Board and recommend such matters as he deems necessary and advisable to improve the operation
 135 and administration of the lottery and the regulation of casino gaming.

136 5. Suspend, revoke, or refuse to renew any license issued pursuant to this chapter or the rules and
 137 regulations adopted hereunder.

138 6. Suspend, revoke, or refuse to renew any license or permit issued pursuant to Chapter 41 (§ 58.1-4100 et
 139 seq.).

140 7. Eject or exclude from a casino gaming establishment any person, whether or not he possesses a license
 141 or permit, whose conduct or reputation is such that his presence may, in the opinion of the Director, reflect
 142 negatively on the honesty and integrity of casino gaming or interfere with the orderly gaming operations.

143 8. Immediately upon the receipt of a credible complaint of an alleged criminal violation of Chapter 41
 144 (§ 58.1-4100 et seq.), report the complaint to the Attorney General and the State Police for appropriate action.

145 9. Inspect and investigate, and have free access to, the offices, facilities, or other places of business of any
 146 licensee or permit holder and may compel the production of any of the books, documents, records, or
 147 memoranda of any licensee or permit holder for the purpose of ensuring compliance with Chapter 41
 148 (§ 58.1-4100 et seq.) and ~~Department~~ Authority regulations.

149 10. Compel any person holding a license or permit pursuant to Chapter 41 (§ 58.1-4100 et seq.) to file
 150 with the ~~Department~~ Authority such information as shall appear to the Director to be necessary for the
 151 performance of the ~~Department's~~ Authority's functions, including financial statements and information
 152 relative to principals and all others with any pecuniary interest in such person.

153 11. Impose a fine or penalty not to exceed \$1 million upon any person determined, in proceedings
 154 commenced pursuant to § 58.1-4105, to have violated any of the provisions of Chapter 41 (§ 58.1-4100 et
 155 seq.) or regulations promulgated by the Board.

156 12. Enter into arrangements with any foreign or domestic governmental agency for the purposes of
 157 exchanging information or performing any other act to better ensure the proper conduct of casino gaming
 158 operations or the efficient conduct of the Director's duties.

159 13. Enter into contracts for the operation of the lottery, or any part thereof, for the promotion of the lottery
 160 and into interstate lottery contracts with other states. A contract awarded or entered into by the Director shall
 161 not be assigned by the holder thereof except by specific approval of the Director.

162 14. Certify monthly to the State Comptroller and the Board a full and complete statement of lottery
 163 revenues, prize disbursements and other expenses for the preceding month.

164 15. Report monthly to the Governor, the Secretary of Finance, and the ~~Chairmen~~ Chairs of the Senate
 165 Committee on Finance and Appropriations, House Committee on Finance, and House Committee on
 166 Appropriations the total lottery revenues, prize disbursements, and other expenses for the preceding month
 167 and make an annual report, which shall include a full and complete statement of lottery revenues, prize
 168 disbursements, and other expenses, as well as a separate financial statement of the expenses incurred in the
 169 regulation of casino gaming operations as defined in § 58.1-4100, to the Governor and the General Assembly.
 170 Such annual report shall also include such recommendations for changes in this ~~chapter and Chapter 41~~
 171 ~~(§ 58.1-4100 et seq.)~~ subtitle as the Director and Board deem necessary or desirable.

172 16. Report immediately to the Governor and the General Assembly any matters that require immediate
 173 changes in the laws of the Commonwealth in order to prevent abuses and evasions of this chapter and
 174 Chapter 41 (§ 58.1-4100 et seq.) or the rules and regulations adopted hereunder or to rectify undesirable
 175 conditions in connection with the administration or operation of the lottery.

176 17. Notify prize winners and appropriate state and federal agencies of the payment of prizes in excess of
 177 \$600 in the manner required by the lottery rules and regulations.

178 18. Provide for the withholding of the applicable amount of state and federal income tax of persons
 179 claiming a prize for a winning ticket in excess of \$5,001.

180 19. ~~Participate in the Problem Gambling Treatment and Support Advisory Committee established~~
 181 ~~pursuant to § 37.2-304 by the Department of Behavioral Health and Developmental Services to enable~~
 182 ~~collaboration among prevention and treatment providers and operators of legal gaming in the Commonwealth~~

183 on efforts to reduce the negative effects of problem gambling.

184 C. The Director and the director of security or investigators appointed by the Director shall be vested with
185 the powers of sheriff and sworn to enforce the statutes and regulations pertaining to the ~~Department~~ Authority
186 and to investigate violations of the statutes and regulations that the Director is required to enforce.

187 D. The Director may authorize temporary bonus or incentive programs for payments to licensed sales
188 agents that he determines will be cost effective and support increased sales of lottery products.

189 E. *The Director shall establish the following divisions within the Authority:*

190 1. *An External Affairs and Policy Division for the purpose of communicating with relevant stakeholders in*
191 *the Commonwealth and recommending gaming policy decisions and legislative proposals to the General*
192 *Assembly.*

193 2. *A Gaming Compliance and Audit Division for the purpose of ensuring the integrity and legality of*
194 *gaming operations through internal controls and external regulations.*

195 3. *Any other division necessary to accomplish the goals of this subtitle.*

196 **§ 58.1-4007. Powers of the Board.**

197 A. The Board shall have the power to adopt regulations governing the establishment and operation of a
198 lottery pursuant to this article and, sports betting pursuant to Article 2 (§ 58.1-4030 et seq.), casino gaming,
199 charitable gaming, fantasy contests, and horse racing pursuant to this subtitle. ~~The~~ Such regulations
200 governing the establishment and operation of the lottery and sports betting shall be promulgated by the Board
201 after consultation with the Director. Such regulations shall be in accordance with the Administrative Process
202 Act (§ 2.2-4000 et seq.). The regulations shall provide for all matters necessary or desirable for the efficient,
203 honest, and economical operation and administration of the lottery and sports betting and for the convenience
204 of the purchasers of tickets or shares, the holders of winning tickets or shares, and sports bettors. The
205 regulations, which may be amended, repealed, or supplemented as necessary, shall include the following:

206 1. The type or types of lottery or game to be conducted in accordance with § 58.1-4001.

207 2. The price or prices of tickets or shares in the lottery.

208 3. The numbers and sizes of the prizes on the winning tickets or shares, including informing the public of
209 the approximate odds of winning and the proportion of lottery revenues (i) disbursed as prizes and (ii)
210 returned to the Commonwealth as net revenues.

211 4. The manner of selecting the winning tickets or shares.

212 5. The manner of payment of prizes to the holders of winning tickets or shares.

213 6. The frequency of the drawings or selections of winning tickets or shares without limitation.

214 7. Without limitation as to number, the type or types of locations at which tickets or shares may be sold.

215 8. The method to be used in selling tickets or shares, including the sale of tickets or shares over the
216 Internet.

217 9. The advertisement of the lottery in accordance with the provisions of subsection E of § 58.1-4022.

218 10. The licensing of agents to sell tickets or shares who will best serve the public convenience and
219 promote the sale of tickets or shares. No person under the age of 18 shall be licensed as an agent. A licensed
220 agent may employ a person who is 16 years of age or older to sell or otherwise vend tickets at the agent's
221 place of business so long as the employee is supervised in the selling or vending of tickets by the manager or
222 supervisor in charge at the location where the tickets are being sold. Employment of such person shall be in
223 compliance with Chapter 5 (§ 40.1-78 et seq.) of Title 40.1.

224 11. The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide
225 for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.
226 Notwithstanding the provisions of this subdivision, the Board shall not be required to approve temporary
227 bonus or incentive programs for payments to licensed sales agents.

228 12. Apportionment of the total revenues accruing from the sale of tickets or shares and from all other
229 sources and establishment of the amount of the special reserve fund as provided in § 58.1-4022.

230 13. Such other matters necessary or desirable for the efficient and economical operation and
231 administration of the lottery.

232 14. The operation of sports betting pursuant to ~~Article 2 Chapter 40.2~~ (§ 58.1-4030 58.1-4075 et seq.). In
233 adopting such regulations, the Board shall establish a consumer protection program and publish a consumer
234 protection bill of rights. Such program and bill of rights shall include measures to protect sports bettors, as
235 defined in § 58.1-4030 58.1-4075, with respect to identity, funds and accounts, consumer complaints,
236 self-exclusion, and any other consumer protection measure the Board determines to be reasonable.

237 15. The administration of a voluntary exclusion program as provided in § 58.1-4015.1.

238 The ~~Department~~ Authority shall not be subject to the provisions of Chapter 43 (§ 2.2-4300 et seq.) of Title
239 2.2; however, the Board shall promulgate regulations, after consultation with the Director, relative to
240 ~~departmental~~ internal procurement which include standards of ethics for procurement consistent with the
241 provisions of Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of Title 2.2 and which ensure that ~~departmental~~
242 procurement will be based on competitive principles.

243 The Board shall have the power to advise and recommend, but shall have no power to veto or modify
244 administrative decisions of the Director. However, the Board shall have the power to accept, modify or reject

245 any revenue projections before such projections are forwarded to the Governor.

246 B. The Board shall carry on a continuous study and investigation of the lottery and sports betting
247 throughout the Commonwealth to:

248 1. Ascertain any defects of this chapter or the regulations issued hereunder which cause abuses in the
249 administration and operation of the lottery and sports betting and any evasions of such provisions.

250 2. Formulate, with the Director, recommendations for changes in this chapter and the regulations
251 promulgated hereunder to prevent such abuses and evasions.

252 3. Guard against the use of this chapter and the regulations promulgated hereunder as a subterfuge for
253 organized crime and illegal gambling.

254 4. Ensure that this law and the regulations of the Board are in such form and are so administered as to
255 serve the true purpose of this chapter.

256 C. The Board shall make a continuous study and investigation of (i) the operation and the administration
257 of similar laws that may be in effect in other states or countries, (ii) any literature on the subject that may be
258 published or available, (iii) any federal laws that may affect the operation of the lottery and sports betting,
259 and (iv) the reaction of Virginia citizens to the potential features of the lottery and sports betting with a view
260 to recommending or effecting changes that will serve the purpose of this chapter.

261 D. The Board shall hear and decide an appeal of any denial by the Director of the licensing or revocation
262 of a license of a lottery agent pursuant to subdivision A 10 of this section and subdivision B 5 of § 58.1-4006.
263 The Board shall hear and decide an appeal of any penalty, denial of a permit or renewal, or suspension or
264 revocation of a permit imposed by the Director pursuant to ~~Article 2 Chapter 40.2~~ (§ ~~58.1-4030~~ 58.1-4075 et
265 seq.).

266 E. The Board shall have the authority to initiate procedures for the planning, acquisition, and construction
267 of capital projects as set forth in Article 4 (§ 2.2-1129 et seq.) of Chapter 11 and Article 3 (§ 2.2-1819 et seq.)
268 of Chapter 18 of Title 2.2.

269 F. The Board may adjust the percentage of uncollectible gaming receivables allowed to be subtracted from
270 adjusted gross revenue, as defined in § ~~58.1-4030~~ 58.1-4075, if it determines that a different percentage is
271 reasonable and customary in the sports betting industry.

272 **§ 58.1-4007.4. Deputy Director of Gaming; powers and duties.**

273 A. *The Deputy Director of Gaming shall have the following powers and duties:*

274 1. *Monitor all forms of gaming conducted in the Commonwealth by collecting and analyzing data,
275 coordinating with relevant state agencies, and engaging with stakeholders to promote integrity,
276 accountability, and the public interest in the administration of gaming laws, for the purpose of assisting in
277 the development of policies and making recommendations to the Authority, Racing Commission, and the
278 General Assembly regarding potential legislation or regulations necessary to ensure a consistent,
279 transparent, and cohesive regulatory framework for all gaming activities in the Commonwealth.*

280 2. *Serve as the primary liaison between the Authority and Virginia Racing Commission (the entities). The
281 Deputy Director shall (i) facilitate communication and coordination between the Authority in its oversight of
282 historical horse racing and the Racing Commission in its oversight of pari-mutuel wagering on live and
283 simulcast horse racing; (ii) ensure the effective sharing of information, including regulatory updates,
284 compliance matters, and industry development to promote consistency and collaboration between the
285 entities; (iii) provide regular reports to the entities regarding activities, trends, and issues affecting horse
286 racing and pari-mutuel wagering in the Commonwealth; and (iv) advise the entities on policies and
287 procedures to uphold the integrity of horse racing and pari-mutuel wagering activities in the Commonwealth.*

288 3. *Participate in the Problem Gambling Treatment and Support Advisory Committee established pursuant
289 to § 37.2-304 by the Department of Behavioral Health and Developmental Services to enable collaboration
290 among prevention and treatment providers and operators of legal gaming in the Commonwealth on efforts to
291 reduce the negative effects of problem gambling.*

292 4. *Exercise and perform such powers and duties as may be delegated to him by the Director or the Board
293 or as may be conferred or imposed upon him by law.*

294 B. *Neither the Deputy Director nor his spouse nor any member of his immediate family shall make any
295 contributions to a candidate for office or office holder at the local or state level, or cause such a contribution
296 to be made on his behalf.*

297 **§ 58.1-4007.5. Director of Regulatory Affairs; powers and duties.**

298 A. *The Director of Regulatory Affairs shall have the following powers and duties:*

299 1. *Oversee regulation of all gaming activities authorized pursuant to this subtitle, except for pari-mutuel
300 wagering on live and simulcast horse racing authorized pursuant to Chapter 44 (§ 58.1-4188 et seq.);*

301 2. *Manage a gaming compliance and audit division for the Authority;*

302 3. *Assume responsibility for all gaming licensing and permitting and related investigations;*

303 4. *Oversee electronic gaming operations authorized pursuant to this subtitle; and*

304 5. *Exercise and perform such powers and duties as may be delegated to him by the Director or the Board
305 or as may be conferred or imposed upon him by law.*

306 B. *Neither the Director of Regulatory Affairs nor his spouse nor any member of his immediate family shall*

307 *make any contributions to a candidate for office or office holder at the local or state level, or cause such a*
 308 *contribution to be made on his behalf.*

309 **§ 58.1-4007.6. Chief Operating Officer; powers and duties.**

310 *A. The Chief Operating Officer shall have the following powers and duties:*

311 *1. Oversee and manage human resources, information technology systems, facilities and security, finance*
 312 *and accounting, purchasing, and internal auditing departments within the Authority; and*

313 *2. Exercise and perform such powers and duties as may be delegated to him by the Director or the Board*
 314 *or as may be conferred or imposed upon him by law.*

315 *B. Neither the Chief Operating Officer nor his spouse nor any member of his immediate family shall make*
 316 *any contributions to a candidate for office or office holder at the local or state level, or cause such a*
 317 *contribution to be made on his behalf.*

318 **§ 58.1-4008. ~~Employees of the Department; Authority employees; exempt from Virginia Personnel~~**
 319 **~~Act; background investigations of employees.~~**

320 *A. Employees of the Authority shall be considered employees of the Commonwealth. Employees of the*
 321 *Authority shall be eligible for membership in the Virginia Retirement System or other retirement plan as*
 322 *authorized by Article 4 (§ 51.1-125 et seq.) of Chapter 1 of Title 51.1 and participation in all health and*
 323 *related insurance and other benefits, including premium conversion and flexible benefits, available to state*
 324 *employees as provided by law. Employees of the Authority shall be employed on such terms and conditions as*
 325 *established by the Board. The Board shall develop and adopt policies and procedures that afford its*
 326 *employees grievance rights, ensure that employment decisions shall be based upon the merit and fitness of*
 327 *applicants, and prohibit discrimination because of race, color, religion, ethnic or national origin, sex,*
 328 *pregnancy, childbirth or related medical conditions, age, marital status, sexual orientation, gender identity,*
 329 *military status, or disability. Notwithstanding any other provision of law, the Board shall develop, implement,*
 330 *and administer a paid leave program, which may include annual, personal, and sick leave or any*
 331 *combination thereof. All other leave benefits shall be administered in accordance with Chapter 11*
 332 *(§ 51.1-1100 et seq.) of Title 51.1, except as otherwise provided in this section.*

333 *B. Employees of the Authority shall be exempt from the provisions of the Virginia Personnel Act, Chapter*
 334 *29 (§ 2.2-2900 et seq.) of Title 2.2. Personnel actions shall be taken without regard to race, sex, sexual*
 335 *orientation, gender identity, color, ethnic or national origin, religion, age, disability, or political affiliation.*

336 *C. All persons employed by the ~~Department~~ Authority shall be fingerprinted before, and as a condition of,*
 337 *employment. These fingerprints shall be submitted to the Federal Bureau of Investigation for a National*
 338 *Criminal Records search and to the Department of State Police for a Virginia Criminal History Records*
 339 *search. All board members, officers and employees of any vendor to the ~~Department~~ Authority of lottery*
 340 *on-line or instant ticket goods or services working directly on a contract with the ~~Department~~ Authority for*
 341 *such goods or services shall be fingerprinted, and such fingerprints shall be submitted to the Federal Bureau*
 342 *of Investigation for a National Criminal Records search conducted by the chief security officer of the*
 343 *Virginia Lottery Authority. A background investigation shall be conducted by the chief security officer of the*
 344 *Virginia Lottery Authority on every applicant prior to employment by the ~~Department~~ Authority. However,*
 345 *all division directors of the Virginia Lottery Authority and employees of the Virginia Lottery Authority*
 346 *performing duties primarily related to security matters shall be subject to a background investigation report*
 347 *conducted by the Department of State Police prior to employment by the ~~Department~~ Authority. The*
 348 *Department of State Police shall be reimbursed by the Virginia Lottery Authority for the cost of*
 349 *investigations conducted pursuant to this section or § 58.1-4005. No person who has been convicted of a*
 350 *felony, bookmaking or other forms of illegal gambling, or of a crime involving moral turpitude shall be*
 351 *employed by the ~~Department~~ Authority or on contracts with vendors described in this section.*

352 **§ 58.1-4023. Post-audit of accounts and transactions of ~~Department~~ Authority; post-compliance**
 353 **audits.**

354 *A regular post-audit shall be conducted of all accounts and transactions of the ~~Department~~ Authority. An*
 355 *annual audit of a fiscal and compliance nature of the accounts and transactions of the ~~Department~~ Authority*
 356 *shall be conducted by the Auditor of Public Accounts on or before August 15 of each year. The cost of the*
 357 *annual audit and post-audit examinations shall be borne by the ~~Department~~ Authority. The Board may order*
 358 *such other audits as it deems necessary and desirable.*

359 **§ 58.1-4027. Judicial review.**

360 *The action of the Board in (i) granting or denying a license or registration or in suspending or revoking*
 361 *any license or registration under the provisions of this article and (ii) granting, denying, suspending, or*
 362 *revoking any permit or imposing any penalty pursuant to ~~Article 2 Chapter 40.2~~ (§ 58.1-4030 58.1-4075 et*
 363 *seq.) shall be subject to review in accordance with the provisions of the Administrative Process Act*
 364 *(§ 2.2-4000 et seq.). Such review shall be limited to the evidential record of the proceedings provided by the*
 365 *Board. Both the petitioner and the Board shall have the right to appeal to the Court of Appeals from any order*
 366 *of the court.*

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Article I. General Provisions.

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§ 58.1-4049. Establishment of state lottery.

This chapter establishes a lottery to be operated by the Commonwealth which will produce revenue consonant with the probity of the Commonwealth and the general welfare of its people, to be used for the public purpose.

§ 58.1-4050. Licensing of lottery sales agents; penalty.

A. No license as an agent to sell lottery tickets or shares shall be issued to any person to engage in business primarily as a lottery sales agent. Before issuing such license, the Director shall consider such factors as (i) the financial responsibility and security of the person and his business or activity; (ii) the accessibility of his place of business or activity to the public; (iii) the sufficiency of existing licensees to serve the public convenience; and (iv) the volume of expected sales.

B. For the purposes of this section, the term "person" means an individual, association, partnership, corporation, club, trust, estate, society, company, joint stock company, receiver, trustee, assignee, referee, or any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals. "Person" also means all departments, commissions, agencies, and instrumentalities of the Commonwealth, including counties, cities, municipalities, agencies, and instrumentalities thereof.

C. The chief security officer of the Authority shall conduct a background investigation, to include a Virginia criminal history records search, and fingerprints that shall be submitted to the Federal Bureau of Investigation if the Director deems a national criminal records search necessary, on applicants for licensure as lottery sales agents. The Director may refuse to issue a license to operate as an agent to sell lottery tickets or shares to any person who has been (i) convicted of a crime involving moral turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any fraud or misrepresentation in any connection, (iv) convicted of a felony, or (v) engaged in conduct prejudicial to public confidence in the Authority. The Director may refuse to grant a license or may suspend, revoke, or refuse to renew a license issued pursuant to this chapter to a partnership or corporation, if he determines that any general or limited partner, or officer or director of such partnership or corporation has been (a) convicted of a crime involving moral turpitude, (b) convicted of bookmaking or other forms of illegal gambling, (c) found guilty of any fraud or misrepresentation in any connection, (d) convicted of a felony, or (e) engaged in conduct prejudicial to public confidence in the Authority. Whoever knowingly and willfully falsifies, conceals, or misrepresents a material fact or knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in any application for licensure to the Authority for lottery sales agent is guilty of a Class 1 misdemeanor.

D. In the event an applicant is a former lottery sales agent whose license was suspended, revoked, or refused renewal pursuant to this section or § 58.1-4053, no application for a new license to sell lottery tickets or shares shall be considered for a minimum period of 90 days following the suspension, revocation, or refusal to renew.

E. Prior to issuance of a license, every lottery sales agent shall either (i) be bonded by a surety company entitled to do business in the Commonwealth in such amount and penalty as may be prescribed by the regulations of the Authority or (ii) provide such other surety as may be satisfactory to the Director, payable to the Authority and conditioned upon the faithful performance of his duties.

F. Every licensed agent shall prominently display his license, or a copy thereof, as provided in the regulations of the Authority.

§ 58.1-4051. Authority of persons licensed as lottery sales agents; annual fee.

A. Notwithstanding any other provision of law, any person licensed as provided in this chapter is hereby authorized to act as a lottery sales agent.

B. The rules and regulations of the Authority shall provide for an initial licensing fee and an annual license review fee to be collected from each lottery sales agent. Such fee, as promulgated by rule and regulation of the Board, shall be designed to recover all or such portion of the installation and annual operational costs borne by the Authority in providing services to the agent.

§ 58.1-4052. Meaning of "gross receipts."

A. Notwithstanding the provisions of Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 or § 58.1-4072 relating to local license taxes, the term "gross receipts" as used in Chapter 37 shall include only the compensation actually paid to a licensed sales agent as provided by rule or regulation adopted by the Board consistent with the provisions of subdivision A 11 of § 58.1-4007.

B. Unless otherwise provided by contract, any person licensed as a lottery agent who makes rental payments for the business premises on which state lottery tickets are sold on the basis of retail sales shall have that portion of rental payment based on sales of state lottery tickets or shares computed on the basis of the compensation received as a lottery agent from the Authority.

§ 58.1-4053. Suspension and revocation of licenses.

The Director may suspend, revoke, or refuse to renew, after notice and a hearing, any license issued pursuant to this chapter. Such license may, however, be temporarily suspended by the Director without prior notice, pending any prosecution, hearing, or investigation, whether by a third party or by the Director. A

431 license may be suspended, revoked, or refused renewal by the Director for one or more of the following
432 reasons:

433 1. Failure to properly account for lottery tickets received or the proceeds of the sale of lottery tickets;

434 2. Failure to file a bond if required by the Director or to comply with instructions and rules and
435 regulations of the Authority concerning the licensed activity, especially with regard to the prompt payment of
436 claims;

437 3. Conviction of any offense referenced in subsection C of § 58.1-4050 subsequent to licensure;

438 4. Failure to file any return or report, to keep records, or to pay any fees or other charges required by this
439 chapter;

440 5. Any act of fraud, deceit, misrepresentation, or conduct prejudicial to public confidence in the
441 Commonwealth lottery;

442 6. If the number of lottery tickets sold by the lottery sales agent is insufficient to meet administrative costs
443 and public convenience is adequately served by other licensees;

444 7. A material change, since issuance of the license, with respect to any matters required to be considered
445 by the Director under this chapter; or

446 8. Other factors established by Authority regulation.

447 **§ 58.1-4054. Prohibited actions; penalty.**

448 Any person who (i) wrongfully and fraudulently uses, disposes of, conceals, or embezzles any public
449 money or funds associated with the operation of the lottery; (ii) wrongfully and fraudulently tampers with any
450 equipment or machinery used in the operation of the lottery; or (iii) makes inaccurate entries regarding a
451 financial accounting of the lottery in order to conceal the truth, defraud the Commonwealth, and obtain
452 money to which he is not entitled is guilty of a Class 3 felony.

453 **§ 58.1-4055. License required for "instant ticket" games or contests; penalty.**

454 No person who owns or is employed by any retail establishment in the Commonwealth shall use any
455 "instant ticket" game or contest for the purpose of promoting or furthering the sale of any product without
456 first obtaining a license to do so from the Director. For the purposes of this section, an "instant ticket" game
457 or contest means a game of chance played on a paper ticket or card where (i) a person may receive gifts,
458 prizes, or gratuities and (ii) winners are determined by preprinted concealed letters, numbers, or symbols
459 which, when exposed, reveal immediately whether the player has won a prize or entry into a prize drawing,
460 but does not include any "instant ticket" game or contest licensed by the Virginia Lottery and Gaming
461 Authority pursuant to Chapter 42 (§ 58.1-4142 et seq.). The fact that no purchase is required in order to
462 participate shall not exclude such game or contest from the provisions of this section; however, nothing in
463 this section shall prohibit any retail establishment from using a Virginia lottery ticket to promote or further
464 the sale of any products except those having both a federal and state excise tax placed on them. Any person
465 who violates this section is guilty of a Class 3 misdemeanor.

466 **§ 58.1-4056. Unclaimed prizes.**

467 A. Unclaimed prizes for a winning ticket or share shall be retained by the Director for the person entitled
468 thereto for 180 days after the drawing in which the prize was won in the case of a drawing prize and for 180
469 days after the announced end of the lottery game in the case of a prize determined in any manner other than
470 by means of a drawing. If no claim is made for the prize within the 180 days, the Director shall deem such
471 prize forfeited by the person entitled to claim such winnings.

472 B. All prizes deemed forfeited pursuant to subsection A shall be paid into the Literary Fund. The Director
473 may develop procedures, to be approved by the Auditor of Public Accounts, for estimating the cumulative
474 total of such unclaimed prizes in any lottery game in lieu of specifically identifying unclaimed prizes where
475 such specific identification would not be cost effective. The Director, within 60 days after the end of each
476 180-day retention period, shall report the total value of prizes forfeited at the end of such period to the
477 Comptroller, who shall promptly transfer the total of such prizes to the Literary Fund. The total value of
478 prizes forfeited during the fiscal year shall be audited by the Auditor of Public Accounts in accordance with
479 § 58.1-4023. In the case of a prize payable over time on one or more winning tickets, if one or more winning
480 tickets is not claimed within the 180-day redemption period, the Authority shall transfer the then current
481 monetary value of such portion of the prize remaining unclaimed to the Literary Fund in accordance with
482 procedures approved by the State Treasurer. "Current monetary value" shall be determined by the net
483 proceeds from the sale of that portion of jackpot securities allocated to the unclaimed winner plus the amount
484 of the initial cash payment.

485 C. Subsection B shall not apply to prizes of \$25 or less resulting from any lottery game other than a
486 lottery game in which a drawing determined the prize. The Board shall adopt regulations for the disposition
487 of all such unclaimed prizes of \$25 or less not resulting from a drawing. Such disposition shall be directed in
488 whole or in part to either the Virginia Lottery Fund or to other forms of compensation to licensed sales
489 agents.

490 D. For purposes of this section, "prize" refers to a cash prize. In the case of a prize payable over time and
491 not as a lump sum payment, "prize" means the present cash value of the prize, not the value paid over time.

492 E. In accordance with the provisions of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 App.

493 U.S.C.A. § 525), any person whose unclaimed prize was deemed forfeited pursuant to subsection A while he
 494 was in active military service may claim such forfeited prize by presenting his winning ticket to the Director
 495 no later than 180 days after his discharge from active military service. Within 30 days of such presentation,
 496 the Director shall verify the claim and report the verification to the Comptroller. The Comptroller shall
 497 promptly pay the verified claim first from funds available in the Unclaimed Property Trust Fund; if such
 498 funds are insufficient, then, from any undesignated, unreserved year-end balance of the general fund. All
 499 verified claims shall be paid in accordance with the Board's rules and regulations then in effect regarding the
 500 manner of payment of prizes to the holders of winning tickets or shares.

501 **§ 58.1-4057. Deposit of moneys received by agents; performance of functions, etc., in connection with**
 502 **operation of lottery; compensation of agents.**

503 A. The Director shall require all lottery sales agents to deposit to the credit of the Virginia Lottery Fund
 504 in banks, designated by the State Treasurer, all moneys received by such agents from the sale of lottery
 505 tickets or shares, less any amount paid as prizes or retained as compensation to agents for the sale of the
 506 tickets or shares, and to file with the Director, or his designated agents, reports of their receipts,
 507 transactions, and disbursements pertaining to the sale of lottery tickets in such form and containing such
 508 information as he may require. Such deposits and reports shall be submitted at such times and within such
 509 intervals as shall be prescribed by rule and regulation of the Authority. The Director may arrange for any
 510 person, including a bank, to perform such functions, activities, or services in connection with the operation of
 511 the lottery as he may deem advisable pursuant to this chapter and the rules and regulations of the Authority,
 512 and such functions, activities, and services shall constitute lawful functions, activities, and services of the
 513 person.

514 B. The rules and regulations of the Authority shall provide for a service charge to the licensed agent if
 515 any payor bank dishonors a check or draft tendered for deposit to the credit of the Virginia Lottery Fund by a
 516 licensed agent or for an electronic transfer of funds to the Virginia Lottery Fund from the account of a
 517 licensed agent for money received from the sale of lottery tickets.

518 The regulations of the Authority shall provide for a service charge and penalty to a licensed agent if any
 519 payor bank dishonors a check or draft from the account of a licensed agent tendered for payment of any prize
 520 by a licensed agent to any claimant. Any such charge or penalty so collected by the Authority shall be used
 521 first to reimburse the claimant for any charges or penalties incurred by him as a result of the licensed agent's
 522 dishonored check tendered as payment of any prize and the remainder to offset the Authority's administrative
 523 costs.

524 C. A licensed agent shall be charged interest as provided in § 58.1-15 on the money that is not timely paid
 525 to the Virginia Lottery Fund in accordance with the rules and regulations of the Authority and shall in
 526 addition thereto pay penalties as provided by rules and regulations of the Authority.

527 D. Should the Agency refer the debt of any licensed agent to the Attorney General, the Department of
 528 Taxation as provided in the Setoff Debt Collection Act (§ 58.1-520 et seq.), or any other central collection
 529 unit of the Commonwealth, an additional service charge shall be imposed in the amount necessary to cover
 530 the administrative costs of the Authority and agencies to which such debt is referred.

531 E. Notwithstanding the provisions of Chapter 5 (§ 8.01-257 et seq.) of Title 8.01, in any action for the
 532 collection of a debt owed by any licensed agent to the lottery, venue shall lie in the City of Richmond.

533 F. All proceeds from the sale of lottery tickets or shares received by a person in the capacity of a sales
 534 agent shall constitute a trust fund until deposited into the Virginia Lottery Fund either directly or through the
 535 Authority's authorized collection representative. Proceeds shall include cash proceeds of the sale of any
 536 lottery products, less any amount paid as prizes or retained as compensation to agents for the sale of the
 537 tickets or shares. Sales agents shall be personally liable for all proceeds.

538 G. If the Director determines that the deposit or collection from any sales agent of any moneys or
 539 proceeds under this section is or will be jeopardized or will otherwise be delayed, he may adjust either the
 540 time or the interval or both for such deposits or collections of any sales agent; require that all such moneys
 541 or proceeds shall be kept separate and apart from all other funds and assets and shall not be commingled
 542 with any other funds or assets prior to their deposit or collection under this section; and require such other
 543 security of any sales agent as he may deem advisable to ensure the timely deposit or collection of moneys or
 544 proceeds to the credit of the Virginia Lottery Fund.

545 Collection of moneys or proceeds "is or will be jeopardized or will otherwise be delayed" when (i) a
 546 check, draft, or electronic funds transfer to the credit of the Virginia Lottery Fund is dishonored as described
 547 in subsection B; (ii) an independent auditor states that the lottery sales agent's financial condition raises
 548 substantial doubt about its ability to continue as a going concern; or (iii) the lottery sales agent (a) closes for
 549 business or fails to maintain normal business hours without reasonable explanation, (b) has a credit record
 550 reflecting recent actions that cast doubt as to its creditworthiness, (c) states it has or may have cash flow
 551 problems or may be unable to meet its financial obligations, (d) states it may seek the protection of the
 552 federal bankruptcy or state insolvency law, (e) refuses to purchase additional lottery tickets or returns tickets
 553 ordered without good cause, or (f) does any other act tending to prejudice or to render wholly or partially
 554 ineffectual proceedings to collect moneys or proceeds that are or will become due and payable to the

555 *Virginia Lottery Fund.*

556 **§ 58.1-4058. Virginia Lottery Fund.**

557 A. All moneys received from the sale of lottery tickets or shares, less payment for prizes and compensation
558 of agents as authorized by regulation and any other revenues received under this chapter, shall be placed in
559 a special fund known as the "Virginia Lottery Fund." Notwithstanding any other provisions of law, interest
560 earned from moneys in the Virginia Lottery Fund shall accrue to the benefit of such Fund.

561 B. The total costs for the operation and administration of the lottery shall be funded from the Virginia
562 Lottery Fund and shall be in such amount as provided in the general appropriation act. Appropriations to the
563 Authority during any fiscal year beginning on and after July 1, 1989, exclusive of agent compensation, shall
564 at no time exceed 10 percent of the total annual estimated gross revenues to be generated from lottery sales.
565 However, should it be anticipated at any time by the Director that such operational and administrative costs
566 for a fiscal year will exceed the limitation provided herein, the Director shall immediately report such
567 information to the Board, the Governor, and the Chairs of the Senate Committee on Finance and
568 Appropriations and the House Committee on Appropriations. From the moneys in the Fund, the Comptroller
569 shall establish a special reserve fund in such amount as shall be provided by regulation of the Authority for
570 (i) operation of the lottery, (ii) use if the game's pay-out liabilities exceed its cash on hand, or (iii)
571 enhancement of the prize pool with income derived from lending securities held for payment of prize
572 installments, which lending of securities shall be conducted in accordance with lending programs approved
573 by the Department of the Treasury.

574 C. The Comptroller shall transfer to the Lottery Proceeds Fund established pursuant to § 58.1-4059, less
575 the special reserve fund, the audited balances of the Virginia Lottery Fund at the close of each fiscal year.
576 The transfer for each year shall be made in two parts: (i) on or before June 30, the Comptroller shall transfer
577 balances of the Virginia Lottery Fund for the fiscal year, based on an estimate determined by the Authority,
578 and (ii) no later than 10 days after receipt of the annual audit report required by § 58.1-4023, the
579 Comptroller shall transfer to the Lottery Proceeds Fund the remaining audited balances of the Virginia
580 Lottery Fund for the fiscal year. If such annual audit discloses that the actual revenue is less than the
581 estimate on which the transfer was based, the State Comptroller shall transfer the difference between the
582 actual revenue and the estimate from the Lottery Proceeds Fund to the Virginia Lottery Fund.

583 D. In addition to such other funds as may be appropriated, 100 percent of the lottery revenues transferred
584 to the Lottery Proceeds Fund shall be appropriated entirely and solely for the purpose of public education in
585 the Commonwealth unless otherwise redirected pursuant to Article X, Section 7-A of the Constitution of
586 Virginia. The additional appropriation of lottery revenues to local school divisions for public education
587 purposes consistent with this provision shall be used for operating, capital outlay, or debt service expenses,
588 as determined by the appropriation act. The additional appropriation of lottery revenues shall not be used by
589 any local school division to reduce its total local expenditures for public education in accordance with the
590 provisions of the general appropriation act.

591 E. As a function of the administration of this chapter, funds may be expended for the purposes of
592 reasonably informing the public concerning (i) the facts embraced in the subjects contained in subdivisions A
593 1 through 7 of § 58.1-4007 and (ii) the fact that the net proceeds are paid into the Lottery Proceeds Fund of
594 the Commonwealth, but no funds shall be expended for the primary purpose of inducing persons to
595 participate in the lottery.

596 **§ 58.1-4059. Lottery Proceeds Fund.**

597 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Lottery
598 Proceeds Fund, referred to in this section as the "Fund." The Fund shall be established on the books of the
599 Comptroller and interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any
600 moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the
601 general fund but shall remain in the Fund. The Fund shall consist of amounts deposited into it from the net
602 revenues of any lottery conducted by the Commonwealth pursuant to Article X, Section 7-A of the
603 Constitution of Virginia.

604 B. For purposes of any appropriation act enacted by the General Assembly and for the purposes of the
605 Comptroller's preliminary and final annual reports required by § 2.2-813, all deposits to and appropriations
606 from the Lottery Proceeds Fund shall be accounted for and considered to be a part of the general fund of the
607 state treasury.

608 *Article 2. Administration of Tickets and Prizes.*

609 **§ 58.1-4060. Lottery tickets to bear telephone number for compulsive gamblers.**

610 All lottery tickets shall bear a toll-free telephone number for "Gamblers Anonymous" or other
611 organization that provides assistance to compulsive gamblers.

612 **§ 58.1-4061. Posting of illegal gaming tip line.**

613 Every licensed lottery sales agent shall post in a conspicuous place in its retail establishment a sign that
614 bears (i) the toll-free telephone number and website for the illegal gaming tip line established and
615 administered by the Office of the Gaming Enforcement Coordinator in the Department of State Police
616 pursuant to § 52-54 for members of the public to report concerns about, or suspected instances of, illegal

617 gaming activities and (ii) the toll-free telephone number for the National Problem Gambling Helpline.

618 **§ 58.1-4062. Right to prize not assignable; exceptions.**

619 A. No right of any person to a prize drawn shall be assignable, except that: (i) payment of any prize
620 drawn may be paid according to the terms of a deceased prize winner's beneficiary designation or similar
621 form filed with the Authority or to the estate of a deceased prize winner who has not completed such a form;
622 (ii) the prize to which the winner is entitled may be paid to a person pursuant to an appropriate judicial
623 order; and (iii) payment of any prize drawn may be paid in accordance with the provisions of § 58.1-4071.
624 Payments made according to the terms of a deceased prize winner's beneficiary designation or similar form
625 filed with the Authority are effective by reason of the contract involved and this statute and are not to be
626 considered as testamentary or subject to Chapter 4 (§ 64.2-400 et seq.) of Title 64.2. The Director shall be
627 discharged of all liability upon payment of a prize pursuant to this section.

628 B. Investments of prize proceeds made by the Authority to fund the payment of an annuitized prize are to
629 be held in the name of the Authority or the Commonwealth and not in the name of the prizewinner. Any claim
630 of a prizewinner to a future payment remains inchoate until the date the payment is due under Authority
631 regulations.

632 C. Except as provided in Chapter 19 (§ 63.2-1900 et seq.) of Title 63.2 and this chapter, no lottery prize
633 or installment thereof may be subject to garnishment or to a lien of any kind until such prize or installment
634 thereof has been paid or distributed.

635 D. Whenever the Authority or the Director is or may be named as a party in any proceeding instituted by
636 or on behalf of one or more persons who claim ownership of a winning lottery ticket, prize, share, or portion
637 thereof for the purpose of determining the ownership or right to such ticket, prize, share, or portion thereof,
638 the Director may voluntarily pay or tender the prize, share, or portion thereof into the circuit court where the
639 action is filed, or may be ordered to do so by the court, and shall thereupon be discharged from all liability
640 as between the claimants of such ticket, prize, share, or portion thereof without regard to whether such
641 payment was made voluntarily or pursuant to a court order.

642 Nothing in this section shall be deemed to constitute a waiver of the sovereign immunity of the
643 Commonwealth or to authorize any attachment, garnishment, or lien against the prize, share, or portion
644 thereof paid into the court except as permitted by subsection C.

645 **§ 58.1-4063. Price of tickets or shares; who may sell; penalty.**

646 No person shall sell a ticket or share at any price or at any location other than that fixed by rules and
647 regulations of the Authority. No person other than a licensed lottery sales agent or his employee shall sell
648 lottery tickets or shares, except that nothing in this section shall be construed to prevent any person from
649 giving lottery tickets or shares to another person 18 years of age or older as a gift. No person shall operate a
650 ticket courier service in the Commonwealth.

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

652 **§ 58.1-4064. Method of payment for purchase of tickets or shares.**

653 Lottery sales agents licensed in accordance with this chapter shall accept only cash or debit cards in
654 payment for the purchase of lottery tickets or shares.

655 **§ 58.1-4065. Sale of ticket or share to person younger than 18 years of age prohibited; penalty.**

656 No ticket or share shall be sold to or redeemed from any person younger than 18 years of age. Any
657 licensee who knowingly sells or offers to sell or redeem a lottery ticket or share to or from any person
658 younger than 18 years of age is guilty of a Class 1 misdemeanor.

659 **§ 58.1-4066. Gift to minor prohibited; penalty.**

660 No ticket or share shall be given as a gift or otherwise to any person younger than 18 years of age. Any
661 person who knowingly gives a lottery ticket or share to any person younger than 18 years of age is guilty of a
662 Class 3 misdemeanor.

663 **§ 58.1-4067. Alteration and forgery; presentation of counterfeit or altered ticket or share; penalty.**

664 Any person who (i) forges, alters, or fraudulently makes any lottery ticket or share with intent to present
665 for payment or to transfer to another person to be presented for payment or (ii) knowingly presents for
666 payment or transfers to another person to be presented for payment such forged, altered, or fraudulently
667 made counterfeit lottery ticket or share sold pursuant to this chapter is guilty of a Class 6 felony.

668 **§ 58.1-4068. Larceny of tickets; fraudulent notification of prizes; penalty.**

669 A. Any person who steals or otherwise unlawfully converts to his own or another's use a lottery ticket,
670 prize, share, or portion thereof is guilty of larceny. For purposes of this subsection, the value of a lottery
671 ticket, prize, share, or portion thereof shall be deemed to be the greater of its face amount or its redemption
672 value.

673 B. Any person who, with intent to defraud, steal, embezzle, or violate the provisions of § 18.2-186.3,
674 designs, makes, prints, or otherwise produces, in whole or in part, a document or writing, whether in printed
675 or electronic form, that falsely purports to be correspondence from or on behalf of the lottery is guilty of a
676 Class 5 felony.

677 Jurisdiction shall lie and prosecution may proceed under this subsection in any county or city (i) in which
678 the document was created; (ii) from which it was sent, regardless of the form of delivery; or (iii) in which it

679 was received, regardless of the form of delivery.

680 **§ 58.1-4069. Ticket discounting; civil penalties.**

681 A. As used in this section, "ticket discounting" means reselling or having a person other than the prize
682 winner claim a winning lottery ticket or buying or claiming a winning lottery ticket for the purpose of
683 assisting the original prize winner with concealing his identity as a prize winner.

684 B. No person shall engage in the practice of ticket discounting.

685 C. Any person found to have engaged in the practice of ticket discounting shall be fined as determined by
686 the Director (i) for prizes of less than \$1,000, not more than \$250; (ii) for prizes of \$1,000 or more but less
687 than \$5,000, more than \$250 but not more than \$500; and (iii) for prizes of \$5,000 or more, no less than
688 \$1,000. All fines recovered for violations of this section shall be paid into the state treasury to the credit of
689 the Literary Fund, in accordance with § 19.2-353.

690 **§ 58.1-4070. Certain persons ineligible to purchase tickets or shares or receive prizes.**

691 A. No ticket or share shall be purchased by, and no prize shall be paid on a ticket purchased by or
692 transferred to, any (i) Board member, officer, or employee of the Authority; (ii) board member, officer, or
693 employee of any vendor to the Authority of lottery online or instant ticket goods or services working directly
694 on a contract with the Authority for such goods or services; (iii) person residing in the same household of
695 such member, officer, or employee; or (iv) person younger than 18 years of age or the transferee of any such
696 person.

697 B. Only natural persons may purchase lottery tickets and claim prize winnings. In all cases, the identity
698 and social security number of all natural persons who receive a prize greater than \$100 from a winning
699 ticket redeemed at any Authority office shall be provided in order to comply with this section and
700 §§ 58.1-4065, 58.1-4066, and 58.1-4073 and Chapter 19 (§ 63.2-1900 et seq.) of Title 63.2.

701 **§ 58.1-4071. Voluntary assignment of lottery prizes or pledge as collateral for a loan; requirements for**
702 **the assignees and lenders.**

703 A. Lottery prizes, payable in installments over a period of time, excluding prizes payable for the winner's
704 life, may be voluntarily assigned or pledged as collateral for a loan, in whole or in part, by the person
705 entitled to such installments, by written contract affirming that the requirements of this section have been met
706 and endorsed by written order of a court of competent jurisdiction after a hearing. The order shall specify the
707 name, address, and social security number or tax identification number of the assignee or lender and shall
708 specifically describe the payments be assigned or pledged as collateral by date and gross pre-tax amount.
709 The Authority shall be given notice of any hearing held pursuant to this section and shall have the right to
710 appear and participate in such hearing. Venue for hearings held pursuant to this section shall be in the
711 Circuit Court of the City of Richmond.

712 The rate charged for any such assignment or loan shall not exceed 15 percent.

713 The contract shall:

714 1. Be signed by the assignor and the assignee or the lender and the borrower, and the assignor or
715 borrower shall affirm the assignment or loan has been voluntarily executed.

716 2. Include or be accompanied by a sworn statement attesting that the assignor or borrower (i) is of sound
717 mind and not acting under duress; (ii) has been advised in writing by the assignee or lender to seek
718 independent legal counsel and independent financial counsel concerning the implications of the assignment
719 or loan, including the tax consequences, and has either received such advice or knowingly waived such
720 advice in writing; (iii) understands that he is relinquishing or limiting his rights to receive the lottery
721 proceeds; and (iv) has received from the Authority, in response to a written request therefor, confirmation of
722 the assignee's or lender's registration with the Authority in accordance with subsection E.

723 3. Include a disclosure statement setting forth (i) the amounts assigned or loaned; (ii) the dates such
724 amounts are payable; (iii) the purchase price paid for the assignment or loan; (iv) the rate of discount to
725 present value, assuming daily compounding and funding on the contract date; (v) the amount of any fees
726 associated with the assignment or loan and by whom such fees are payable; and (vi) the tax identification
727 number of the assignee.

728 4. Expressly state that the assignor or borrower has three business days after signing the contract to
729 cancel the assignment or loan.

730 5. Expressly state that the assignee or lender is eligible to purchase, share, or receive prizes of the
731 Authority pursuant to §§ 58.1-4065, 58.1-4066, and subsection A of § 58.1-4070, and that the Authority has
732 complied with subsection B of § 58.1-4070 in that the original prizewinner is, or if deceased, was, a natural
733 person if and to the extent that the prize was awarded on or after the effective date pursuant to subsection B
734 of § 58.1-4070.

735 6. Expressly state that no amounts assigned or loaned are subject to setoff pursuant to Article 21
736 (§ 58.1-520 et seq.) of Chapter 3 of Title 58.1.

737 B. The Commonwealth, the Authority, and any employee or representative of either shall be indemnified
738 and held harmless upon payment of amounts due as set forth in the court order.

739 C. The Authority may establish a reasonable fee to process the assignments provided for in this section
740 and to receive, review, and file the registration required by subsection E and confirm compliance with the

741 registration requirements. The fee shall be reflective of the direct and indirect costs of processing the
742 assignments or registrations.

743 D. Notwithstanding the provisions of this section, the Commonwealth and the Authority shall not accept
744 any assignment if either of the following has occurred:

745 1. Federal law provides that the right to assign lottery proceeds is deemed receipt of income in the year
746 the lottery prize is won for all installment lottery prize winners. "Federal law" includes statutory law, rulings
747 of courts of competent jurisdiction, and published rulings by the Internal Revenue Service.

748 2. State law provides that the right to assign lottery proceeds is deemed receipt of income in the year the
749 lottery prize is won for all installment lottery prize winners. "State law" includes statutory law, rulings of
750 courts of competent jurisdiction, and published rulings by the Department of Taxation.

751 E. An assignee, prospective assignee, lender, or prospective lender shall not make any representation in
752 any written or oral communications with a lottery winner that implies that the assignee, prospective assignee,
753 lender, or prospective lender is associated with or an agent of the Authority. Every prospective assignee or
754 prospective lender shall register with the Authority prior to contracting for any assignment or loan pursuant
755 to this section. The registration shall include (i) the assignee's or lender's standard information packet or
756 materials given or sent to prospective assignees or borrowers; (ii) the assignee's or lender's standard form of
757 agreement; (iii) the assignee's or lender's federal tax identification number; and (iv) where applicable, the
758 assignee's or lender's most recent public financial statement. The Director may deny, suspend, or revoke a
759 registration for a violation of this chapter or for such other reasons as the Board, by regulation, may
760 establish.

761 **§ 58.1-4072. Exemption of lottery prizes and sales of tickets from state and local taxation.**

762 Except as provided in § 58.1-4052 and Chapter 3 (§ 58.1-300 et seq.) of Title 58.1, no state or local taxes
763 of any type whatsoever shall be imposed upon any prize awarded or upon the sale of any lottery ticket sold
764 pursuant to the Virginia Lottery and Gaming Law.

765 **§ 58.1-4073. Set-off of debts to the Commonwealth from prizes.**

766 The Director shall establish by rule and regulation a set-off debt collection program in accordance with
767 the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq.), wherein certain prizes shall be subjected
768 to delinquent debts of agencies and institutions of the Commonwealth. The Director shall be responsible for
769 the administration of the program and shall ensure by rule and regulation of the Authority that any agency
770 eligible to participate in the Setoff Debt Collection Act shall be eligible to participate in the lottery prize set-
771 off. The Tax Commissioner shall transmit to the Director, at such intervals as requested by the Director, a
772 listing of claimant agencies and delinquent debts owed thereto.

773 **§ 58.1-4074. Disclosure of identity of winners by the Authority.**

774 Except as provided in subsection B of § 58.1-4070, the Authority shall not disclose information about the
775 identity of an individual lottery winner if the value of the prize won by the winner is \$1 million or greater,
776 unless the winner consents in writing to such disclosure.

777 CHAPTER 40.2.
778 SPORTS BETTING.

779 **§ 58.1-4075. Definitions.**

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

781 "Adjusted gross revenue" means gross revenue minus:

782 1. All cash and the cash value of merchandise paid out as winnings to bettors, and the value of all bonuses
783 or promotions provided to patrons as an incentive to place or as a result of their having placed Internet
784 sports betting wagers;

785 2. Uncollectible gaming receivables, which shall not exceed two percent, or a different percentage as
786 determined by the Board pursuant to subsection F of § 58.1-4007, of gross revenue minus all cash paid out as
787 winnings to bettors;

788 3. If the permit holder is a significant infrastructure limited licensee, as defined in § 58.1-4189, any funds
789 paid into the horsemen's purse account pursuant to the provisions of subdivision 14 of § 58.1-4192; and

790 4. All excise taxes on sports betting paid pursuant to federal law.

791 "Amateur sports" means any sports or athletic event that is not professional sports, college sports,
792 Virginia college sports, or youth sports. "Amateur sports" includes domestic, international, and Olympic
793 sports or athletic events. "Amateur sports" does not include charitable gaming, as defined in § 58.1-4142;
794 fantasy contests, as defined in § 58.1-4173; or horse racing, as defined in § 58.1-4189.

795 "College sports" means an athletic event (i) in which at least one participant is a team from a public or
796 private institution of higher education, regardless of where such institution is located, and (ii) that does not
797 include a team from a Virginia public or private institution of higher education.

798 "Covered persons" means athletes; umpires, referees, and officials; personnel associated with clubs,
799 teams, leagues, and athletic associations; medical professionals and athletic trainers who provide services to
800 athletes and players; and the immediate family members and associates of such persons.

801 "Gross revenue" means the total of all cash, property, or any other form of remuneration, whether
802 collected or not, received by a permittee from its sports betting operations.

803 *"Major league sports franchise" means a professional baseball, basketball, football, hockey, or soccer*
804 *team that is at the highest-level league of play for its respective sport.*

805 *"Motor sports facility" means an outdoor motor sports facility that hosts a National Association for Stock*
806 *Car Auto Racing (NASCAR) national touring race.*

807 *"Official league data" means statistics, results, outcomes, and other data relating to a professional sports*
808 *event obtained by a permit holder under an agreement with a sports governing body or with an entity*
809 *expressly authorized by a sports governing body for determining the outcome of tier 2 bets.*

810 *"Permit holder" means a person to which the Director issues a permit pursuant to §§ 58.1-4077 and*
811 *58.1-4078.*

812 *"Personal biometric data" means any information about an athlete that is derived from his DNA, heart*
813 *rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels,*
814 *hydration levels, vitamin levels, bone density, muscle density, or sleep patterns, or other information as may*
815 *be prescribed by the Board by regulation.*

816 *"Principal" means any individual who solely or together with his immediate family members (i) owns or*
817 *controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a permit*
818 *holder or (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other*
819 *ownership interests of such entity. "Principal" includes any individual who is employed in a managerial*
820 *capacity for a sports betting platform or sports betting facility on behalf of a permit holder.*

821 *"Professional sports" means an athletic event involving at least two human competitors who receive*
822 *compensation, in excess of their expenses, for participating in such event. "Professional sports" does not*
823 *include charitable gaming, as defined in § 58.1-4142; fantasy contests, as defined in § 58.1-4173; or horse*
824 *racing, as defined in § 58.1-4189.*

825 *"Prohibited conduct" means any statement, action, or other communication intended to influence,*
826 *manipulate, or control a betting outcome of a sports event or of any individual occurrence or performance in*
827 *a sports event in exchange for financial gain or to avoid financial or physical harm. "Prohibited conduct"*
828 *includes statements, actions, and communications made to a covered person by a third party. "Prohibited*
829 *conduct" does not include statements, actions, or communications made or sanctioned by a sports team or*
830 *sports governing body.*

831 *"Proposition bet" means a bet on an individual action, statistic, occurrence, or non-occurrence to be*
832 *determined during an athletic event and includes any such action, statistic, occurrence, or non-occurrence*
833 *that does not directly affect the final outcome of the athletic event to which it relates.*

834 *"Sports betting" means placing wagers on professional sports, college sports, amateur sports, sporting*
835 *events, or any other event approved by the Director, and any portion thereof, and includes placing wagers*
836 *related to the individual performance statistics of athletes in such sports and events. "Sports betting" includes*
837 *any system or method of wagering approved by the Director, including single-game bets, teaser bets, parlays,*
838 *over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and*
839 *straight bets. "Sports betting" does not include participating in charitable gaming authorized by Chapter 42*
840 *(§ 58.1-4142 et seq.); participating in any lottery game authorized under Chapter 40.1 (§ 58.1-4049 et seq.);*
841 *wagering on horse racing authorized by Chapter 44 (§ 58.1-4188 et seq.); or participating in fantasy contests*
842 *authorized by Chapter 43 (§ 58.1-4173 et seq.) of Title 59.1. "Sports betting" does not include placing a*
843 *wager on a college sports event in which a Virginia public or private institution of higher education is a*
844 *participant.*

845 *"Sports betting facility" means an area, kiosk, or device located inside a casino gaming establishment*
846 *licensed pursuant to Chapter 41 (§ 58.1-4100 et seq.) that is designated for sports betting.*

847 *"Sports betting permit" means a permit to operate a sports betting platform or sports betting facility*
848 *issued pursuant to the provisions of §§ 58.1-4077, 58.1-4078, and 58.1-4079.*

849 *"Sports betting platform" means a website, app, or other platform accessible via the Internet or mobile,*
850 *wireless, or similar communications technology that sports bettors use to participate in sports betting.*

851 *"Sports betting program" means the program established by the Board to allow sports betting as*
852 *described in this chapter.*

853 *"Sports bettor" means a person physically located in Virginia who participates in sports betting.*

854 *"Sports event" or "sporting event" means professional sports, college sports, amateur sports, and any*
855 *athletic event, motor race event, electronic sports event, competitive video game event, or any other event*
856 *approved by the Director.*

857 *"Sports governing body" means an organization, headquartered in the United States, that prescribes rules*
858 *and enforces codes of conduct with respect to a professional sports or college sports event and the*
859 *participants therein. "Sports governing body" includes a designee of the sports governing body.*

860 *"Stadium" means the physical facility that is the primary location at which a major league sports*
861 *franchise hosts athletic events and any appurtenant facilities.*

862 *"Tier 1 bet" means a bet that is placed using the Internet and that is not a tier 2 bet.*

863 *"Tier 2 bet" means a bet that is placed using the Internet and that is placed after the event it concerns has*
864 *started.*

865 "Virginia college sports" means an athletic event in which at least one participant is a team from a
866 Virginia public or private institution of higher education.

867 "Youth sports" means an athletic event (i) involving a majority of participants under age 18 or (ii) in
868 which at least one participant is a team from a public or private elementary, middle, or secondary school,
869 regardless of where such school is located. However, if an athletic event meets the definition of college sports
870 or professional sports, such event shall not be considered youth sports regardless of the age of the
871 participants. An international athletic event organized by the International Olympic Committee shall not be
872 considered to be youth sports, regardless of the age of the participants.

873 **§ 58.1-4076. Powers and duties of the Director related to sports betting; reporting.**

874 A. The Authority shall operate a sports betting program under the direction of the Director, who shall
875 allow applicants to apply for permits to engage in sports betting operations in the Commonwealth. The Board
876 shall regulate such operations. The Authority shall not operate a sports betting platform or a sports betting
877 facility.

878 B. The Director may:

879 1. Require bond or other surety satisfactory to the Director from permit holders in such amount as
880 provided in the rules and regulations of the Board adopted under this chapter;

881 2. Suspend, revoke, or refuse to renew any permit issued pursuant to this article or the rules and
882 regulations adopted under this chapter; and

883 3. Enter into contracts for the operation of the sports betting program, and enter into contracts with other
884 states related to sports betting, provided that a contract awarded or entered into by the Director shall not be
885 assigned by the holder thereof except by specific approval of the Director.

886 C. The Director shall:

887 1. Certify monthly to the State Comptroller and the Board a full and complete statement of sports betting
888 revenues and expenses for the previous month;

889 2. Report monthly to the Governor, the Secretary of Finance, and the Chairs of the Senate Committee on
890 Finance and Appropriations, House Committee on Finance, and House Committee on Appropriations the
891 total sports betting revenues and expenses for the previous month and make an annual report, which shall
892 include a full and complete statement of sports betting revenues and expenses, to the Governor and the
893 General Assembly, including recommendations for changes in this chapter as the Director and Board deem
894 prudent; and

895 3. Report immediately to the Governor and the General Assembly any matters that require immediate
896 changes in the laws of the Commonwealth in order to prevent abuses and evasions of this chapter or the rules
897 and regulations adopted under this chapter or to rectify undesirable conditions in connection with the
898 administration or operation of the sports betting program.

899 D. In accordance with sports betting program regulations, the Director shall approve methods for sports
900 bettors to fund sports betting accounts, including automated clearing house payments, credit cards, debit
901 cards, wire transfers, and any other method that the Board determines is appropriate for sports betting.

902 **§ 58.1-4077. Application for a sports betting permit; penalty.**

903 A. An applicant for a sports betting permit shall:

904 1. Submit an application to the Director, on forms prescribed by the Director, containing the information
905 prescribed in subsection B; and

906 2. Pay to the Authority a nonrefundable fee of \$50,000 for each principal at the time of filing to defray the
907 costs associated with the background investigations conducted by the Authority. If the reasonable costs of the
908 investigation exceed the application fee, the applicant shall pay the additional amount to the Authority. The
909 Board may establish regulations calculating the reasonable costs to the Authority in performing its functions
910 under this chapter and allocating such costs to the applicants for licensure at the time of filing. The fees for
911 each principal and any additional investigation costs paid to the Authority shall be deposited into the
912 Gaming Regulatory Fund established pursuant to § 58.1-4093.

913 B. An application for a sports betting permit shall include the following information:

914 1. The applicant's background in sports betting;

915 2. The applicant's experience in wagering activities in other jurisdictions, including the applicant's
916 history and reputation of integrity and compliance;

917 3. The applicant's proposed internal controls, including controls to ensure that no prohibited or
918 voluntarily excluded person will be able to participate in sports betting;

919 4. The applicant's history of working to prevent compulsive gambling, including training programs for its
920 employees;

921 5. If applicable, any supporting documentation necessary to establish eligibility for substantial and
922 preferred consideration pursuant to the provisions of this section;

923 6. The applicant's proposed procedures to detect and report suspicious or illegal betting activity; and

924 7. Any other information the Director deems necessary.

925 C. The Authority shall conduct a background investigation on the applicant. The background
926 investigation shall include a credit history check, a tax record check, and a criminal history records check.

927 *D. 1. The Director shall not issue any permit pursuant to this chapter until the Board has established a*
928 *consumer protection program and published a consumer protection bill of rights pursuant to the provisions*
929 *of subdivision A 14 of § 58.1-4007.*

930 *2. The Director shall issue no fewer than four and no more than 12 permits pursuant to this section;*
931 *however, if an insufficient number of applicants apply for the Director to satisfy the minimum, this provision*
932 *shall not be interpreted to direct the Director to issue a permit to an unqualified applicant. A permit shall not*
933 *count toward the minimum or maximum if it (i) is issued pursuant to subdivision 4 or 5 to a major league*
934 *sports franchise or to the operator of a facility; (ii) is issued pursuant to subdivision 6 to an applicant that*
935 *operates or intends to operate a casino gaming establishment; or (iii) is revoked, expires, or otherwise*
936 *becomes not effective.*

937 *3. In issuing permits to operate sports betting platforms and sports betting facilities, the Director shall*
938 *consider the following factors:*

939 *a. The contents of the applicant's application as required by subsection B;*

940 *b. The extent to which the applicant demonstrates past experience, financial viability, compliance with*
941 *applicable laws and regulations, and success with sports betting operations in other states;*

942 *c. The extent to which the applicant will be able to meet the duties of a permit holder, as specified in*
943 *§ 58.1-4079;*

944 *d. Whether the applicant has demonstrated to the Authority that it has made serious, good-faith efforts to*
945 *solicit and interview a reasonable number of investors that are minority individuals, as defined in*
946 *§ 2.2-1604;*

947 *e. The amount of adjusted gross revenue and associated tax revenue that an applicant is expected to*
948 *generate;*

949 *f. The effect of issuing an additional permit on the amount of gross revenue and associated tax revenue*
950 *generated by all existing permit holders, considered in the aggregate; and*

951 *g. Any other factor the Director considers relevant.*

952 *4. In issuing permits to operate sports betting platforms prior to July 1, 2025, the Director shall give*
953 *substantial and preferred consideration to any applicant that is a major league sports franchise*
954 *headquartered in the Commonwealth that remitted personal state income tax withholdings based on taxable*
955 *wages in the Commonwealth in excess of \$200 million for the 2019 taxable year. Any permit holder granted a*
956 *permit pursuant to this subdivision shall receive substantial and preferred consideration of its first, second,*
957 *and third applications for renewal pursuant to the provisions of § 58.1-4078; however, such permit holder*
958 *shall not receive substantial and preferred consideration of its fourth and subsequent applications for*
959 *renewal. Any permit granted pursuant to this subdivision shall expire if the permit holder ceases to maintain*
960 *its headquarters in the Commonwealth.*

961 *5. In issuing permits to operate sports betting platforms prior to July 1, 2025, the Director shall give*
962 *substantial and preferred consideration to any applicant that is a major league sports franchise that plays*
963 *five or more regular season games per year at a facility in the Commonwealth or that is the operator of a*
964 *facility in the Commonwealth where a major league sports franchise plays five or more regular season games*
965 *per year; however, the Director shall give such substantial and preferred consideration only if the applicant*
966 *(i) is headquartered in the Commonwealth, (ii) has an annualized payroll for taxable wages in the*
967 *Commonwealth that is in excess of \$10 million over the 90-day period prior to the application date, and (iii)*
968 *the total number of individuals working at the facility in the Commonwealth where the major league sports*
969 *franchise plays five or more regular season games is in excess of 100.*

970 *6. If casino gaming is authorized under the laws of the Commonwealth, then in issuing permits to operate*
971 *sports betting platforms and sports betting facilities, the Director shall give substantial and preferred*
972 *consideration to any applicant that (i) has made or intends to make a capital investment of at least \$300*
973 *million in a casino gaming establishment, including the value of the real property upon which such*
974 *establishment is located and all furnishings, fixtures, and other improvements; (ii) has had its name*
975 *submitted as a preferred casino gaming operator to the Department by an eligible host city; and (iii) has*
976 *been certified by the Department to proceed to a local referendum on whether casino gaming will be allowed*
977 *in the locality in which the applicant intends to operate a casino gaming establishment.*

978 *7. In issuing permits to operate sports betting platforms prior to July 1, 2025, the Director shall give*
979 *substantial and preferred consideration to any applicant that demonstrates in its application (i) a description*
980 *of any equity interest owned by minority individuals or minority-owned businesses, (ii) a detailed plan to*
981 *achieve increased minority equity investment, (iii) a description of all efforts made to seek equity investment*
982 *from minority individuals or minority-owned businesses, or (iv) a plan detailing efforts made to solicit*
983 *participation of minority individuals or minority-owned businesses in the applicant's purchase of goods and*
984 *services related to the sports betting platform or to provide assistance to a historically disadvantaged*
985 *community or historically black colleges and universities located within the Commonwealth. As used in this*
986 *subdivision, "historically black colleges and universities," "minority individual," and "minority-owned*
987 *business" mean the same as those terms are defined in § 2.2-1604.*

988 *8. In a manner as may be required by Board regulation, any entity that applies pursuant to subdivision 4,*

989 5, 6, or 7 may demonstrate compliance with the requirements of an application, the duties of a permit holder,
 990 and any other provision of this chapter through the use of a partner, subcontractor, or other affiliate of the
 991 applicant.

992 E. The Director shall make a determination on an initial application for a sports betting permit within 90
 993 days of receipt. The Director's action shall be final unless appealed in accordance with § 58.1-4007.

994 F. The following shall be grounds for denial of a permit or renewal of a permit:

995 1. The Director reasonably believes the applicant will be unable to satisfy the duties of a permit holder as
 996 described in subsection A of § 58.1-4079;

997 2. The Director reasonably believes that the applicant or its directors lack good character, honesty, or
 998 integrity;

999 3. The Director reasonably believes that the applicant's prior activities, criminal record, reputation, or
 1000 associations are likely to (i) pose a threat to the public interest, (ii) impede the regulation of sports betting, or
 1001 (iii) promote unfair or illegal activities in the conduct of sports betting;

1002 4. The applicant or its directors knowingly make a false statement of material fact or deliberately fail to
 1003 disclose information requested by the Director;

1004 5. The applicant or its directors knowingly fail to comply with the provisions of this chapter or any
 1005 requirements of the Director;

1006 6. The applicant or its directors were convicted of a felony, a crime of moral turpitude, or any criminal
 1007 offense involving dishonesty or breach of trust within the 10 years prior to the submission date of the permit
 1008 application;

1009 7. The applicant's license, registration, or permit to conduct a sports betting operation issued by any
 1010 other jurisdiction has been suspended or revoked;

1011 8. The applicant defaults in payment of any obligation or debt due to the Commonwealth; or

1012 9. The applicant's application is incomplete.

1013 G. The Director shall have the discretion to waive any of the grounds for denial of a permit or renewal of
 1014 a permit if he determines that denial would limit the number of applicants or permit holders in a manner
 1015 contrary to the best interests of the Commonwealth.

1016 H. Prior to issuance of a permit, each permit holder shall either (i) be bonded by a surety company
 1017 entitled to do business in the Commonwealth in such amount and penalty as may be prescribed by the
 1018 regulations of the Board or (ii) provide other surety, letter of credit, or reserve as may be satisfactory to the
 1019 Director. Such surety shall be prescribed by Board regulations and shall not exceed a reasonable amount.

1020 I. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or
 1021 knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in any application
 1022 pursuant to this chapter is guilty of a Class 1 misdemeanor.

1023 J. In addition to the fee required pursuant to subdivision A 2, any applicant to which the Authority issues
 1024 a permit shall pay a nonrefundable fee of \$250,000 to the Authority prior to the issuance of such permit. Such
 1025 fees shall be deposited by the Authority into the Gaming Regulatory Fund established pursuant to
 1026 § 58.1-4093.

1027 **§ 58.1-4078. Renewals of permits.**

1028 A. A permit issued pursuant to § 58.1-4077 shall be valid for three years from the date issued.

1029 B. At least 60 days before the expiration of a permit, the permit holder shall submit a renewal application,
 1030 on forms prescribed by the Director, with a nonrefundable renewal fee of \$200,000. Such fees shall be
 1031 deposited into the Gaming Regulatory Fund established pursuant to § 58.1-4093.

1032 C. The Director may deny a permit renewal if he finds grounds for denial as described in subsection F of
 1033 § 58.1-4077. The Director's action shall be final unless appealed in accordance with § 58.1-4007.

1034 D. The Director shall make a determination on an application for a renewal of a sports betting permit
 1035 within 60 days of receipt. The Director's action shall be final unless appealed in accordance with
 1036 § 58.1-4007.

1037 **§ 58.1-4079. Duties of permit holders.**

1038 A. A permit holder shall ensure that its sports betting operation takes reasonable measures to:

1039 1. Ensure that only persons physically located in Virginia are able to place bets through its sports betting
 1040 platform, if applicable;

1041 2. Protect the confidential information of bettors using its sports betting platform or placing bets at its
 1042 sports betting facility;

1043 3. Prevent betting on events that are prohibited by § 58.1-4084, underage betting as prohibited by
 1044 § 58.1-4085, and bets by persons who are prohibited from sports betting by § 58.1-4086;

1045 4. Allow persons to restrict themselves from placing bets with the permit holder, including sharing, at the
 1046 person's request, his request for self-exclusion with the Authority for the sole purpose of disseminating the
 1047 request to other permit holders;

1048 5. Establish procedures to detect suspicious or illegal betting activity, including measures to immediately
 1049 report such activity to the Authority;

1050 6. Provide for the issuance of applicable tax forms to persons who meet the reporting threshold for

1051 *income from sports betting; and*

1052 *7. If applicable, allow sports bettors to establish and fund sports betting accounts over the Internet on a*
1053 *sports betting platform, which may be funded through methods including automated clearing house*
1054 *payments, credit cards, debit cards, wire transfers, or any other method approved by the Director under*
1055 *§ 58.1-4076.*

1056 *B. A permit holder shall maintain records on:*

1057 *1. All bets, including the bettor's personal information, the amount and type of bet, the time and location*
1058 *of the bet, and the outcome of the bet; and*

1059 *2. Suspicious or illegal betting activity.*

1060 *C. A permit holder shall disclose the records described in subsection B to the Authority upon request and*
1061 *shall maintain such records for at least three years after the related sports event occurs.*

1062 *D. 1. If a sports governing body notifies the Authority that real-time information-sharing for bets placed*
1063 *on its sporting events is necessary and desirable, permit holders shall, as soon as is commercially*
1064 *reasonable, share the information required to be retained pursuant to subdivision B 1 of § 58.1-4079 with the*
1065 *sports governing body or its designee with respect to bets on its sporting events. The information shared*
1066 *pursuant to this subsection shall be shared pseudonymously and shall not include personal information*
1067 *associated with any bettor. A permit holder shall not be required to share any information that is required to*
1068 *be kept confidential under federal or Virginia law.*

1069 *2. A sports governing body shall use information shared pursuant to this subsection only for the purpose*
1070 *of integrity monitoring and shall not use such information for any commercial purpose. A sports governing*
1071 *body shall provide for security measures with respect to such information so as to prevent unauthorized*
1072 *access and distribution.*

1073 *E. In advertising its sports betting operations, a permit holder shall ensure that its advertisements:*

1074 *1. Do not target persons under the age of 21;*

1075 *2. Disclose the identity of the permit holder;*

1076 *3. Provide information about or links to resources related to gambling addiction; and*

1077 *4. Are not misleading to a reasonable person.*

1078 *F. A permit holder shall not sublicense, convey, concede, or otherwise transfer its permit to a third party*
1079 *unless granted approval by the Director. The Director shall charge a nonrefundable fee of \$200,000 for a*
1080 *permit transfer. Such fees shall be deposited into the Gaming Regulatory Fund established pursuant to*
1081 *§ 58.1-4093.*

1082 *G. 1. A permit holder may operate its sports betting platform under a brand other than its own but is*
1083 *prohibited from holding itself out to the public as a sports betting operation under more than one brand, and*
1084 *a permit holder shall conspicuously display its utilized brand to sports bettors; however, if a permit holder is*
1085 *a major league sports franchise, it shall not be required to associate the name of its sports betting platform*
1086 *with the name of the major league sports franchise and shall be allowed to hold its sports betting platform*
1087 *out to the public under a separate brand name.*

1088 *2. A permit holder is prohibited from cooperatively marketing its sports betting platform with any*
1089 *business issued a license pursuant to the provisions of Title 4.1. This prohibition shall not apply to any motor*
1090 *sports facility, major league sports franchise, or operator of a facility issued a permit pursuant to the*
1091 *provisions of subdivision D 4 or D 5 of § 58.1-4077, provided that such motor sports facility, major league*
1092 *sports franchise, or operator of a facility shall be authorized to cooperatively market only on the premises of*
1093 *its stadium. If casino gaming is authorized under the laws of the Commonwealth and a casino gaming*
1094 *operator is licensed by the Department as a permit holder, the prohibition in this subdivision shall not apply*
1095 *to such operator, provided that such operator shall be authorized to cooperatively market only on the*
1096 *premises of its casino gaming establishment. A permit holder shall not be allowed an exemption from the*
1097 *prohibition in this subdivision unless (i) such permit holder complies with any applicable local zoning*
1098 *ordinances and (ii) the local governing body approves by ordinance cooperative marketing with respect to*
1099 *the permit holder's stadium or casino gaming establishment.*

1100 *H. A permit holder shall not purchase or use any personal biometric data unless the permit holder has*
1101 *received written permission from the athlete's exclusive bargaining representative.*

1102 *I. Permit holders shall at all times maintain cash reserves in amounts to be established by Board*
1103 *regulation.*

1104 **§ 58.1-4081. Use of official league data.**

1105 *A. A permit holder may use any data source for determining the result of a tier 1 bet.*

1106 *B. A sports governing body may notify the Authority that it desires permit holders to use official league*
1107 *data to settle tier 2 bets. A notification under this subsection shall be made according to forms and*
1108 *procedures prescribed by the Director. The Director shall notify each permit holder of the sports governing*
1109 *body's notification within five days after the Authority's receipt of the notification. If a sports governing body*
1110 *does not notify the Authority of its desire to supply official league data, a permit holder may use any data*
1111 *source for determining the result of a tier 2 bet on a professional sports event of the league governed by the*
1112 *sports governing body.*

1113 C. Within 60 days after the Director notifies each permit holder as required under subsection B, permit
 1114 holders shall use only official league data to determine the results of tier 2 bets on professional sports events
 1115 of the league governed by the sports governing body, unless any of the following apply:

1116 1. The sports governing body is unable to provide a feed, on commercially reasonable terms, of official
 1117 league data to determine the results of a tier 2 bets, in which case permit holders may use any data source for
 1118 determining the results of tier 2 bets until the data feed becomes available on commercially reasonable terms.

1119 2. A permit holder demonstrates to the Authority that the sports governing body has not provided or
 1120 offered to provide a feed of official league data to such permit holder on commercially reasonable terms,
 1121 according to criteria identified in subsection D.

1122 D. The Director shall consider the following information in determining whether a sports governing body
 1123 has provided or offered to provide a feed of official league data on commercially reasonable terms:

1124 1. The availability of a sports governing body's official league data for tier 2 bets from more than one
 1125 authorized source;

1126 2. Market information regarding the purchase, in Virginia and in other states, by permit holders of data
 1127 from all authorized sources;

1128 3. The nature and quantity of the data, including the quality and complexity of the process used for
 1129 collecting the data; and

1130 4. Any other information the Director deems relevant.

1131 E. During any time period in which the Director is determining whether official league data is available
 1132 on commercially reasonable terms pursuant to the provisions of subsections C and D, a permit holder may
 1133 use any data source for determining the results of any tier 2 bets. The Director shall make a determination
 1134 under subsections C and D within 120 days after a permit holder notifies the Authority that it desires to
 1135 demonstrate that a sports governing body has not provided or offered to provide a feed of official league data
 1136 to the permit holder on commercially reasonable terms.

1137 **§ 58.1-4082. Tax on adjusted gross revenue.**

1138 A. There shall be imposed a tax of 15 percent on a permit holder's adjusted gross revenue.

1139 B. The tax imposed pursuant to this section is due monthly to the Authority, and the permit holder shall
 1140 remit it on or before the twentieth day of the next succeeding calendar month. If the permit holder's
 1141 accounting necessitates corrections to a previously remitted tax, the permit holder shall document such
 1142 corrections when it pays the following month's taxes.

1143 C. If the permit holder's adjusted gross revenue for a month is a negative number, the permit holder may
 1144 carry over the negative amount to a return filed for a subsequent month and deduct such amount from its tax
 1145 liability for such month, provided that such amount shall not be carried over and deducted against tax
 1146 liability in any month that is more than 12 months later than the month in which such amount was accrued.

1147 **§ 58.1-4083. Distribution of tax revenue.**

1148 A. The Authority shall allocate 2.5 percent of the tax revenue collected pursuant to § 58.1-4082 to the
 1149 Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2.

1150 B. The Authority shall allocate the remaining 97.5 percent of the tax revenue collected pursuant to
 1151 § 58.1-4082 to the general fund.

1152 **§ 58.1-4084. Events on which betting is prohibited; penalty.**

1153 A. 1. No person shall place or accept a bet on youth sports.

1154 2. No person shall place or accept a proposition bet on college sports.

1155 3. No person shall place or accept a bet on Virginia college sports.

1156 B. 1. A sports governing body may notify the Authority that it desires to restrict, limit, or prohibit sports
 1157 betting on its sporting events by providing notice in accordance with requirements prescribed by the
 1158 Director. A sports governing body also may request to restrict the types of bets that may be offered.
 1159 Notwithstanding § 58.1-4075, for purposes of this section, "sports governing body" includes any organization
 1160 that is not headquartered in the United States and that otherwise meets the definition of "sports governing
 1161 body."

1162 2. For any request made pursuant to subdivision 1, the requester shall bear the burden of establishing to
 1163 the satisfaction of the Director that the relevant betting or other activity poses a significant and unreasonable
 1164 integrity risk. The Director shall seek input from affected permit holders before making a determination on
 1165 such request.

1166 3. If the Director denies a request made pursuant to subdivision 1, the Director shall give the requester
 1167 notice and the right to be heard and offer proof in opposition to such determination in accordance with
 1168 regulations established by the Board. If the Director grants a request, the Board shall promulgate by
 1169 regulation such restrictions, limitations, or prohibitions as may be requested.

1170 4. A permit holder shall not offer or take any bets in violation of regulations promulgated by the Board
 1171 pursuant to this subsection.

1172 C. The prohibitions in subdivisions A 1 and A 3 shall be limited to the single game or match in which a
 1173 youth sports or Virginia college sports team is a participant. The prohibitions shall not be construed to
 1174 prohibit betting on other games in a tournament or multigame event in which a youth sports or Virginia

1175 college sports team participates, so long as such other games do not have a participant that is a youth sports
1176 or Virginia college sports team.

1177 D. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

1178 **§ 58.1-4085. Underage betting prohibited; penalty.**

1179 A. No person shall knowingly accept or redeem a sports bet by, or knowingly offer to accept or redeem a
1180 sports bet on behalf of, a person under the age of 21 years.

1181 B. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

1182 **§ 58.1-4086. Persons prohibited from sports betting; penalty.**

1183 A. The following persons shall be prohibited from sports betting:

1184 1. The Director and any Board member, officer, or employee of the Authority;

1185 2. Any permit holder;

1186 3. Any director, officer, owner, or employee of a permit holder and any relative living in the same
1187 household as such persons; and

1188 4. Any officer or employee of any entity working directly on a contract with the Authority related to sports
1189 betting.

1190 B. The persons described in subdivision A 3 shall be prohibited from sports betting only with respect to
1191 the related permit holder, but shall not be prohibited from placing sports bets with other permit holders.

1192 C. Any competitor, coach, trainer, employee, or owner of a team in a professional or college sports event,
1193 or any referee for a professional or college sports event, shall be prohibited from placing a bet on any event
1194 in a league in which such person participates. In determining which persons are prohibited from placing
1195 wagers under this subsection, a permit holder shall use publicly available information and any lists of
1196 persons that a sports governing body may provide to the Authority.

1197 D. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

1198 **§ 58.1-4087. Operation and advertising of unpermitted facilities prohibited; penalty.**

1199 A. No person, except for a permit holder authorized pursuant to the provisions of this chapter, shall make
1200 its premises available for placing sports bets using the Internet or advertise that its premises may be used for
1201 such purpose.

1202 B. The Director may impose a monetary penalty for each violation of this section. For a person
1203 determined to have made its premises available for placing sports bets using the Internet, the penalty shall
1204 not exceed \$1,000 per day per individual who places a sports bet. For a person determined to have
1205 advertised that its premises may be used for such purpose, the penalty shall not exceed \$10,000 per violation.

1206 **§ 58.1-4088. Reporting and investigating prohibited conduct.**

1207 A. The Authority shall establish a hotline or other method of communication that allows any person to
1208 confidentially report information about prohibited conduct to the Board.

1209 B. The Authority shall investigate all reasonable allegations of prohibited conduct by a permit holder. The
1210 Authority shall refer credible allegations of prohibited conduct by any person to the appropriate law-
1211 enforcement entity.

1212 C. The Authority shall maintain the confidentiality of the identity of any reporting person unless such
1213 person authorizes disclosure of his identity or until such time as the allegation of prohibited conduct is
1214 referred to law enforcement. If an allegation of prohibited conduct is referred to law enforcement, the
1215 Authority shall disclose a reporting person's identity only to the applicable law-enforcement agency. The
1216 identity of a reporting person shall be excluded from the provisions of § 2.2-3705.7.

1217 D. If the Authority receives a complaint of prohibited conduct by an athlete, the Authority shall notify the
1218 appropriate sports governing body of the athlete to review the complaint.

1219 E. The Authority and permit holders shall cooperate with investigations conducted by sports governing
1220 bodies or law-enforcement agencies. Such cooperation shall include providing or facilitating the provision of
1221 account-level betting information and audio or video files relating to persons placing wagers.

1222 **§ 58.1-4089. Required direct notification to the Authority and to sports governing bodies.**

1223 A. A permit holder shall, as soon as is commercially reasonable, report to the Authority any information
1224 relating to:

1225 1. Criminal or disciplinary proceedings commenced against the permit holder in connection with its
1226 operations in the Commonwealth or in any other jurisdiction;

1227 2. Abnormal betting activity or patterns that may indicate a risk to the integrity of a bet or wager;

1228 3. Any potential breach of a sports governing body's rules and codes of conduct pertaining to sports
1229 betting, to the extent that such rules and codes of conduct are provided to and known by the permit holder;

1230 4. Any conduct that may alter the outcome of an athletic event for purposes of financial gain, including
1231 match fixing; and

1232 5. Suspicious or illegal wagering activities, including using funds derived from illegal activity to place
1233 bets, using bets to conceal or launder funds derived from illegal activity, using agents to place bets, and
1234 using false identification to place bets.

1235 B. A permit holder shall, as soon as is commercially practicable, report the information described in
1236 subdivisions A 2, 3, and 4 to any sports governing body that may be affected by the activities described in

1237 subdivisions A 2, 3, and 4.

1238 **§ 58.1-4090. Liquidity pools.**

1239 *The Board may promulgate rules authorizing permit holders to offset loss and manage risk, directly or*
 1240 *with a third party approved by the Director, through the use of a liquidity pool in Virginia or another*
 1241 *jurisdiction so long as such permit holder, or an affiliate of such permit holder, is licensed by such*
 1242 *jurisdiction to operate a sports betting business. However, a permit holder's use of a liquidity pool shall not*
 1243 *eliminate its duty to ensure that it has sufficient funds available to pay bettors.*

1244 **§ 58.1-4091. Intermediate routing of electronic data.**

1245 *All sports betting shall be initiated and received within Virginia unless otherwise permitted by federal*
 1246 *law. Consistent with the intent of the United States Congress as expressed in the Unlawful Internet Gambling*
 1247 *Enforcement Act, 31 U.S.C. § 5361 et seq., the intermediate routing of electronic data relating to lawful*
 1248 *intrastate sports betting authorized under this chapter shall not determine the location in which such bet is*
 1249 *initiated and received.*

1250 **§ 58.1-4092. Certain provisions in Chapter 40.1 (§ 58.1-4049 et seq.) to apply, mutatis mutandis.**

1251 *Except as provided in this chapter, the provisions of Chapter 40.1 (§ 58.1-4049 et seq.) shall apply to*
 1252 *sports betting under this chapter. The Board shall promulgate regulations to interpret and clarify the*
 1253 *applicability of Article 1 to this chapter.*

1254 **§ 58.1-4093. Gaming Regulatory Fund.**

1255 *There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming*
 1256 *Regulatory Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the*
 1257 *Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other*
 1258 *funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on*
 1259 *moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,*
 1260 *including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain*
 1261 *in the Fund. Moneys in the Fund shall be used solely to offset the Department's costs associated with (i) the*
 1262 *conduct of investigations required by § 58.1-4077, 58.1-4088, 58.1-4104, 58.1-4109, 58.1-4116, 58.1-4120,*
 1263 *or 58.1-4121 or any other provision of this chapter or Chapter 41 (§ 58.1-4100 et seq.) and (ii) the*
 1264 *enforcement of regulations promulgated by the Virginia Lottery Board pursuant to subdivisions A 14 and 15*
 1265 *of § 58.1-4007, subdivision 2 of § 58.1-4102, and § 58.1-4103. Expenditures and disbursements from the*
 1266 *Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request*
 1267 *signed by the Director.*

1268 **§ 58.1-4100. Definitions.**

1269 As used in this chapter, unless the context requires a different meaning:

1270 "Adjusted gross receipts" means the gross receipts from casino gaming less winnings paid to winners.

1271 "Board" means the Virginia Lottery Board established in the Virginia Lottery Law (§ 58.1-4000 et seq.).

1272 "Casino gaming" or "game" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines,
 1273 roulette wheels, Klondike tables, Mah Jongg, electronic table games, hybrid table games, punchboards, faro
 1274 layouts, numbers tickets, push cards, jar tickets, or pull tabs, or any variation of the aforementioned games,
 1275 and any other activity that is authorized by the Board as a wagering game or device under this chapter.

1276 "Casino gaming" or "game" includes on-premises mobile casino gaming.

1277 "Casino gaming establishment" means the premises, including the entire property located at the address of
 1278 the licensed casino, upon which lawful casino gaming is authorized and licensed as provided in this chapter.

1279 "Casino gaming establishment" does not include a riverboat or similar vessel.

1280 "Casino gaming operator" means any person issued a license by the Board to operate a casino gaming
 1281 establishment.

1282 "Cheat" means to alter the selection criteria that determine the result of a game or the amount or frequency
 1283 of payment in a game for the purpose of obtaining an advantage for one or more participants in a game over
 1284 other participants in a game.

1285 "Counter check" means an interest-free negotiable instrument for a specified amount executed by a player
 1286 and held by the casino that serves as evidence of the casino gaming patron's obligation to pay the casino and
 1287 that can be exchanged by the casino gaming patron for the specified amount in chips, tokens, credits,
 1288 electronic credits, electronic cash, or electronic cards.

1289 "Department" means the independent agency responsible for the administration of the Virginia Lottery
 1290 created in the Virginia Lottery Law (§ 58.1-4000 et seq.).

1291 "Director" means the Director of the Virginia Lottery.

1292 "Eligible host city" means any city described in § 58.1-4107 in which a casino gaming establishment is
 1293 authorized to be located.

1294 "Entity" means a person that is not a natural person.

1295 "Gaming operation" means the conduct of authorized casino gaming within a casino gaming
 1296 establishment.

1297 "Gross receipts" means the total amount of money exchanged for the purchase of chips, tokens, electronic
 1298 credits, electronic cash, or electronic cards by casino gaming patrons. "Gross receipts" shall not include the

1299 cash value of promotions or credits provided to and exchanged by casino gaming patrons for chips, tokens,
 1300 electronic credits, electronic cash, or electronic cards. "Gross receipts" shall also not include uncollectable
 1301 counter checks.

1302 "Immediate family" means (i) a spouse and (ii) any other person residing in the same household as an
 1303 officer or employee and who is a dependent of the officer or employee or of whom the officer or employee is
 1304 a dependent.

1305 "Individual" means a natural person.

1306 "Licensee" or "license holder" means any person holding an operator's license under § 58.1-4111.

1307 "On-premises mobile casino gaming" means casino gaming offered by a casino gaming operator at a
 1308 casino gaming establishment using a computer network of both federal and nonfederal interoperable packet-
 1309 switched data networks through which the casino gaming operator may offer casino gaming to individuals
 1310 who have established an on-premises mobile casino gaming account with the casino gaming operator and
 1311 who are physically present on the premises of the casino gaming establishment, as authorized by regulations
 1312 promulgated by the Board.

1313 "Permit holder" means any person holding a supplier or service permit pursuant to this chapter.

1314 "Person" means an individual, partnership, joint venture, association, limited liability company, stock
 1315 corporation, or nonstock corporation and includes any person that directly or indirectly controls or is under
 1316 common control with another person.

1317 "Preferred casino gaming operator" means the proposed casino gaming establishment and operator thereof
 1318 submitted by an eligible host city to the Board as an applicant for licensure.

1319 "Prepaid access instrument" means a system device that allows a casino gaming patron access to funds
 1320 that have been paid in advance and can be retrieved or transferred at some point in the future through such a
 1321 device. In order to transfer funds for gaming purposes, a prepaid access instrument shall be redeemed for
 1322 tokens, chips, credits, electronic credits, electronic cash, electronic cards, or used in conjunction with an
 1323 approved cashless wagering system or interactive gaming account.

1324 "Principal" means any individual who solely or together with his immediate family members (i) owns or
 1325 controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a licensee or
 1326 (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership
 1327 interests of such entity, and any person who manages a gaming operation on behalf of a licensee.

1328 "Professional sports" means the same as such term is defined in § ~~58.1-4030~~ 58.1-4075.

1329 "Security" has the same meaning as provided in § 13.1-501. If the Board finds that any obligation, stock,
 1330 or other equity interest creates control of or voice in the management operations of an entity in the manner of
 1331 a security, then such interest shall be considered a security.

1332 "Sports betting" means the same as such term is defined in § ~~58.1-4030~~ 58.1-4075.

1333 "Sports betting facility" means an area, kiosk, or device located inside a casino gaming establishment
 1334 licensed pursuant to this chapter that is designated for sports betting.

1335 "Supplier" means any person that sells or leases, or contracts to sell or lease, any casino gaming
 1336 equipment, devices, or supplies, or provides any management services, to a licensee.

1337 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4103 that
 1338 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision
 1339 B 1 of § 58.1-4103 by placing their names on a voluntary exclusion list and following the procedures set forth
 1340 by the Board.

1341 "Youth sports" means the same as such term is defined in § ~~58.1-4030~~ 58.1-4075.

1342 **§ 58.1-4102. Powers and duties of the Board; regulations.**

1343 The Board shall have the power and duty to:

1344 1. Issue permits and licenses under this chapter and supervise all gaming operations licensed under the
 1345 provisions of this chapter, including all persons conducting or participating in any gaming operation. The
 1346 Board shall employ such persons to be present during gaming operations as are necessary to ensure that such
 1347 gaming operations are conducted with order and the highest degree of integrity.

1348 2. Adopt regulations regarding the conditions under which casino gaming shall be conducted in the
 1349 Commonwealth and all such other regulations it deems necessary and appropriate to further the purposes of
 1350 this chapter.

1351 3. Issue an operator's license only to a person who meets the criteria of § 58.1-4107.

1352 4. Issue subpoenas for the attendance of witnesses before the Board, administer oaths, and compel
 1353 production of records or other documents and testimony of such witnesses whenever in the judgment of the
 1354 Board it is necessary to do so for the effectual discharge of its duties.

1355 5. Order such audits as it deems necessary and desirable.

1356 6. Provide for the withholding of the applicable amount of state and federal income tax of persons
 1357 claiming a prize or payoff for winning a game and establish the thresholds for such withholdings.

1358 7. *Eject or exclude from a casino gaming establishment any person, whether or not he possesses a license*
 1359 *or permit, whose conduct or reputation is such that his presence may, in the opinion of the Director, reflect*
 1360 *negatively on the honesty and integrity of casino gaming or interfere with the orderly gaming operations.*

1361 8. Report immediately, upon the receipt of a complaint of an alleged criminal violation of this article,
 1362 such complaint to the Office of the Gaming Enforcement Coordinator at the Department of State Police
 1363 pursuant to § 52-54 and the attorney for the Commonwealth in the jurisdiction where such alleged violation
 1364 occurred for appropriate action.

1365 9. Inspect and investigate, and have free access to, the offices, facilities, or other places of business of any
 1366 licensee or permit holder and may compel the production of any of the books, documents, records, or
 1367 memoranda of any licensee or permit holder for the purpose of ensuring compliance with this article and
 1368 Board regulations.

1369 10. Compel any person holding a license or permit pursuant to this article to file with the Authority such
 1370 information as shall appear to the Director to be necessary for the performance of the Authority's functions,
 1371 including financial statements and information relative to principals and all others with any pecuniary
 1372 interest in such person.

1373 11. Impose a fine or penalty not to exceed \$1 million upon any person determined, in proceedings
 1374 commenced pursuant to § 58.1-4105, to have violated any of the provisions of this article or regulations
 1375 promulgated by the Board.

1376 12. Report annually to the Governor and the General Assembly on the expenses incurred in the regulation
 1377 of casino gaming operations. Such annual report shall also include recommendations for changes in this
 1378 article, as the Director and Board deem necessary or desirable.

1379 13. Report immediately to the Governor and the General Assembly any matters that require immediate
 1380 changes in the laws of the Commonwealth in order to prevent abuses and evasions of this article or the rules
 1381 and regulations adopted hereunder or to rectify undesirable conditions in connection with the operation or
 1382 regulation of casino gaming in the Commonwealth.

1383 **§ 58.1-4103. Voluntary exclusion program.**

1384 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

1385 B. The regulations shall include the following provisions:

1386 1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
 1387 program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of
 1388 this chapter or ~~Chapter 40 (§ 58.1-4000 et seq.)~~ Chapter 40.1 (§ 58.1-4049 et seq.); (ii) participating in sports
 1389 betting as such activity is regulated by the Board; (iii) engaging in any form of casino gaming authorized
 1390 under the provisions of this chapter; (iv) participating in charitable gaming, as defined in § ~~18.2-340.16~~
 1391 ~~58.1-4142~~; (v) participating in fantasy contests, as defined in § ~~59.1-556~~ 58.1-4173; or (vi) wagering on horse
 1392 racing, as defined in § ~~59.1-365~~ 58.1-4189. Any state agency, at the request of the ~~Department Authority~~,
 1393 shall assist in administering the voluntary exclusion program pursuant to the provisions of this section.

1394 2. A person who participates in the voluntary exclusion program may choose an exclusion period of two
 1395 years, five years, or lifetime.

1396 3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion
 1397 program may not petition the Board for removal from the program for the duration of his exclusion period.

1398 4. The name of a person participating in the program shall be included on a list of excluded persons. The
 1399 list of persons entering the voluntary exclusion program and the personal information of the participants shall
 1400 be confidential, with dissemination by the ~~Department Authority~~ limited to lottery sales agents licensed under
 1401 Chapter 40 (§ 58.1-4000 et seq.), owners and operators of casino gaming establishments, and any other
 1402 parties the ~~Department Authority~~ deems necessary for purposes of enforcement. The list and the personal
 1403 information of participants in the voluntary exclusion program shall not be subject to disclosure under the
 1404 Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to
 1405 other parties upon request by the participant and agreement by the Board.

1406 5. Lottery sales agents and owners and operators of casino gaming establishments shall make all
 1407 reasonable attempts as determined by the Board to cease all direct marketing efforts to a person participating
 1408 in the program. The voluntary exclusion program shall not preclude lottery sales agents and owners and
 1409 operators of casino gaming establishments from seeking the payment of a debt incurred by a person before
 1410 entering the program. In addition, the owner or operator of a casino gaming establishment may share the
 1411 names of individuals who self-exclude across its corporate enterprise, including sharing such information
 1412 with any of its affiliates.

1413 **§ 58.1-4105. Hearing and appeal.**

1414 Any person aggrieved by a refusal of the ~~Department Authority~~ to issue any license or permit, the
 1415 suspension or revocation of a license or permit, the imposition of a fine, or any other action of the
 1416 ~~Department Authority~~ may seek review of such action in accordance with ~~Department Authority~~ regulations
 1417 and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the Circuit Court of the City of
 1418 Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the
 1419 Administrative Process Act.

1420 **§ 58.1-4106. Injunction.**

1421 The ~~Department Authority~~ may apply to the appropriate circuit court for an injunction against any person
 1422 who has violated or may violate any provision of this chapter or any regulation or final decision of the

1423 ~~Department~~ Authority. The order granting or refusing such injunction shall be subject to appeal as in other
1424 cases in equity.

1425 **§ 58.1-4107. Eligible host city; certification of preferred casino gaming operator.**

1426 A. The conduct of casino gaming shall be limited to the following eligible host cities:

1427 1. Any city (i) in which at least 40 percent of the assessed value of all real estate in such city is exempt
1428 from local property taxation, according to the Virginia Department of Taxation Annual Report for Fiscal
1429 Year 2018, and (ii) that experienced a population decrease of at least seven percent from 1990 to 2016,
1430 according to data provided by the U.S. Census Bureau;

1431 2. Any city that had (i) an annual unemployment rate of at least five percent in 2018, according to data
1432 provided by the U.S. Bureau of Labor Statistics; (ii) an annual poverty rate of at least 20 percent in 2017,
1433 according to data provided by the U.S. Census Bureau; and (iii) a population decrease of at least 20 percent
1434 from 1990 to 2016, according to data provided by the U.S. Census Bureau;

1435 3. Any city that (i) had an annual unemployment rate of at least 3.6 percent in 2018, according to data
1436 provided by the U.S. Bureau of Labor Statistics; (ii) had an annual poverty rate of at least 20 percent in 2017,
1437 according to data provided by the U.S. Census Bureau; (iii) experienced a population decrease of at least four
1438 percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; and (iv) is located
1439 adjacent to a state that has adopted a Border Region Retail Tourism Development District Act;

1440 4. Any city (i) with a population greater than 200,000 according to the 2018 population estimates from the
1441 Weldon Cooper Center for Public Service of the University of Virginia; (ii) in which at least 24 percent of the
1442 assessed value of all real estate in such city is exempt from local property taxation, according to the Virginia
1443 Department of Taxation Annual Report for Fiscal Year 2018; and (iii) that experienced a population decrease
1444 of at least five percent from 1990 to 2016, according to data provided by the U.S. Census Bureau; and

1445 5. Any city (i) in which at least 17 percent of the assessed value of all real estate in such city is exempt
1446 from local property taxation, according to the Virginia Department of Taxation Annual Report for Fiscal
1447 Year 2016; (ii) that had a poverty rate of at least 21 percent in 2019, according to data provided by the U.S.
1448 Census Bureau; and (iii) that had an annual unemployment rate of at least 13 percent in 2020, according to
1449 data provided by the U.S. Bureau of Labor and Statistics.

1450 B. In selecting a preferred casino gaming operator, an eligible host city shall have considered and given
1451 substantial weight to factors such as:

1452 1. The potential benefit and prospective revenues of the proposed casino gaming establishment.

1453 2. The total value of the proposed casino gaming establishment.

1454 3. The proposed capital investment and the financial health of the proposer and any proposed development
1455 partners.

1456 4. The experience of the proposer and any development partners in the operation of a casino gaming
1457 establishment.

1458 5. Security plans for the proposed casino gaming establishment.

1459 6. The economic development value of the proposed casino gaming establishment and the potential for
1460 community reinvestment and redevelopment in an area in need of such.

1461 7. Availability of city-owned assets and privately owned assets, such as real property, including where
1462 there is only one location practicably available or land under a development agreement between a potential
1463 operator and the city, incorporated in the proposal.

1464 8. The best financial interest of the city.

1465 9. The proposer's status as a minority-owned business as defined in § 2.2-1604 or the proposer's
1466 commitment to solicit equity investment in the proposed casino gaming establishment from one or more
1467 minority-owned businesses and the proposer's commitment to solicit contracts with minority-owned
1468 businesses for the purchase of goods and services.

1469 C. The ~~Department~~ Authority shall, upon request of any eligible host city, provide a list of resources that
1470 may be of assistance in evaluating the technical merits of any proposal submitted pursuant to this section,
1471 provided that selection of the preferred casino gaming operator shall be at the city's sole discretion.

1472 D. The eligible host city described in subdivision A 4 shall provide substantial and preferred consideration
1473 to a proposer who is a Virginia Indian tribe recognized in House Joint Resolution No. 54 (1983) and
1474 acknowledged by the Assistant Secretary-Indian Affairs for the U.S. Department of the Interior as an Indian
1475 tribe within the meaning of federal law that has the authority to conduct gaming activities as a matter of
1476 claimed inherent authority or under the authority of the Indian Gaming Regulatory Act (25 U.S.C. § 2701 et
1477 seq.).

1478 E. An eligible host city shall promptly submit its preferred casino gaming operator to the ~~Department~~
1479 Authority for review prior to scheduling the referendum required by § 58.1-4123. An eligible host city shall
1480 include with the submission any written or electronic documentation considered as part of the criteria in
1481 subsection B, including any memorandums of understanding, incentives, development agreements, land
1482 purchase agreements, or local infrastructure agreements. The ~~Department~~ Authority shall conduct a
1483 preliminary review of the financial status and ability of the preferred casino gaming operator to operate and
1484 properly support ongoing operations in an eligible host city, as well as current casino operations in other

1485 states and territories. The ~~Department~~ *Authority* shall conduct such review within 45 days of receipt of the
 1486 submission by the eligible host city. An eligible host city and preferred casino gaming operator shall fully
 1487 cooperate with all necessary requests by the ~~Department~~ *Authority* in that regard. Upon successful
 1488 preliminary review, the ~~Department~~ *Authority* shall certify approval for the eligible host city to proceed to the
 1489 referendum required by § 58.1-4123. The ~~Department~~ *Authority* shall develop guidelines establishing
 1490 procedures and criteria for conducting the preliminary review required by this subsection. Certification by the
 1491 ~~Department~~ *Authority* to proceed to referendum shall in no way entitle the preferred casino gaming operator
 1492 to approval of any application to operate a casino gaming establishment.

1493 **§ 58.1-4108. Operator's license required; capital investment; equity interest; transferability; fee.**

1494 A. No person shall operate a casino gaming establishment unless he has obtained an operator's license
 1495 issued by the ~~Department~~ *Authority* in accordance with the provisions of this chapter and the regulations
 1496 promulgated hereunder.

1497 B. To obtain an operator's license issued under the provisions of this chapter, the applicant shall (i) make a
 1498 capital investment of at least \$300 million in a casino gaming establishment, including the value of the real
 1499 property upon which such establishment is located and all furnishings, fixtures, and other improvements, and
 1500 (ii) possess an equity interest equal to at least 20 percent of the casino gaming establishment.

1501 C. A license issued under the provisions of this chapter shall be transferable, provided that the ~~Department~~
 1502 *Authority* has approved the proposed transfer and all licensure requirements are satisfied at the time the
 1503 transfer takes effect.

1504 D. A nonrefundable fee of \$15 million shall be paid by the applicant to the ~~Department~~ *Authority* upon the
 1505 issuance of a license and upon any subsequent transfer of a license to operate a casino gaming establishment.
 1506 Such fees shall be deposited by the ~~Department~~ *Authority* into the Gaming Regulatory Fund established
 1507 pursuant to § ~~58.1-4048~~ 58.1-4093.

1508 E. No person issued a license pursuant to this chapter shall be precluded from obtaining a license for
 1509 online sports betting pursuant to the Virginia Lottery and Gaming Law (§ 58.1-4000 et seq.) or any
 1510 subsequently created online sports betting license.

1511 **§ 58.1-4109. Submission of preferred casino gaming operator by eligible host city; application for
 1512 operator's license; penalty.**

1513 A. If a majority of those voting in a referendum held pursuant to § 58.1-4123 vote in the affirmative, the
 1514 eligible host city shall certify its preferred casino gaming operator and submit such certification to the
 1515 ~~Department~~ *Authority* within 30 days.

1516 B. Any preferred casino gaming operator desiring to operate a casino gaming establishment shall file with
 1517 the ~~Department~~ *Authority* an application for an operator's license. Such application shall be filed at the place
 1518 prescribed by the ~~Department~~ *Authority* and shall be in such form and contain such information as prescribed
 1519 by the ~~Department~~ *Authority*, including but not limited to the following:

1520 1. The name and address of such person; if a corporation, the state of its incorporation, the full name and
 1521 address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to do
 1522 business in the Commonwealth; if a partnership or joint venture, the name and address of each general
 1523 partner thereof; if a limited liability company, the name and address of each manager thereof; or, if another
 1524 entity, the name and address of each person performing duties similar to those of officers, directors, and
 1525 general partners;

1526 2. The name and address of each principal and of each person who has contracted to become a principal of
 1527 the applicant, including providing management services with respect to any part of gaming operations; the
 1528 nature and cost of such principal's interest; and the name and address of each person who has agreed to lend
 1529 money to the applicant;

1530 3. Such information as the ~~Department~~ *Authority* considers appropriate regarding the character,
 1531 background, and responsibility of the applicant and the principals, officers, and directors of the applicant;

1532 4. A description of the casino gaming establishment in which such gaming operations are to be conducted,
 1533 the city where such casino gaming establishment will be located, and the applicant's capital investment plan
 1534 for the site. The Board shall require such information about a casino gaming establishment and its location as
 1535 it deems necessary and appropriate to determine whether it complies with the minimum standards provided in
 1536 this chapter and whether gaming operations at such location will be in furtherance of the purposes of this
 1537 chapter;

1538 5. Such information relating to the financial responsibility of the applicant, including the applicant's
 1539 financing plan for the casino gaming establishment, and the applicant's ability to perform under its license as
 1540 the ~~Department~~ *Authority* considers appropriate;

1541 6. If any of the facilities necessary for the conduct of gaming operations are to be leased, the terms of such
 1542 lease;

1543 7. Evidence of compliance by the applicant with the economic development and land use plans and design
 1544 review criteria of the local governing body of the city in which the casino gaming establishment is proposed
 1545 to be located, including certification that the project complies with all applicable land use ordinances
 1546 pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2;

1547 8. Such information necessary to enable the ~~Department~~ *Department Authority* to review the application based upon
1548 the best financial interests of the Commonwealth;

1549 9. Such information necessary to enable the ~~Department~~ *Department Authority* to authorize on-premises mobile casino
1550 gaming pursuant to Article 11 (§ 58.1-4131 et seq.);

1551 10. Submission of the following: (i) a minority investment plan disclosing any equity interest owned by a
1552 minority individual or minority-owned business or the applicant's efforts to seek equity investment from
1553 minority individuals or minority-owned businesses and (ii) a plan for the participation of minority individuals
1554 or minority-owned businesses in the applicant's purchase of goods and services related to the casino gaming
1555 establishment. As used in the subdivision, "minority individual" and "minority-owned business" mean the
1556 same as those terms are defined in § 2.2-1604; and

1557 11. Any other information that the ~~Department~~ *Department Authority* in its discretion considers appropriate.

1558 C. A nonrefundable application fee of \$50,000 shall be paid for each principal at the time of filing to
1559 defray the costs associated with the background investigation conducted for the ~~Department~~ *Department Authority*. If the
1560 reasonable costs of the investigation exceed the application fee, the applicant shall pay the additional amount
1561 to the ~~Department~~ *Department Authority*. The Board may establish regulations calculating the reasonable costs to the
1562 ~~Department~~ *Department Authority* in performing its functions under this chapter and allocating such costs to the
1563 applicants for licensure at the time of filing.

1564 D. Any license application from an Indian tribe as described in subsection D of § 58.1-4107 shall certify
1565 that the material terms of the relevant development agreements between the Indian tribe and any development
1566 partner have been determined in the opinion of the Office of General Counsel of the National Indian Gaming
1567 Commission after review not to deprive the Indian tribe of the sole proprietor interest in the gaming
1568 operations for purposes of federal Indian gaming law.

1569 E. Any application filed hereunder shall be verified by the oath or affirmation of the applicant. Any
1570 person who knowingly makes a false statement on an application is guilty of a Class 4 felony.

1571 F. The licensed operator shall be the person primarily responsible for the gaming operations under its
1572 license and compliance of such operations with the provisions of this chapter.

1573 G. The ~~Department~~ *Department Authority* may use or rely on any application, supporting documentation, or
1574 information submitted pursuant to § ~~58.1-4032~~ *58.1-4077*, in reviewing and verifying an application
1575 submitted pursuant to this chapter.

1576 **§ 58.1-4110. Issuance of operator's license to preferred casino gaming operator; standards for**
1577 **licensure; temporary casino gaming allowed under certain conditions.**

1578 A. If a preferred casino gaming operator, as certified by the applicable eligible host city, submits an
1579 application that meets the standards for licensure set forth in this article, the Board shall issue an operator's
1580 license to such preferred casino gaming operator. The Board shall not consider an application from any
1581 applicant that has not been certified as a preferred casino gaming operator by an eligible host city.

1582 B. The Board may issue an operator's license to an applicant only if it finds that:

1583 1. The applicant submits a plan for addressing responsible gaming issues, including the goals of the plan,
1584 procedures, and deadlines for implementation of the plan;

1585 2. The applicant has established a policy requiring all license and permit holders who interact directly
1586 with the public in the casino gaming establishment to complete a training course acceptable to the
1587 ~~Department~~ *Department Authority* in how to recognize and report suspected human trafficking;

1588 3. The casino gaming establishment the applicant proposes to use on a permanent basis is or will be
1589 appropriate for gaming operations consistent with the purposes of this chapter;

1590 4. The city where the casino gaming establishment will be located certifies that the proposed project
1591 complies with all applicable land use ordinances pursuant to Chapter 22 (§ 15.2-2200 et seq.) of Title 15.2;

1592 5. Any required local infrastructure or site improvements, including necessary sewerage, water, drainage
1593 facilities, or traffic flow, are to be paid exclusively by the applicant without state or local financial assistance;

1594 6. If the applicant is an entity, its securities are fully paid and, in the case of stock, nonassessable and have
1595 been subscribed and will be paid for only in cash or property to the exclusion of past services;

1596 7. All principals meet the criteria of this subsection and have submitted to the jurisdiction of the Virginia
1597 courts, and all nonresident principals have designated the Director as their agent for receipt of process;

1598 8. If the applicant is an entity, it has the right to purchase at fair market value the securities of, and require
1599 the resignation of, any person who is or becomes disqualified under subsection C;

1600 9. The applicant meets any other criteria established by this chapter and the Board's regulations for the
1601 granting of an operator's license;

1602 10. The applicant is qualified to do business in Virginia or is subject to the jurisdiction of the courts of the
1603 Commonwealth; and

1604 11. The applicant has not previously been denied a license pursuant to subsection C.

1605 C. The Board shall deny a license to an applicant if it finds that for any reason the issuance of a license to
1606 the applicant would reflect adversely on the honesty and integrity of the casino gaming industry in the
1607 Commonwealth or that the applicant, or any officer, principal, manager, or director of the applicant:

1608 1. Is or has been guilty of any illegal act, conduct, or practice in connection with gaming operations in this

1609 or any other state or has been convicted of a felony;

1610 2. Has had a license or permit to hold or conduct a gaming operation denied for cause, suspended, or

1611 revoked, in this or any other state or country, unless the license or permit was subsequently granted or

1612 reinstated;

1613 3. Has at any time during the previous five years knowingly failed to comply with the provisions of this

1614 chapter or any ~~Department~~ Authority regulation;

1615 4. Has knowingly made a false statement of material fact to the ~~Department~~ Authority or has deliberately

1616 failed to disclose any information requested by the ~~Department~~ Authority;

1617 5. Has defaulted in the payment of any obligation or debt due to the Commonwealth and has not cured

1618 such default; or

1619 6. Has operated or caused to be operated a casino gaming establishment for which a license is required

1620 under this chapter without obtaining such license.

1621 D. The Board shall make a determination regarding whether to issue the operator's license within 12

1622 months of the receipt of a completed application.

1623 E. The Board shall be limited to the issuance of one operator's license for each eligible host city.

1624 F. If, at the time of application, the applicant has not satisfied the capital investment requirement of at

1625 least \$300 million pursuant to subsection B of § 58.1-4108 but otherwise meets the standards for licensure set

1626 forth in this article, the ~~Department~~ Authority shall issue the operator's license, which, prior to satisfying the

1627 capital investment requirement, may not be used to conduct gaming other than temporary casino gaming

1628 pursuant to subsection G.

1629 G. The ~~Department~~ Authority may authorize casino gaming to occur on a temporary basis for a period of

1630 one year under the following conditions:

1631 1. The request to authorize casino gaming is made by a preferred casino gaming operator that has been

1632 issued a license consistent with this section.

1633 2. The preferred casino gaming operator has submitted as a part of its application for licensure a

1634 construction schedule for a casino gaming establishment that has been approved by the eligible host city and

1635 the ~~Department~~ Authority.

1636 3. The temporary casino gaming is to be conducted at the same site referenced in the referendum held

1637 pursuant to § 58.1-4123.

1638 4. The preferred casino gaming operator has secured suppliers and employees holding the appropriate

1639 permits required by this chapter and sufficient for the routine operation of the site where the temporary casino

1640 gaming is authorized.

1641 5. A performance bond is posted in an amount acceptable to the Board.

1642 H. No portion of any facility developed with the assistance of any grants or loans provided by a

1643 redevelopment and housing authority created pursuant to § 36-4 shall be used as a casino gaming

1644 establishment.

1645 The ~~Department~~ Authority may renew the authorization to conduct temporary casino gaming for an

1646 additional year if it determines that the preferred casino gaming operator has made a good faith effort to

1647 comply with the approved construction schedule.

1648 I. An operator issued a license under this chapter shall not be precluded from operating a sports betting

1649 facility for individuals to participate in sports betting activities in a casino gaming establishment, which may

1650 include in-person sports betting where the bettor places a bet directly with an employee of the casino or the

1651 sports betting permit holder, or through a kiosk or device.

1652 **§ 58.1-4111. Duration and form of operator's license; bond.**

1653 A. A casino gaming operator license under this chapter shall be valid for a period of 10 years from its date

1654 of issuance but shall be reviewed no less frequently than annually to determine compliance with this chapter

1655 and ~~Department~~ Authority regulations. Such annual review shall include a certification by the eligible host

1656 city of the status of the operator's compliance with local ordinances and regulations. If the certification states

1657 that the operator is not in compliance, the ~~Department~~ Authority shall require the operator to submit a plan of

1658 compliance, corrective action, or request for variance.

1659 B. The Board shall establish by regulation the criteria and procedures for license renewal and for

1660 amending licenses to conform to changes in a licensee's gaming operations. Such regulations shall require the

1661 operator to submit to the Board any updates or revisions to the capital investment plan provided with the

1662 initial license application pursuant to subdivision B 4 of § 58.1-4109. Renewal shall not be unreasonably

1663 refused.

1664 C. The ~~Department~~ Authority shall require a bond with surety acceptable to it, and in an amount

1665 determined by it, to be sufficient to cover any indebtedness incurred by the licensee to the Commonwealth.

1666 **§ 58.1-4112. Records to be kept; reports; reinvestment projection.**

1667 A. A licensed operator shall keep his books and records so as to clearly indicate the total amount of gross

1668 receipts and adjusted gross receipts.

1669 B. The licensed operator shall furnish to the ~~Department~~ Authority reports and information as the

1670 ~~Department~~ Authority may require with respect to its activities on forms designated and supplied for such

1671 purpose by the ~~Department~~ Authority.

1672 C. Every five years the licensed operator shall submit to the ~~Department~~ Authority for review and
1673 approval a reinvestment projection related to the casino gaming establishment to cover the succeeding
1674 five-year period of operations.

1675 **§ 58.1-4113. Electronic accounting and reporting requirements; annual audit of licensed gaming**
1676 **operations.**

1677 A. Each casino game that operates electronically shall be connected to a central monitoring and audit
1678 system established and operated by the ~~Department~~ Authority. Such system shall provide the ability to audit
1679 and account for terminal revenues and distributions in real time. The central monitoring and audit system
1680 shall collect the following information from each electronically operated casino game, as applicable: (i) cash
1681 in, (ii) cash out, (iii) points played, (iv) points won, (v) gross terminal income, (vi) net terminal income, (vii)
1682 the number of plays of the game, (viii) the amounts paid to play the game, (ix) door openings, (x) power
1683 failures, (xi) remote activations and disabling, and (xii) any other information required by Board regulations.

1684 B. Within 90 days after the end of each fiscal year, the licensed operator shall transmit to the ~~Department~~
1685 Authority a third-party, independent audit of the financial transactions and condition of the licensee's total
1686 operations. All audits required by this section shall conform to Board regulations.

1687 **§ 58.1-4114. Supplier's permits; penalty.**

1688 A. The Board may issue a supplier's permit to any person upon application and payment of a
1689 nonrefundable application fee set by the Board, a determination by the Board that the applicant is eligible for
1690 a supplier's permit, and payment of a \$5,000 initial permit fee. A supplier's permit shall be renewed at a fee to
1691 be determined by the ~~Department~~ Authority, not to exceed \$5,000 per year of licensure. Such fees shall be
1692 deposited by the ~~Department~~ Authority into the Gaming Regulatory Fund established pursuant to § 58.1-4048
1693 58.1-4093. The Board shall prescribe by regulation the criteria for the issuance, duration, and renewal of
1694 supplier's permits.

1695 B. The holder of a supplier's permit may sell or lease, or contract to sell or lease, casino gaming
1696 equipment and supplies, or provide management services, to any licensee involved in the ownership or
1697 management of gaming operations to the extent provided in the permit.

1698 C. Gaming equipment, devices, and supplies shall not be distributed unless such equipment, devices, and
1699 supplies conform to standards adopted by the ~~Department~~ Authority.

1700 D. A person is ineligible to receive a supplier's permit if:

1701 1. The person has been convicted of a felony under the laws of the Commonwealth or any other state or of
1702 the United States;

1703 2. The person has submitted an application for a license under this chapter that contains false information;

1704 3. The person is a Board member, employee of the ~~Department~~ Authority, or a member of the immediate
1705 household of a Board member or ~~Department~~ Authority employee;

1706 4. The person is an entity in which a person described in subdivision 1, 2, or 3 is an officer, director,
1707 principal, or managerial employee;

1708 5. The firm or corporation employs a person who participates in the management or operation of casino
1709 gaming authorized under this chapter; or

1710 6. A prior permit issued to such person to own or operate casino gaming establishments or supply goods
1711 or services to a gaming operation under this chapter or any laws of any other jurisdiction has been revoked.

1712 E. Any person that supplies any casino gaming equipment, devices, or supplies to a licensed gaming
1713 operation or manages any operation, including a computerized network, of a casino gaming establishment
1714 shall first obtain a supplier's permit. A supplier shall furnish to the ~~Department~~ Authority a list of all
1715 management services, equipment, devices, and supplies offered for sale or lease in connection with the games
1716 authorized under this chapter. A supplier shall keep books and records for the furnishing of casino gaming
1717 equipment, devices, and supplies to gaming operations separate and distinct from any other business that the
1718 supplier might operate. A supplier shall file a quarterly return with the ~~Department~~ Authority listing all sales
1719 and leases for which a permit is required. A supplier shall permanently affix its name to all its equipment,
1720 devices, and supplies for gaming operations. Any supplier's equipment, devices, or supplies that are used by
1721 any person in an unauthorized gaming operation shall be forfeited to the Commonwealth.

1722 F. A licensed operator may operate its own equipment, devices, and supplies and may utilize casino
1723 gaming equipment, devices, and supplies at such locations as may be approved by the ~~Department~~ Authority
1724 for the purpose of training enrollees in a school operated by the licensee to train individuals who desire to
1725 become qualified for employment or promotion in gaming operations. The Board may promulgate regulations
1726 for the conduct of any such schools.

1727 G. Each holder of an operator's license under this chapter shall file an annual report with the ~~Department~~
1728 Authority listing its inventories of casino gaming equipment, devices, and supplies related to its operations in
1729 Virginia.

1730 H. Any person who knowingly makes a false statement on an application for a supplier's permit is guilty
1731 of a Class 4 felony.

1732 **§ 58.1-4115. Denial of permit final.**

1733 The denial of a supplier's permit by the ~~Department~~ Authority shall be final unless appealed under
1734 § 58.1-4105. A permit may not be applied for again for a period of five years from the date of denial without
1735 the permission of the ~~Department~~ Authority.

1736 **§ 58.1-4116. Suspension or revocation of license or permit.**

1737 A. The Director may suspend, revoke, refuse to renew, or assess a civil penalty against the holder of a
1738 license or permit in a sum not to exceed \$100,000, after notice and a hearing. Such license or permit may,
1739 however, be temporarily suspended by the Director without prior notice, pending any prosecution, hearing, or
1740 investigation, whether by a third party or by the Director. A license may be suspended, revoked, or refused
1741 renewal by the Director for one or more of the following reasons:

1742 1. Failure to comply with, or violation of, any provision of this chapter or any regulation or condition of
1743 the ~~Department~~ Authority;

1744 2. Failure to disclose facts during the application process that indicate that such license or permit should
1745 not have been issued;

1746 3. Conviction of a felony under the laws of the Commonwealth or any other state or of the United States
1747 subsequent to issuance of a license or permit;

1748 4. Failure to file any return or report, to keep any records, or to pay any fees or other charges required by
1749 this chapter;

1750 5. Any act of fraud, deceit, misrepresentation, or conduct prejudicial to public confidence in the integrity
1751 of gaming operations;

1752 6. A material change, since issuance of the license or permit, with respect to any matters required to be
1753 considered by the Director under this chapter; or

1754 7. Other factors established by Board regulation.

1755 B. Such action by the Director shall be final unless appealed in accordance with § 58.1-4105. Suspension
1756 or revocation of a license or permit for any violation shall not preclude criminal liability for such violation.

1757 **§ 58.1-4117. Acquisition of interest in licensee or permit holder.**

1758 The ~~Department~~ Authority shall require any person desiring to become a principal of, or other investor in,
1759 any licensee or holder of a supplier's permit to apply to the Board for approval and may demand such
1760 information of the applicant as it finds necessary. The Board shall consider such application within 60 days of
1761 its receipt, and if in its judgment the acquisition by the applicant would be detrimental to the public interest,
1762 to the honesty and integrity of gaming operations, or to its reputation, the application shall be denied. All
1763 reasonable costs for review by the Board shall be borne by the applicant.

1764 **§ 58.1-4119. Application for service permit.**

1765 A. Any person desiring to obtain a service permit as required by this chapter shall apply on a form
1766 prescribed by the ~~Department~~ Authority. The application shall be accompanied by a fee prescribed by the
1767 ~~Department~~ Authority. Such fees shall be deposited by the ~~Department~~ Authority into the Gaming Regulatory
1768 Fund established pursuant to § ~~58.1-4048~~ 58.1-4093.

1769 B. Any application filed hereunder shall be verified by the oath or affirmation of the applicant.

1770 **§ 58.1-4120. Consideration of service permit application.**

1771 A. The ~~Department~~ Authority shall promptly consider any application for a service permit and issue or
1772 deny such service permit on the basis of the information in the application and all other information provided,
1773 including any investigation it considers appropriate. If an application for a service permit is approved, the
1774 ~~Department~~ Authority shall issue a service permit containing such information as the ~~Department~~ Authority
1775 considers appropriate.

1776 B. The ~~Department~~ Authority shall deny the application and refuse to issue the service permit, which
1777 denial shall be final unless an appeal is taken under § 58.1-4105, if it finds that the issuance of such service
1778 permit to such applicant would not be in the best interests of the Commonwealth or would reflect negatively
1779 on the honesty and integrity of casino gaming in the Commonwealth or that the applicant:

1780 1. Has knowingly made a false statement of a material fact in the application or has deliberately failed to
1781 disclose any information requested by the ~~Department~~ Authority;

1782 2. Is or has been guilty of any corrupt or fraudulent practice or conduct in connection with gaming
1783 operations in the Commonwealth or any other state;

1784 3. Has knowingly failed to comply with the provisions of this chapter or the regulations promulgated
1785 hereunder;

1786 4. Has had a service permit to engage in activity related to casino gaming denied for cause, suspended, or
1787 revoked in the Commonwealth or any other state, and such denial, suspension, or revocation is still in effect;

1788 5. Is unqualified to perform the duties required for the service permit sought; or

1789 6. Has, *within the five years immediately preceding the date of the application for the service permit*
1790 *sought*, been convicted of a misdemeanor or felony involving unlawful conduct of wagering, fraudulent use
1791 of a gaming credential, unlawful transmission of information, touting, bribery, embezzlement, distribution or
1792 possession of drugs, excluding misdemeanor possession of marijuana, or any crime considered by the
1793 ~~Department~~ Authority to be detrimental to the honesty and integrity of casino gaming in the Commonwealth.

1794 C. The ~~Department~~ Authority may refuse to issue a service permit if for any reason it determines the

1795 granting of such service permit is not consistent with the provisions of this chapter or its responsibilities or
 1796 any regulations promulgated by any other agency of the Commonwealth.

1797 **§ 58.1-4121. Suspension or revocation of service permit; civil penalty.**

1798 A. The Director may suspend, revoke, refuse to renew, or assess a civil penalty against the holder of a
 1799 service permit in a sum not to exceed \$10,000, after notice and a hearing. Such service permit may, however,
 1800 be temporarily suspended by the Director without prior notice, pending any prosecution, hearing, or
 1801 investigation, whether by a third party or by the Director. A service permit may be suspended, revoked, or
 1802 refused renewal by the Director for one or more of the following reasons:

1803 1. Failure to comply with, or violation of, any provision of this chapter or any regulation or condition of
 1804 the ~~Department~~ Authority;

1805 2. Failure to disclose facts during the application process that indicate that such service permit should not
 1806 have been issued;

1807 3. Conviction of a felony under the laws of the Commonwealth or any other state or of the United States
 1808 subsequent to issuance of a service permit;

1809 4. Failure to file any return or report, keep any record, or pay any fees or other charges required by this
 1810 chapter;

1811 5. Any act of fraud, deceit, misrepresentation, or conduct prejudicial to public confidence in the integrity
 1812 of gaming operations;

1813 6. A material change, since issuance of the service permit, with respect to any matters required to be
 1814 considered by the Director under this chapter; or

1815 7. Other factors established by ~~Department~~ Authority regulation.

1816 B. Actions taken by the Director pursuant to this section shall be final unless appealed in accordance with
 1817 § 58.1-4105. Suspension or revocation of a service permit for any violation shall not preclude criminal
 1818 liability for such violation.

1819 **§ 58.1-4122. Conduct of casino gaming.**

1820 A. Casino gaming may be conducted by licensed operators, subject to the following:

1821 1. Minimum and maximum wagers on games shall be set by ~~Department~~ Authority regulations.

1822 2. Agents of the ~~Department~~ Authority, the Department of State Police, and the local law-enforcement and
 1823 fire departments may enter any casino gaming establishment and inspect such facility at any time for the
 1824 purpose of determining compliance with this chapter and other applicable fire prevention and safety laws.

1825 3. Employees of the ~~Department~~ Authority shall have the right to be present in any facilities under the
 1826 control of the licensee.

1827 4. Gaming equipment, devices, and supplies customarily used in conducting casino gaming shall be
 1828 purchased or leased only from suppliers holding permits for such purpose under this chapter.

1829 5. Persons licensed under this chapter shall permit no form of wagering on games except as permitted by
 1830 this chapter.

1831 6. Wagers may be received only from a person present at the licensed casino gaming establishment. No
 1832 person present at such facility shall place or attempt to place a wager on behalf of another person who is not
 1833 present at the facility.

1834 7. No person under age 21 shall be permitted to make a wager under this chapter or be present where
 1835 casino gaming is being conducted. A licensee or permit holder may employ persons between the ages of 18
 1836 and 21 for positions in nongaming areas and such employees may traverse the gaming floor, while on duty.

1837 8. No person shall place or accept a wager on youth sports.

1838 9. No licensee or permit holder shall accept postdated checks in payment for participation in any gaming
 1839 operation. No licensee or permit holder, or any person on the premises of a casino gaming establishment,
 1840 shall extend lines of credit or accept any credit card or other electronic fund transfer in payment for
 1841 participation in any gaming operation. A licensee or permit holder may accept prepaid access instruments. In
 1842 order to transfer funds for gaming purposes, a prepaid access instrument must be redeemed for tokens, chips,
 1843 credits, electronic credits, electronic cash, electronic cards, or used in conjunction with an approved cashless
 1844 wagering system or interactive gaming account. A licensee or permit holder may issue interest-free counter
 1845 checks to a player provided (i) the player submits an application and (ii) the licensee or permit holder verifies
 1846 funds sufficient to cover the face value of the counter check. Such counter checks shall be subject to the tax
 1847 reporting requirements under state and federal law. Nothing shall preclude a player from making a wire
 1848 transfer to licensees or permit holders.

1849 B. Casino gaming wagers shall be conducted only with tokens, chips, electronic credits, electronic cash, or
 1850 electronic cards purchased from a licensed casino gaming operator. The conversion of cash to tokens, chips,
 1851 credits, electronic credits, electronic cash, or electronic cards at a slot machine or any other casino game is
 1852 permissible and does not constitute conducting a wager. Such tokens, chips, credits, electronic credits,
 1853 electronic cash, or electronic cards may be used only for the purpose of (i) making wagers on games, (ii)
 1854 redeeming for cash or check, or (iii) making a donation to a charitable entity granted tax-exempt status under
 1855 § 501(c)(3) of the Internal Revenue Code, provided that the donated tokens, chips, credits, electronic credits,
 1856 electronic cash, or electronic cards are redeemed by the same charitable entity accepting the donation. The

1857 provisions of this subsection shall not apply to sports betting in a sports betting facility, which may be
1858 conducted using cash.

1859 **§ 58.1-4123. Local referendum required.**

1860 A. The ~~Department~~ *Authority* shall not grant any initial license to operate a gaming operation in an
1861 eligible host city until a referendum on the question of whether casino gaming shall be permitted in such city
1862 is approved by the voters of such city.

1863 B. The governing body of any city containing an eligible host city shall petition the court, by resolution,
1864 asking that a referendum be held on the question of whether casino gaming shall be permitted within the city.
1865 The court, by order entered of record in accordance with Article 5 (§ 24.2-681 et seq.) of Chapter 6 of Title
1866 24.2, shall require the regular election officials of the city to open the polls and take the sense of the voters on
1867 the question as herein provided.

1868 C. The clerk of such court of record of such city shall publish notice of such election in a newspaper of
1869 general circulation in such city once a week for three consecutive weeks prior to such election.

1870 D. The regular election officers of such city shall open the polls at the various voting places in such city
1871 on the date specified in such order and conduct such election in the manner provided by law. The election
1872 shall be by ballot, which shall be prepared by the electoral board of the city and on which shall be printed the
1873 following question:

1874 "Shall casino gaming be permitted at a casino gaming establishment in (name of city and location) as may
1875 be approved by the Virginia Lottery Board?

1876 [] Yes

1877 [] No"

1878 In the blank shall be inserted the name of the city in which such election is held and the proposed location
1879 of the casino gaming establishment. Any voter desiring to vote "Yes" shall mark in the square provided for
1880 such purpose immediately preceding the word "Yes," leaving the square immediately preceding the word
1881 "No" unmarked. Any voter desiring to vote "No" shall mark in the square provided for such purpose
1882 immediately preceding the word "No," leaving the square immediately preceding the word "Yes" unmarked.

1883 E. The ballots shall be counted, the returns made and canvassed as in other elections, and the results
1884 certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an order
1885 proclaiming the results of such election and a duly certified copy of such order shall be transmitted to the
1886 ~~Department~~ *Authority* and to the governing body of such city.

1887 F. A subsequent local referendum shall be required if a license has not been granted by the Board within
1888 five years of the court order proclaiming the results of the election.

1889 G. The governing body of any eligible host city that holds a local referendum pursuant to this section that
1890 subsequently fails shall be prohibited from holding another local referendum on the same question for a
1891 period of three years from the date of the last referendum.

1892 **§ 58.1-4124. Tax rate on adjusted gross receipts.**

1893 A. A tax on the adjusted gross receipts of each licensed operator received from games authorized under
1894 this chapter shall be imposed as follows:

1895 1. On the first \$200 million of adjusted gross receipts of an operator each calendar year, a rate of 18
1896 percent.

1897 2. On the adjusted gross receipts of an operator that exceed \$200 million but do not exceed \$400 million
1898 each calendar year, a rate of 23 percent.

1899 3. On the adjusted gross receipts of an operator that exceed \$400 million each calendar year, a rate of 30
1900 percent.

1901 B. All tax revenues collected pursuant to the provisions of this section shall accrue to the Gaming
1902 Proceeds Fund and be allocated as provided in § 58.1-4125.

1903 C. The taxes imposed by this section shall be paid by the licensed operator to the ~~Department~~ *Authority* no
1904 later than the close of the fifth day of each month for the preceding month when the adjusted gross receipts
1905 were received and shall be accompanied by forms and returns prescribed by the Board. Revenues collected
1906 pursuant to this section shall be credited to the Gaming Proceeds Fund to be appropriated as set forth in
1907 § 58.1-4125. The ~~Department~~ *Authority* may suspend or revoke the license of an operator for willful failure to
1908 submit the wagering tax payment or the return within the specified time.

1909 D. The tax imposed under this section shall not apply to the receipts of a licensed operator from sports
1910 betting, whether such receipts were generated from a sports betting facility or sports betting platform; instead,
1911 such receipts shall be taxable under ~~§ 58.1-4037~~ *58.1-4082*.

1912 **§ 58.1-4126. Illegal operation; penalty.**

1913 A. No person shall:

1914 1. Operate casino gaming where wagering is used or to be used without a license issued by the
1915 ~~Department~~ *Authority*.

1916 2. Operate casino gaming where wagering is permitted other than in the manner specified by this chapter.

1917 3. Offer, promise, or give anything of value or benefit to a person who is connected with a gaming
1918 operation, including an officer or employee of a licensed operator or permit holder, pursuant to an agreement

1919 or arrangement or with the intent that the promise or thing of value or benefit will influence the actions of the
 1920 person to whom the offer, promise, or gift was made in order to affect or attempt to affect the outcome of a
 1921 game, or to influence official action of a member of the Board, the Director, a ~~Department~~ *an Authority*
 1922 employee, or a local governing body.

1923 4. Solicit or knowingly accept a promise of anything of value or benefit while the person is connected
 1924 with a gaming operation, including an officer or employee of a licensed operator or permit holder, pursuant to
 1925 an understanding or arrangement or with the intent that the promise or thing of value or benefit will influence
 1926 the actions of the person to affect or attempt to affect the outcome of a game, or to influence official action of
 1927 a member of the Board, the Director, a ~~Department~~ *an Authority* employee, or a local governing body.

1928 5. Use or possess with the intent to use a device to assist in:

1929 a. Projecting the outcome of a game;

1930 b. Keeping track of the cards played;

1931 c. Analyzing the probability of the occurrence of an event relating to a game; or

1932 d. Analyzing the strategy for playing or betting to be used in a game except as permitted by ~~Department~~
 1933 *Authority* regulation.

1934 6. Cheat at gaming.

1935 7. Manufacture, sell, or distribute any card, chip, dice, game, or device that is intended to be used to
 1936 violate any provision of this chapter.

1937 8. Alter or misrepresent the outcome of a game on which wagers have been made after the outcome is
 1938 made sure but before it is revealed to the players.

1939 9. Place a bet after acquiring knowledge, not available to all players, of the outcome of the game that is
 1940 the subject of the bet or to aid a person in acquiring the knowledge for the purpose of placing a bet contingent
 1941 on that outcome.

1942 10. Claim, collect, or take, or attempt to claim, collect, or take, money or anything of value in or from a
 1943 game, with intent to defraud, without having made a wager contingent on winning the game or claim, collect,
 1944 or take an amount of money or thing of value of greater value than the amount won.

1945 11. Use counterfeit chips or tokens in a game.

1946 12. Possess any key or device designed for the purpose of opening, entering, or affecting the operation of
 1947 a game, drop box, or electronic or mechanical device connected with the game or for removing coins, tokens,
 1948 chips, or other contents of a game. This subdivision does not apply to a casino gaming licensee or employee
 1949 of a casino gaming licensee acting in furtherance of the employee's employment.

1950 B. Any person convicted of a violation of this section is guilty of a Class 6 felony. In addition, any person
 1951 convicted of a violation of subsection A shall be barred for life from gaming operations under the jurisdiction
 1952 of the Board.

1953 **§ 58.1-4127. Fraudulent use of credential; penalty.**

1954 Any person other than the lawful holder thereof who has in his possession any credential, license, or
 1955 permit issued by the ~~Department~~ *Authority*, or any person who has in his possession any forged or simulated
 1956 credential, license, or permit of the ~~Department~~ *Authority*, and who uses such credential, license, or permit for
 1957 the purposes of misrepresentation, fraud, or touting, is guilty of a Class 4 felony.

1958 Any credential, license, or permit issued by the ~~Department~~ *Authority*, if used by the holder thereof for a
 1959 purpose other than identification and in the performance of legitimate duties in a casino gaming
 1960 establishment, shall be automatically revoked.

1961 **§ 58.1-4133. Location of primary on-premises mobile casino gaming operation.**

1962 A. A casino gaming operator's primary on-premises mobile casino gaming operation, including facilities,
 1963 equipment, and personnel who are directly engaged in the conduct of on-premises mobile casino gaming,
 1964 shall be located within a restricted area on the premises of the casino gaming establishment. Backup
 1965 equipment used on a temporary basis pursuant to regulations promulgated by the Board to conduct
 1966 on-premises mobile casino gaming may, with the approval of the ~~Department~~ *Authority*, be located outside
 1967 the territorial limits of a casino gaming establishment.

1968 B. Facilities used to conduct and support on-premises mobile casino gaming shall:

1969 1. Be arranged in a manner promoting optimum security;

1970 2. Include a closed circuit visual monitoring system according to specifications approved by the
 1971 ~~Department~~ *Authority*, with access on the premises to the system or its signal provided to the ~~Department~~
 1972 *Authority*;

1973 3. Not be designed in any way that might interfere with the ability of the ~~Department~~ *Authority* to
 1974 supervise on-premises mobile casino gaming operations; and

1975 4. Comply in all respects with regulations of the Board pertaining thereto.

1976 **§ 58.1-4136. Assistance to people with gambling problem.**

1977 A. In order to assist those persons who may have a gambling problem, a casino gaming operator shall:

1978 1. Cause the words "If you or someone you know has a gambling problem and wants help, call
 1979 1-800-GAMBLER," or some comparable language approved by the ~~Department~~ *Authority*, which language
 1980 shall include the words "gambling problem" and "call 1-800 GAMBLER," to be displayed prominently at

1981 log-on and log-off times to any person visiting or logged onto on-premises mobile casino gaming; and
 1982 2. Provide a mechanism by which an account holder may establish the following controls on wagering
 1983 activity through the wagering account:

1984 a. A limit on the amount of money deposited within a specified period of time and the length of time the
 1985 account holder will be unable to participate in gaming if the holder reaches the established deposit limit; and

1986 b. A temporary suspension of gaming through the account for any number of hours or days.

1987 B. The casino gaming operator shall not send gaming-related electronic mail to an account holder while
 1988 gaming through his account is suspended, if the suspension is for at least 72 hours. The casino gaming
 1989 operator shall provide a mechanism by which an account holder may change these controls, except that, while
 1990 gaming through the wagering account is suspended, the account holder may not change gaming controls until
 1991 the suspension expires, but the account holder shall continue to have access to the account and shall be
 1992 permitted to withdraw funds from the account upon proper application therefor.

1993 **§ 58.1-4138. Tampering with equipment; penalties.**

1994 A. Any person who knowingly tampers with software, computers, or other equipment used to conduct on-
 1995 premises mobile casino gaming to alter the odds or the payout of a game or disables the game from operating
 1996 according to the rules of the game as promulgated by the Board is guilty of a Class 5 felony and subject to a
 1997 fine of not more than \$50,000 and, in the case of a person other than a natural person, to a fine of not more
 1998 than \$200,000.

1999 B. In addition to the penalties provided in subsection A, an employee of the casino gaming operator who
 2000 violates this section shall have his permit revoked and shall be subject to such further penalty as the
 2001 ~~Department~~ Authority deems appropriate.

2002 C. In addition to the penalties provided in subsection A, a casino gaming operator that violates this section
 2003 shall have its license to conduct casino gaming suspended for a period determined by the ~~Department~~
 2004 Authority and shall be subject to such further penalty as the ~~Department~~ Authority deems appropriate.

2005 **§ 58.1-4140. Facilities permitted to conduct on-premises mobile casino gaming; violations, penalties.**

2006 No person shall make its premises available for on-premises mobile casino gaming or advertise that its
 2007 premises may be used for such purpose, other than a casino gaming operator that (i) has located all of its
 2008 equipment used to conduct on-premises mobile casino gaming, including computers, servers, monitoring
 2009 rooms, and hubs, on the premises of its casino gaming establishment and (ii) that offers on-site mobile casino
 2010 gaming only to individuals who participate in such gaming on the premises of the casino gaming
 2011 establishment. Any person that is determined by the ~~Department~~ Authority to have violated the provisions of
 2012 this section shall be subject to a penalty of \$1,000 per player per day for making its premises available for
 2013 on-premises mobile casino gaming and of \$10,000 per violation for advertising that its premises may be used
 2014 for such purpose.

2015 **CHAPTER 42.**
 2016 **CHARITABLE GAMING.**

2017 **§ 58.1-4142. Definitions.**

2018 *As used in this chapter, unless the context requires a different meaning:*

2019 *"Advisory Board" means the Charitable Gaming Advisory Board established in § 58.1-4143.*

2020 *"Bingo" means a specific game of chance played with (i) individual cards having randomly numbered*
 2021 *squares ranging from one to 75, (ii) Board-approved electronic devices that display facsimiles of bingo cards*
 2022 *and are used for the purpose of marking and monitoring players' cards as numbers are called, or (iii) Board-*
 2023 *approved cards, in which prizes are awarded on the basis of designated numbers on such cards conforming*
 2024 *to a predetermined pattern of numbers selected at random.*

2025 *"Bona fide member" means an individual who participates in activities of a qualified organization other*
 2026 *than such organization's charitable gaming activities.*

2027 *"Charitable gaming" or "charitable games" means those raffles, Texas Hold'em poker tournaments, and*
 2028 *games of chance explicitly authorized by this chapter. Unless otherwise specified, "charitable gaming"*
 2029 *includes electronic gaming authorized by this chapter.*

2030 *"Charitable gaming permit" or "permit" means a permit issued by the Director to an organization that*
 2031 *authorizes such organization to conduct charitable gaming, and if such organization is qualified as a social*
 2032 *organization, electronic gaming.*

2033 *"Charitable gaming supplies" includes bingo cards or sheets, devices for selecting bingo numbers, instant*
 2034 *bingo cards, pull-tab cards and seal cards, playing cards for Texas Hold'em poker, poker chips, and any*
 2035 *other equipment or product manufactured for or intended to be used in the conduct of charitable games.*
 2036 *However, for the purposes of this chapter, charitable gaming supplies does not include items incidental to the*
 2037 *conduct of charitable gaming such as markers, wands, or tape.*

2038 *"Conduct" means the actions associated with the provision of a gaming operation during and immediately*
 2039 *before or after the permitted activity, which may include (i) selling bingo cards or packs, electronic devices,*
 2040 *instant bingo or pull-tab cards, or raffle tickets, (ii) calling bingo games, (iii) distributing prizes, and (iv) any*
 2041 *other services provided by volunteer workers.*

2042 *"Electronic gaming" or "electronic games" means any instant bingo, pull tab, or seal card gaming that is*

2043 conducted primarily by use of an electronic device. "Electronic gaming" does not include (i) the game of
 2044 chance identified in clause (ii) of the definition of "bingo" or (ii) network bingo.

2045 "Electronic gaming adjusted gross receipts" means the gross receipts derived from electronic gaming less
 2046 the total amount in prize money paid out to players.

2047 "Electronic gaming manufacturer" means a manufacturer of electronic devices used to conduct electronic
 2048 gaming.

2049 "Fair market rental value" means the rent that a rental property will bring when offered for lease by a
 2050 lessor who desires to lease the property but is not obligated to do so and leased by a lessee under no
 2051 necessity of leasing.

2052 "Gaming expenses" means prizes, supplies, costs of publicizing gaming activities, audit and
 2053 administration or permit fees, and a portion of the rent, utilities, accounting and legal fees, and such other
 2054 reasonable and proper expenses as are directly incurred for the conduct of charitable gaming.

2055 "Gross receipts" means the total amount of money generated by an organization from charitable gaming
 2056 before the deduction of expenses, including prizes.

2057 "Instant bingo," "pull tabs," or "seal cards" means specific games of chance played by the random
 2058 selection of one or more individually prepacked cards with winners being determined by the preprinted or
 2059 predetermined appearance of concealed letters, numbers, or symbols that must be exposed by the player to
 2060 determine wins and losses and may include the use of a seal card that conceals one or more numbers or
 2061 symbols that have been designated in advance as prize winners. Such cards may be dispensed by mechanical
 2062 equipment.

2063 "Jackpot" means a bingo game that the organization has designated on its game program as a jackpot
 2064 game in which the prize amount is greater than \$100.

2065 "Landlord" means any person or his agent, firm, association, organization, partnership, corporation,
 2066 employee, or immediate family member that either owns and leases or leases any premises devoted in whole
 2067 or in part to the conduct of bingo games or other charitable gaming pursuant to this chapter. "Landlord" also
 2068 means any person residing in the same household as a landlord.

2069 "Management" means the provision of oversight of a gaming operation, which may include the
 2070 responsibilities of (i) applying for and maintaining a permit or authorization; (ii) compiling, submitting, and
 2071 maintaining required records and financial reports; and (iii) ensuring that all aspects of the operation are in
 2072 compliance with all applicable statutes and regulations.

2073 "Network bingo" means a specific bingo game in which pari-mutuel play is permitted.

2074 "Network bingo provider" means a person licensed by the Director to operate network bingo.

2075 "Operation" means the activities associated with production of a charitable gaming or electronic gaming
 2076 activity, which may include (i) the direct on-site supervision of the conduct of charitable gaming and
 2077 electronic gaming; (ii) coordination of volunteers; and (iii) all responsibilities of charitable gaming and
 2078 electronic gaming designated by the organization's management.

2079 "Organization" means any one of the following:

2080 1. A volunteer fire department or volunteer emergency medical services agency or auxiliary unit thereof
 2081 that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political
 2082 subdivision where the volunteer fire department or volunteer emergency medical services agency is located
 2083 as being a part of the safety program of such political subdivision;

2084 2. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code,
 2085 is operated, and has always been operated, exclusively for educational purposes and awards scholarships to
 2086 accredited public institutions of higher education or other postsecondary schools licensed or certified by the
 2087 Board of Education or the State Council of Higher Education for Virginia;

2088 3. An athletic association or booster club or a band booster club established solely to raise funds for
 2089 school-sponsored athletic or band activities for a public school or private school accredited pursuant to
 2090 § 22.1-19 or to provide scholarships to students attending such school;

2091 4. An association of war veterans or auxiliary units thereof organized in the United States;

2092 5. A fraternal association or corporation operating under the lodge system;

2093 6. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code
 2094 and is operated, and has always been operated, exclusively to provide services and other resources to older
 2095 Virginians, as defined in § 51.5-116;

2096 7. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code
 2097 and is operated, and has always been operated, exclusively to foster youth amateur sports;

2098 8. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code
 2099 and is operated, and has always been operated, exclusively to provide health care services or conduct
 2100 medical research;

2101 9. An accredited public institution of higher education or other postsecondary school licensed or certified
 2102 by the Board of Education or the State Council of Higher Education for Virginia that is exempt from income
 2103 tax pursuant to § 501(c)(3) of the Internal Revenue Code;

2104 10. A church or religious organization that is exempt from income tax pursuant to § 501(c)(3) of the

2105 *Internal Revenue Code;*

2106 11. *An organization that is exempt from income tax pursuant to § 501(c)(3) or 501(c)(4) of the Internal*
 2107 *Revenue Code and is operated, and has always been operated, exclusively to (i) create and foster a spirit of*
 2108 *understanding among the people of the world; (ii) promote the principles of good government and*
 2109 *citizenship; (iii) take an active interest in the civic, cultural, social, and moral welfare of the community; (iv)*
 2110 *provide a forum for the open discussion of matters of public interest; (v) encourage individuals to serve the*
 2111 *community without personal financial reward; and (vi) encourage efficiency and promote high ethical*
 2112 *standards in commerce, industries, professions, public works, and private endeavors;*

2113 12. *An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code*
 2114 *and is operated, and has always been operated, exclusively to (i) raise awareness of law-enforcement officers*
 2115 *who died in the line of duty; (ii) raise funds for the National Law Enforcement Officers Memorial and*
 2116 *Museum; and (iii) raise funds for the charitable causes of other organizations that are exempt from income*
 2117 *tax pursuant to § 501(c)(3) of the Internal Revenue Code;*

2118 13. *An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code*
 2119 *and is operated, and has always been operated, exclusively to (i) promote the conservation of the*
 2120 *environment, caves, or other natural resources; (ii) promote or develop opportunities for the use of science*
 2121 *and technology to advance the conservation of the environment, caves, or other natural resources; and (iii)*
 2122 *raise funds for the conservation of the environment, caves, or other natural resources or provide grant*
 2123 *opportunities to other nonprofit organizations that are devoted to such conservation efforts;*

2124 14. *An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue Code*
 2125 *that manages a museum that is operated, and has always been operated, exclusively for the purposes of*
 2126 *musical heritage and the legacy of the "1927 Bristol Sessions";*

2127 15. *An organization (i) established on or before December 31, 1963, as a result of its members being*
 2128 *prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of*
 2129 *1926, which required the racial segregation of all public events in the Commonwealth; (ii) that is exempt*
 2130 *from income tax pursuant to § 501(c)(7) of the Internal Revenue Code; and (iii) that is operated, and has*
 2131 *always been operated, for community awareness and action through educational, economic, and cultural*
 2132 *service activities;*

2133 16. *An organization established on or before December 31, 1977, that is exempt from income tax pursuant*
 2134 *to § 501(c)(7) of the Internal Revenue Code and is incorporated, in part, to raise funds for donation to*
 2135 *organizations whose missions include promoting early detection of and public education about and*
 2136 *supporting research and treatment options for heart disease and various cancers;*

2137 17. *A local chamber of commerce; or*

2138 18. *Any other nonprofit organization that is exempt from income tax pursuant to § 501(c) of the Internal*
 2139 *Revenue Code and that raises funds by conducting raffles, bingo, instant bingo, pull tabs, or seal cards that*
 2140 *generate annual gross receipts of \$40,000 or less, provided that such gross receipts, less expenses and prizes,*
 2141 *are used exclusively for charitable, educational, religious, or community purposes. Notwithstanding*
 2142 *§ 58.1-4155, proceeds from instant bingo, pull tabs, and seal cards shall be included when calculating an*
 2143 *organization's annual gross receipts for the purposes of this subdivision.*

2144 "*Pari-mutuel play*" *means an integrated network operated by a licensee of the Authority composed of*
 2145 *participating charitable organizations for the conduct of network bingo games in which the purchase of a*
 2146 *network bingo card by a player automatically includes the player in a pool with all other players in the*
 2147 *network, and where the prize to the winning player is awarded based on a percentage of the total amount of*
 2148 *network bingo cards sold in a particular network.*

2149 "*Qualified organization*" *means any organization to which a valid permit has been issued by the Director*
 2150 *to conduct charitable gaming or any organization that is exempt pursuant to § 58.1-4148.*

2151 "*Raffle*" *means a lottery in which the prize is won by (i) a random drawing of the name or prearranged*
 2152 *number of one or more persons purchasing chances or (ii) a random contest in which the winning name or*
 2153 *preassigned number of one or more persons purchasing chances is determined by a race involving inanimate*
 2154 *objects floating on a body of water, commonly referred to as a "duck race."*

2155 "*Reasonable and proper business expenses*" *means business expenses actually incurred by a qualified*
 2156 *organization in the conduct of charitable gaming and not otherwise allowed under this chapter or under*
 2157 *Board regulations on real estate and personal property tax payments, travel expenses, payments of utilities*
 2158 *and trash collection services, legal and accounting fees, costs of business furniture, fixtures and office*
 2159 *equipment and costs of acquisition, maintenance, repair, or construction of an organization's real property.*
 2160 *For the purpose of this definition, (i) salaries and wages of employees whose primary responsibility is to*
 2161 *provide services for the principal benefit of an organization's members or (ii) expenses for social or*
 2162 *recreational activities for the principal benefit of a social organization's members may qualify as a business*
 2163 *expense, if so determined by the Board. However, payments made pursuant to § 51.1-1204 to the Volunteer*
 2164 *Firefighters' and Rescue Squad Workers' Service Award Fund shall be deemed a reasonable and proper*
 2165 *business expense.*

2166 "*Social organization*" *means any qualified organization that provides certification to the Authority that it*

2167 is:

2168 1. An accredited public institution of higher education or other postsecondary school licensed or certified
2169 by the Board of Education or the State Council of Higher Education for Virginia qualified under § 501(c)(3)
2170 of the Internal Revenue Code;

2171 2. An organization established on or before November 10, 1922, that is (i) qualified under § 501(c)(4) of
2172 the Internal Revenue Code; (ii) the only federally chartered Marine Corps-related veterans organization in
2173 the country; and (iii) operated for the purpose of promoting the interest and preserving the traditions of the
2174 United States Marine Corps;

2175 3. An organization established on or before December 31, 1963, as a result of its members being
2176 prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of
2177 1926, which required the racial segregation of all public events in the Commonwealth, that is qualified under
2178 § 501(c)(7) of the Internal Revenue Code;

2179 4. An organization established on or before December 31, 1977, that is qualified under § 501(c)(7) of the
2180 Internal Revenue Code and is incorporated, in part, to raise funds for donation to organizations whose
2181 missions include promoting early detection of and public education about and supporting research and
2182 treatment options for heart disease and various cancers;

2183 5. A fraternal beneficiary society, order, or association qualified under § 501(c)(8) of the Internal
2184 Revenue Code;

2185 6. A domestic fraternal society, order, or association qualified under § 501(c)(10) of the Internal Revenue
2186 Code; or

2187 7. A post or organization of past or present members of the Armed Forces of the United States, or an
2188 auxiliary unit or society of, or a trust or foundation for, any such post or organization qualified under §
2189 501(c)(19) of the Internal Revenue Code.

2190 "Social quarters" means, in addition to any specifications prescribed by the Board, an area at a social
2191 organization's primary location that (i) such organization designates to be used predominantly by its
2192 members for social and recreational activities, (ii) is accessible exclusively to members of the social
2193 organization and their guests, and (iii) is not advertised or open to the general public. It shall not disqualify
2194 the area from being considered social quarters if guests occasionally accompany members into the area, so
2195 long as such guests do not spend their own funds to participate in charitable gaming or electronic gaming
2196 activities conducted in the area. In determining if an area is social quarters for purposes of § 58.1-4157, the
2197 Board may rely on publications of the Internal Revenue Service regarding the allowable participation of
2198 guests in an organization's social and recreational activities for purposes of § 501 of the Internal Revenue
2199 Code.

2200 "Supplier" means any person who offers to sell, sells, or otherwise provides charitable gaming supplies to
2201 any qualified organization.

2202 "Texas Hold'em poker game" means a variation of poker in which (i) players receive two cards facedown
2203 that may be used individually, (ii) five cards shown face up are shared among all players in the game, (iii)
2204 players combine any number of their individual cards with the shared cards to make the highest five-card
2205 hand to win the value wagered during the game, and (iv) the ranking of hands and the rules of the game are
2206 governed by the official rules of the Poker Tournament Directors Association.

2207 "Texas Hold'em poker tournament" or "tournament" means an organized competition of players (i) who
2208 pay a fixed fee for entry into the competition and for a certain amount of poker chips for use in the
2209 competition; (ii) who may be allowed to pay an additional fee, during set preannounced times of the
2210 competition, to receive additional poker chips for use in the competition; (iii) who may be seated at one or
2211 more tables simultaneously playing Texas Hold'em poker games; (iv) who upon running out of poker chips
2212 are eliminated from the competition; and (v) a pre-set number of whom are awarded prizes of value
2213 according to how long such players remain in the competition.

2214 **§ 58.1-4143. Charitable Gaming Advisory Board; powers and duties.**

2215 A. The Charitable Gaming Advisory Board is hereby established as an advisory board within the Virginia
2216 Lottery and Gaming Authority for the purpose of advising the Authority on all aspects of the conduct of
2217 charitable gaming in the Commonwealth.

2218 B. The Advisory Board shall consist of nine nonlegislative citizen members who shall be appointed by the
2219 Governor subject to confirmation by the General Assembly, of whom one is a member of a charitable
2220 organization subject to the provisions of this chapter in good standing with the Authority, one is a charitable
2221 gaming supplier registered and in good standing with the Authority, one is an owner, lessor, or lessee of
2222 premises where charitable gaming is conducted, and at least one is or has been a law-enforcement officer in
2223 the Commonwealth but who (i) is not a charitable gaming supplier registered with the Authority, (ii) is not a
2224 lessor of premises where charitable gaming is conducted, (iii) is not a member of a charitable organization,
2225 and (iv) does not have an interest in or is not affiliated with such supplier or charitable organization or
2226 owner, lessor, or lessee of premises where charitable gaming is conducted, and five do not have an interest in
2227 nor are affiliated with a charitable organization, charitable gaming supplier, or owner, lessor, or lessee of
2228 premises where charitable gaming is conducted.

2229 To the extent practicable, the Advisory Board shall consist of individuals from different geographic
 2230 regions of the Commonwealth. Each member of the Advisory Board shall have been a resident of the
 2231 Commonwealth for a period of at least three years next preceding his appointment, and his continued
 2232 residency shall be a condition of his tenure in office. Members shall be appointed for four-year terms.
 2233 Vacancies shall be filled by the Governor in the same manner as the original appointment for the unexpired
 2234 portion of the term. Each Advisory Board member shall be eligible for reappointment for a second
 2235 consecutive term at the discretion of the Governor. Persons who are first appointed to initial terms of less
 2236 than four years shall thereafter be eligible for reappointment to two consecutive terms of four years each.
 2237 The members of the Advisory Board shall serve at the pleasure of the Governor.

2238 C. The Advisory Board shall elect a chair and vice-chair from among its members.

2239 D. A quorum shall consist of five members. The decision of a majority of those members present and
 2240 voting shall constitute a decision of the Advisory Board.

2241 E. Members shall receive such compensation for the performance of their duties as provided in
 2242 § 2.2-2813. All members shall be reimbursed for all reasonable and necessary expenses incurred in the
 2243 performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding for the costs and expenses of
 2244 the members shall be provided by the Authority.

2245 F. The Advisory Board shall adopt rules and procedures for the conduct of its business, including a
 2246 provision that Advisory Board members shall abstain or otherwise recuse themselves from voting on any
 2247 matter in which they or a member of their immediate family have a personal interest in a transaction as
 2248 defined in § 2.2-3101. The Advisory Board shall meet at least four times a year, and other meetings may be
 2249 held at any time or place determined by the Advisory Board or upon call of the chair or upon a written
 2250 request to the chair by any two members. Except for emergency meetings, all members shall be duly notified
 2251 of the time and place of any regular or other meeting at least 10 days in advance of such meeting.

2252 G. The Advisory Board shall:

2253 1. Advise the Virginia Lottery and Gaming Authority on the conduct of charitable gaming in the
 2254 Commonwealth and recommend changes to the provisions of this chapter and any applicable regulations;

2255 2. Advise on other matters related to charitable gaming that the Authority may request or the Advisory
 2256 Board may deem necessary; and

2257 3. Keep a complete and accurate record of its proceedings. A copy of such record and any other public
 2258 records not exempt from disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) shall
 2259 be available for public inspection and copying during regular office hours at the Authority.

2260 **§ 58.1-4144. Powers and duties of the Authority, Director, and the Board; report.**

2261 The Authority, the Director, and the Board shall have all powers and duties necessary to carry out the
 2262 provisions of this chapter and to exercise the control of charitable gaming. Such powers and duties shall
 2263 include the following:

2264 1. The Authority is vested with jurisdiction and supervision over all charitable gaming authorized under
 2265 the provisions of this chapter and including all persons that conduct or provide goods, services, or premises
 2266 used in the conduct of charitable gaming. It may employ such persons as are necessary to ensure that
 2267 charitable gaming is conducted in conformity with the provisions of this chapter and Board regulations. The
 2268 Authority shall designate such agents and employees as it deems necessary and appropriate who shall be
 2269 sworn to enforce the provisions of this chapter and the criminal laws of the Commonwealth and who shall be
 2270 law-enforcement officers as defined in § 9.1-101.

2271 2. The Authority, its agents, and its employees charged with the enforcement of charitable gaming laws
 2272 shall have free access to the offices, facilities, or any other place of business of any organization, including
 2273 any premises devoted in whole or in part to the conduct of charitable gaming. These individuals may enter
 2274 such places or premises for the purpose of carrying out any duty imposed by this chapter, securing records
 2275 required to be maintained by an organization, investigating complaints, or conducting audits.

2276 3. The Board may compel the production of any books, documents, records, or memoranda of any
 2277 organization, electronic gaming manufacturer, or supplier involved in the conduct of charitable gaming for
 2278 the purpose of satisfying itself that this chapter and its regulations are strictly complied with. In addition, the
 2279 Board may require the production of an annual balance sheet and operating statement of any person granted
 2280 a permit pursuant to the provisions of this chapter and may require the production of any contract to which
 2281 such person is or may be a party.

2282 4. The Board may issue subpoenas for the attendance of witnesses before it, administer oaths, and compel
 2283 production of records or other documents and testimony of such witnesses whenever, in the judgment of the
 2284 Authority, it is necessary to do so for the effectual discharge of its duties.

2285 5. The Board may compel any person conducting charitable gaming to file with the Authority such
 2286 documents, information, or data as shall appear to the Authority to be necessary for the performance of its
 2287 duties.

2288 6. The Director may enter into arrangements with any governmental agency of this or any other state or
 2289 any locality in the Commonwealth or any agency of the federal government for the purposes of exchanging
 2290 information or performing any other act to better ensure the proper conduct of charitable gaming.

2291 7. The Director may issue a charitable gaming permit while the permittee's tax-exempt status is pending
2292 approval by the Internal Revenue Service.

2293 8. The Authority shall report annually to the Governor and the General Assembly, which report shall
2294 include a financial statement of the operation of the Authority and any recommendations for legislation
2295 applicable to charitable gaming in the Commonwealth.

2296 9. The Authority, its agents, and employees may conduct such audits, in addition to those required by
2297 § 58.1-4165, as deemed necessary and desirable.

2298 10. The Board may limit the number of organizations for which a person may manage, operate, or
2299 conduct charitable games.

2300 11. The Board may promulgate regulations that require any landlord that leases to a qualified
2301 organization any premises devoted in whole or in part to the conduct of bingo games or any other charitable
2302 gaming to register with the Authority.

2303 12. The Authority shall report immediately, upon the receipt of a complaint of an alleged criminal
2304 violation of this chapter, such complaint to the Office of the Gaming Enforcement Coordinator at the
2305 Department of State Police pursuant to § 52-54 and the attorney for the Commonwealth in the jurisdiction
2306 where such alleged violation occurred for appropriate action.

2307 13. Beginning July 1, 2026, and at least once every five years thereafter, the Authority shall convene a
2308 stakeholder work group to review the limitations on prize amounts and provide any recommendations to the
2309 General Assembly by November 30 of the year in which the stakeholder work group is convened.

2310 **§ 58.1-4145. Regulations of the Board.**

2311 A. The Board shall adopt regulations that:

2312 1. Require, as a condition of receiving a charitable gaming permit or authorization to conduct electronic
2313 gaming, that the applicant use a predetermined percentage of its receipts for those lawful religious,
2314 charitable, community, or educational purposes for which the organization is specifically chartered or
2315 organized, including (i) those expenses relating to the acquisition, construction, maintenance, or repair of
2316 any interest in real property or (ii) expenses related to the rental of real property by an organization as
2317 described by subdivision 5, 6, or 7 of the definition of "social organization" in § 58.1-4142 where such real
2318 property is involved in the operation of the organization and used for lawful religious, charitable,
2319 community, or educational purposes, as follows:

2320 a. With respect to charitable gaming, other than electronic gaming, a predetermined percentage of its
2321 gross receipts.

2322 b. With respect to electronic gaming, a predetermined percentage of its electronic gaming adjusted gross
2323 receipts.

2324 2. Specify the conditions under which a complete list of the organization's members who participate in the
2325 management, operation, or conduct of charitable gaming may be required in order for the Director to
2326 ascertain the percentage of Virginia residents in accordance with subdivision A 3 of § 58.1-4149.

2327 Membership lists furnished to the Authority in accordance with this subdivision shall not be a matter of
2328 public record and shall be exempt from disclosure under the provisions of the Virginia Freedom of
2329 Information Act (§ 2.2-3700 et seq.).

2330 3. Prescribe fees for processing applications for charitable gaming permits and authorizing social
2331 organizations to conduct electronic gaming. Such fees may reflect the nature and extent of the charitable
2332 gaming activity proposed to be conducted.

2333 4. Establish requirements for the audit of all reports required in accordance with §§ 58.1-4163 and
2334 58.1-4164.

2335 5. Define electronic and mechanical equipment used in the conduct of charitable gaming. Board
2336 regulations shall include capacity for such equipment to provide full automatic daubing as numbers are
2337 called. For the purposes of this subdivision, electronic or mechanical equipment for instant bingo, pull tabs,
2338 or seal cards shall include such equipment that displays facsimiles of instant bingo, pull tabs, or seal cards
2339 and is used solely for the purpose of dispensing or opening such paper or electronic cards, or both, but does
2340 not include (i) devices operated by dropping one or more coins or tokens into a slot and pulling a handle or
2341 pushing a button or touchpoint on a touchscreen to activate one to three or more reels marked into horizontal
2342 segments by varying symbols, where the predetermined prize amount depends on how and how many of the
2343 symbols line up when the rotating reels come to rest, or (ii) other similar devices that display flashing lights
2344 or illuminations, or bells, whistles, or other sounds, solely intended to entice players to play. Such
2345 regulations shall not prohibit (a) devices that display spinning, rotating, or rolling reels or animations or
2346 flashing lights; (b) devices that accept vouchers; (c) the purchase and play of an electronic pull tab with a
2347 single press or touch of a button; or (d) the use of multiple video monitors or touchscreens on an electronic
2348 gaming device.

2349 6. Prescribe the conditions under which a qualified organization may (i) provide food and nonalcoholic
2350 beverages to its members who participate in the management, operation, or conduct of bingo; (ii) permit
2351 members who participate in the management, operation, or conduct of bingo to play bingo; and (iii) subject
2352 to the provisions of subdivision 12 of § 58.1-4166, permit nonmembers to participate in the conduct of bingo

2353 so long as the nonmembers are under the direct supervision of a bona fide member of the organization during
2354 the bingo game.

2355 7. Prescribe the conditions under which a qualified organization may sell raffle tickets for a raffle
2356 drawing that will be held outside the Commonwealth pursuant to subsection B of § 58.1-4154.

2357 8. Prescribe the conditions under which persons who are bona fide members of a qualified organization
2358 or a child, older than 13 years of age, of such member may participate in the conduct or operation of bingo
2359 games.

2360 9. Prescribe the conditions under which a person younger than 18 years of age may play bingo, provided
2361 that such person is accompanied by his parent or legal guardian.

2362 10. Require all qualified organizations that are subject to Board regulations to post in a conspicuous
2363 place in every place where charitable gaming is conducted a sign that bears a toll-free telephone number for
2364 the National Problem Gambling Helpline.

2365 11. Require all qualified organizations that are subject to Board regulations to post in a conspicuous
2366 place in every place where charitable gaming is conducted a sign that bears the toll-free telephone number
2367 and website for the illegal gaming tip line established and administered by the Office of the Gaming
2368 Enforcement Coordinator in the Department of State Police pursuant to § 52-54 for members of the public to
2369 report concerns about, or suspected instances of, illegal gaming activities.

2370 12. Prescribe the conditions under which a qualified organization may sell network bingo cards in
2371 accordance with § 58.1-4160 and establish a percentage of proceeds derived from network bingo sales to be
2372 allocated to (i) prize pools, (ii) the organization conducting the network bingo, and (iii) the network bingo
2373 provider. The regulations shall also establish procedures for the retainage and ultimate distribution of any
2374 unclaimed prize.

2375 13. Prescribe the conditions under which a qualified organization may manage, operate, or contract with
2376 operators of or conduct Texas Hold'em poker tournaments.

2377 14. Prescribe the conditions under which a qualified organization may lease the premises of a permitted
2378 social organization for the purpose of conducting bingo, network bingo, instant bingo, pull tabs, seal cards,
2379 and electronic gaming permitted under this chapter and establish requirements for proper financial reporting
2380 of all disbursements, gross receipts, and electronic gaming adjusted gross receipts and payment of all fees
2381 required under this chapter.

2382 B. The Board may, by regulation, approve variations to the card formats for bingo games, provided that
2383 such variations result in bingo games that are conducted in a manner consistent with the provisions of this
2384 chapter. Board-approved variations may include bingo games commonly referred to as player selection
2385 games and 90-number bingo.

2386 **§ 58.1-4146. Denial, suspension, or revocation of permit; hearings and appeals.**

2387 A. The Director may deny, suspend, or revoke the permit of any organization found not to be in strict
2388 compliance with the provisions of this chapter and Board regulations. The action of the Director in denying,
2389 suspending, or revoking any permit shall be subject to the Administrative Process Act (§ 2.2-4000 et seq.).

2390 B. Except as provided in §§ 8.01-534, 58.1-4151, 58.1-4163, 58.1-4164, and 58.1-4170, no permit to
2391 conduct charitable gaming or authorization to conduct electronic gaming shall be denied, suspended, or
2392 revoked, and no charitable games or funds from charitable gaming operations shall be seized, except upon
2393 notice stating the proposed basis for such action and the time and place for the hearing. At the discretion of
2394 the Director, hearings may be conducted by hearing officers who shall be selected from the list prepared by
2395 the Executive Secretary of the Supreme Court. After a hearing on the issues, the Director may suspend,
2396 revoke, or refuse to issue any such permit or authorization if he determines that the organization has not
2397 complied with the provisions of this chapter or Board regulations.

2398 C. Any person aggrieved by a refusal of the Director to issue any permit, the suspension or revocation of
2399 a permit, or any other action of the Authority may seek review of such action in accordance with Article 5
2400 (§ 2.2-4025 et seq.) of the Administrative Process Act.

2401 **§ 58.1-4147. Permitted forms of gaming; prizes not gaming contracts.**

2402 A. This chapter permits qualified organizations to conduct (i) raffles, bingo, network bingo, instant bingo
2403 games, and Texas Hold'em poker tournaments and (ii) electronic gaming authorized pursuant to the
2404 provisions of § 58.1-4157. All games not explicitly authorized by this chapter or Board regulations adopted
2405 in accordance with § 58.1-4145 are prohibited. Nothing herein shall be construed to authorize the Board to
2406 approve the conduct of any other form of poker in the Commonwealth.

2407 B. The award of any prize money for any charitable game shall not be deemed to be part of any gaming
2408 contract within the purview of § 11-14.

2409 C. Nothing in this chapter shall prohibit an organization from using the lottery Pick-3 number or any
2410 number or other designation selected by the Virginia Lottery and Gaming Authority in connection with any
2411 lottery as the basis for determining the winner of a raffle.

2412 **§ 58.1-4148. Organizations exempt from certain fees and reports.**

2413 A. No organization that reasonably expects, on the basis of prior charitable gaming annual results or any
2414 other quantifiable method, to realize gross receipts of \$40,000 or less in any 12-month period from raffles

2415 conducted in accordance with the provisions of this chapter shall be required to (i) notify the Authority of its
2416 intention to conduct raffles or (ii) comply with Board regulations governing raffles.

2417 B. Any organization that reasonably expects, on the basis of prior charitable gaming annual results or
2418 any other quantifiable method, to realize gross receipts of \$40,000 or less from all charitable gaming other
2419 than raffles on a total of no more than seven days per calendar year shall register with the Authority
2420 pursuant to the provisions of § 58.1-4150.

2421 C. If any organization's actual gross receipts from raffles for the 12-month period exceed \$40,000 as
2422 described in subsection A or actual gross receipts from all charitable gaming other than raffles conducted on
2423 a total of no more than seven days per calendar year exceed \$40,000 as described in subsection B, such
2424 organization shall obtain a permit pursuant to the provisions of § 58.1-4151 and file by a specified date the
2425 report required by § 58.1-4163.

2426 D. Any (i) organization described in subdivision 18 of the definition of "organization" in § 58.1-4142 or
2427 (ii) volunteer fire department or volunteer emergency medical services agency or auxiliary unit thereof that
2428 has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political subdivision
2429 where the volunteer fire department or volunteer emergency medical services agency is located as being part
2430 of the safety program of such political subdivision shall be exempt from the payment of application fees
2431 required by § 58.1-4151 and the payment of audit fees required by § 58.1-4165. Any such organization,
2432 department, agency, or unit that conducts electronic gaming shall be subject to such application fees and
2433 audit fees for its electronic gaming activities; however, in accordance with the provisions of § 58.1-4165, any
2434 audit fees may be paid by either the organization or the electronic gaming manufacturer whose electronic
2435 gaming devices are present on the premises of the organization, department, agency, or unit. Nothing in this
2436 subsection shall be construed as exempting any organizations described in subdivision 18 of the definition of
2437 "organization" in § 58.1-4142, volunteer fire departments, or volunteer emergency medical services agencies
2438 from any other provisions of this chapter or other Board regulations.

2439 E. Nothing in this section shall prevent the Authority from conducting any investigation or audit it deems
2440 appropriate to ensure an organization's compliance with the provisions of this chapter and, to the extent
2441 applicable, Board regulations.

2442 **§ 58.1-4149. Eligibility for permit; exceptions; where valid.**

2443 A. To be eligible for a permit to conduct charitable gaming, an organization shall:

2444 1. Have been in existence and met on a regular basis in the Commonwealth for a period of at least three
2445 years immediately prior to applying for a permit.

2446 The three-year residency requirement shall not apply (i) to any lodge or chapter of a national or
2447 international fraternal order or of a national or international civic organization that is exempt under §
2448 501(c) of the Internal Revenue Code and that has a lodge or chapter holding a charitable gaming permit
2449 issued under the provisions of this chapter anywhere within the Commonwealth; (ii) to booster clubs that
2450 have been operating for less than three years and that have been established solely to raise funds for school-
2451 sponsored activities in public schools or private schools accredited pursuant to § 22.1-19; (iii) to recently
2452 established volunteer fire and rescue companies or departments, after county, city, or town approval; or (iv)
2453 to an organization that relocates its meeting place on a permanent basis from one jurisdiction to another,
2454 complies with the requirements of subdivision 2, and was the holder of a valid permit at the time of its
2455 relocation.

2456 2. Be currently operating, and have always operated, as a nonprofit organization.

2457 3. Have at least 50 percent of its membership consist of residents of the Commonwealth; however, if an
2458 organization (i) does not consist of bona fide members and (ii) is exempt under § 501(c)(3) of the Internal
2459 Revenue Code, the Authority shall exempt such organization from the requirements of this subdivision.

2460 B. Any organization whose gross receipts from all charitable gaming exceeds or can be expected to
2461 exceed \$40,000 in any calendar year shall have been granted tax-exempt status pursuant to § 501(c) of the
2462 Internal Revenue Code. At the same time tax-exempt status is sought from the Internal Revenue Service, the
2463 same documentation may be filed with the Authority in conjunction with an application for a charitable
2464 gaming permit. If such documentation is filed, the Director may, after reviewing such documentation he
2465 deems necessary, issue a charitable gaming permit.

2466 C. A permit shall be valid only for the dates and times designated in the permit.

2467 **§ 58.1-4150. Registration requirements; certain organizations.**

2468 A. Any organization seeking to conduct charitable gaming in accordance with subsection B of
2469 § 58.1-4148 shall first register with the Authority on a form prescribed by the Board. The Board shall only
2470 require the organization to provide (i) proof of the organization's nonprofit status; (ii) contact information
2471 for the chief executive officer of the organization or his designee; (iii) the location, dates, and times of any
2472 expected charitable gaming activity; (iv) a description of the general nature of the anticipated charitable
2473 gaming activity; and (v) a signed attestation that the organization (a) does not reasonably expect to realize
2474 more than \$40,000 in gross receipts on a total of no more than seven days per calendar year for the
2475 charitable gaming activities listed on the registration form; (b) understands that should the organization
2476 exceed the \$40,000 threshold, it will be required to file the report in accordance with § 58.1-4163; and (c)

2477 *understands it shall be required to comply with the provisions of this chapter and Board regulations.*

2478 *B. Any organization that registers with the Authority pursuant to this section is subject to random audits*
 2479 *of its charitable gaming activities by the Authority and is subject to the penalties specified in §§ 58.1-4170*
 2480 *and 58.1-4172 for gross violations of this chapter.*

2481 *C. The Director may deny, suspend, or revoke the registration of any organization found not to be in*
 2482 *compliance with the provisions of this chapter and Board regulations. The action of the Director in denying,*
 2483 *suspending, or revoking any registration shall be subject to the Administrative Process Act (§ 2.2-4000 et*
 2484 *seq.).*

2485 *D. Any person aggrieved by the denial, suspension, or revocation of a registration or any other action of*
 2486 *the Director may seek review of such action in accordance with Article 5 (§ 2.2-4025 et seq.) of the*
 2487 *Administrative Process Act.*

2488 **§ 58.1-4151. Permit required; application fee; form of application.**

2489 *A. Except as provided for in § 58.1-4148, prior to the commencement of any charitable game, an*
 2490 *organization shall obtain a permit from the Authority.*

2491 *B. All complete applications for a permit shall be acted upon by the Director within 45 days from the*
 2492 *filing thereof. Upon compliance by the applicant with the provisions of this chapter, and at the discretion of*
 2493 *the Director, a permit may be issued. All permits when issued shall be valid for the period specified in the*
 2494 *permit unless it is sooner suspended or revoked. No permit shall be valid for longer than two years. The*
 2495 *application shall be a matter of public record.*

2496 *All permits shall be subject to regulation by the Board to ensure the public safety and welfare in the*
 2497 *operation of charitable games. The permit shall only be granted after a reasonable investigation has been*
 2498 *conducted by the Authority. The Authority may require any prospective employee, permit holder, or applicant*
 2499 *to submit to fingerprinting and to provide personal descriptive information to be forwarded along with*
 2500 *employee's, licensee's, or applicant's fingerprints through the Central Criminal Records Exchange to the*
 2501 *Federal Bureau of Investigation for the purposes of obtaining criminal history record information regarding*
 2502 *such prospective employee, permit holder, or applicant. The Central Criminal Records Exchange, upon*
 2503 *receipt of a prospective employee, licensee, or applicant record or notification that no record exists, shall*
 2504 *forward the report to the Director or his designee, who shall belong to a governmental entity. However,*
 2505 *nothing in this subsection shall be construed to require the routine fingerprinting of volunteer bingo workers.*

2506 *C. In no case shall an organization receive more than one permit allowing it to conduct charitable*
 2507 *gaming, except that an organization may also apply for and receive a temporary permit pursuant to*
 2508 *§ 58.1-4153.*

2509 *D. Application for a charitable gaming permit shall be made on forms prescribed by the Board and shall*
 2510 *be accompanied by payment of the fee for processing the application.*

2511 *E. Applications for renewal of permits shall be made in accordance with Board regulations. If a complete*
 2512 *renewal application is received 45 days or more prior to the expiration of the permit, the permit shall*
 2513 *continue to be effective until such time as the Director has taken final action. Otherwise, the permit shall*
 2514 *expire at the end of its term.*

2515 *F. The failure to meet any of the requirements of § 58.1-4149 shall cause the automatic denial of the*
 2516 *permit, and no organization shall conduct any charitable gaming until the requirements are met and a permit*
 2517 *is obtained.*

2518 **§ 58.1-4152. Authorization to conduct electronic gaming required; fee.**

2519 *A. In addition to a charitable gaming permit, a social organization shall receive authorization from the*
 2520 *Director prior to conducting any electronic gaming pursuant to the provisions of § 58.1-4157. A social*
 2521 *organization may request such authorization from the Director by providing certain information, as*
 2522 *determined by the Board, on a form prescribed by the Board.*

2523 *B. All requests for authorization to conduct electronic gaming shall be acted upon by the Director within*
 2524 *45 days from the date of the request. A social organization that meets the necessary requirements pursuant to*
 2525 *this chapter may be, at the discretion of the Director, authorized to conduct electronic gaming pursuant to*
 2526 *the provisions of § 58.1-4157. Any such authorization granted by the Director shall be noted on the social*
 2527 *organization's charitable gaming permit and shall be valid for the time specified in the permit unless it is*
 2528 *sooner suspended or revoked. No authorization to conduct electronic gaming shall be valid for longer than*
 2529 *two years. All requests received by the Authority shall be a matter of public record.*

2530 *All authorizations to conduct electronic gaming shall be subject to regulation by the Board to ensure the*
 2531 *public safety and welfare in the operation of electronic games. The authorization shall only be granted after*
 2532 *a reasonable investigation has been conducted by the Authority.*

2533 *C. In no case shall a social organization be authorized to conduct electronic gaming at more than one*
 2534 *location.*

2535 *D. Requests for authorization to conduct electronic gaming shall be made on forms prescribed by the*
 2536 *Board and shall be accompanied by payment of a fee.*

2537 *E. Requests for renewal of such authorizations shall be made in accordance with Board regulations. If a*
 2538 *complete renewal request is received 45 days or more prior to the expiration of the authorization, the*

2539 authorization shall continue to be effective until such time as the Director has taken final action. Otherwise,
2540 the authorization shall expire at the end of its term.

2541 **§ 58.1-4153. Temporary permits authorized; limitations.**

2542 A. Any qualified organization described in subdivision 4 or 5 of the definition of "organization" in
2543 § 58.1-4142 may obtain a temporary permit from the Director allowing such organization to sell instant
2544 bingo, pull tabs, or seal cards upon premises located anywhere in the Commonwealth during a convention,
2545 conference, or related event lasting no more than seven consecutive days held by such organization's
2546 affiliated state, regional, or national organization up to once per quarter as designated in the permit.

2547 B. All complete applications for a permit shall be acted upon by the Director within 45 days from the
2548 filing thereof. Upon compliance by the applicant with the provisions of this chapter, and at the discretion of
2549 the Director, a temporary permit may be issued. All temporary permits when issued shall be valid for the
2550 period specified in the permit unless it is sooner suspended or revoked. No permit shall be valid for longer
2551 than one year. The application shall be a matter of public record.

2552 All temporary permits shall be subject to regulation by the Board to ensure the public safety and welfare
2553 in the operation of charitable games. The temporary permit shall only be granted after a reasonable
2554 investigation has been conducted by the Authority. The Authority may require any prospective employee,
2555 permit holder, or applicant to submit to fingerprinting and to provide personal descriptive information to be
2556 forwarded along with the employee's, permit holder's, or applicant's fingerprints through the Central
2557 Criminal Records Exchange to the Federal Bureau of Investigation for the purposes of obtaining criminal
2558 history record information regarding such prospective employee, permit holder, or applicant. The Central
2559 Criminal Records Exchange, upon receipt of a prospective employee, permit holder, or applicant record or
2560 notification that no record exists, shall forward the report to the Director or his designee, who shall belong
2561 to a governmental entity. However, nothing in this subsection shall be construed to require the routine
2562 fingerprinting of volunteer bingo workers.

2563 C. In no case shall an organization receive more than one temporary permit allowing it to conduct
2564 charitable gaming; however, an organization may also receive a permit in accordance with the provisions of
2565 § 58.1-4151.

2566 D. Application for a temporary permit shall be made on forms prescribed by the Board and shall be
2567 accompanied by payment of the fee for processing the application.

2568 E. Applications for renewal of temporary permits shall be made in accordance with Board regulations. If
2569 a complete renewal application is received 45 days or more prior to the expiration of the temporary permit,
2570 the temporary permit shall continue to be effective until such time as the Director has taken final action.
2571 Otherwise, the temporary permit shall expire at the end of its term.

2572 F. The failure to meet any of the requirements of § 58.1-4149 shall cause the automatic denial of the
2573 temporary permit, and no organization shall conduct any charitable gaming in accordance with the
2574 provisions of subsection A until such requirements are met and a temporary permit is obtained.

2575 **§ 58.1-4154. Sale of raffle tickets; drawings.**

2576 A. Except as provided in subsection B, a qualified organization may sell raffle tickets both in and out of
2577 the jurisdiction designated in its permit and shall conduct the drawing within the Commonwealth.

2578 B. A qualified organization may sell raffle tickets for a raffle drawing that will be held outside the
2579 Commonwealth, provided the raffle is conducted in accordance with (i) Board regulations and (ii) the laws
2580 and regulations of the jurisdiction in which the raffle drawing will be held.

2581 C. Before a prize drawing, each stub or other detachable section of each ticket sold or won through some
2582 other authorized charitable game conducted by the same organization holding the raffle shall be placed into
2583 a receptacle from which the winning tickets are drawn. The receptacle shall be designed so that each ticket
2584 placed in it has an equal chance of being drawn.

2585 **§ 58.1-4155. Sale of instant bingo, pull tabs, or seal cards.**

2586 A. Except as provided in subsection D, instant bingo, pull tabs, or seal cards may be sold only (i) by a
2587 qualified organization, as defined in § 58.1-4142, (ii) upon premises that are owned or exclusively and
2588 entirely leased by the qualified organization or leased by the qualified organization pursuant to subsection C,
2589 and (iii) at such times that the premises in which the instant bingo, pull tabs, or seal cards are sold is open
2590 only to members and their guests via controlled access. Except as provided in subsections C and D, no
2591 organization may sell instant bingo, pull tabs, or seal cards (a) at a location outside of the county, city, or
2592 town in which the organization's principal office, as registered with the State Corporation Commission, is
2593 located or in an adjoining county, city, or town or (b) at an establishment that has been granted a license
2594 pursuant to Chapter 2 (§ 4.1-200 et seq.) of Title 4.1 unless such license is held by the organization. Nothing
2595 in this chapter shall be construed to prohibit the conduct of games of chance involving the sale of pull tabs or
2596 seal cards, commonly known as last sale games, conducted in accordance with this section or, if such games
2597 are electronic games, in accordance with § 58.1-4157.

2598 B. It is prohibited to use an electronic device to conduct instant bingo, pull tabs, or seal cards except as
2599 permitted under § 58.1-4157.

2600 C. Notwithstanding the provisions of subsection A, a qualified organization may lease the premises of any

2601 social organization authorized pursuant to § 58.1-4157 for the purpose of selling instant bingo, pull tabs, or
2602 seal cards.

2603 *D. Notwithstanding the provisions of subsection A, instant bingo, pull tabs, or seal cards may be sold by a*
2604 *qualified organization that has received a temporary permit from the Director pursuant to § 58.1-4153 upon*
2605 *premises located anywhere in the Commonwealth during a convention, conference, or related event lasting*
2606 *no more than seven consecutive days held by such organization's affiliated state, regional, or national*
2607 *organization up to once per quarter as designated in the temporary permit.*

2608 **§ 58.1-4156. Sale of instant bingo, pull tabs, or seal cards dispensed by mechanical equipment.**

2609 *As a part of its annual fundraising event, any qualified organization may sell instant bingo, pull tabs, or*
2610 *seal cards, provided that (i) any such instant bingo, pull tabs, or seal cards are dispensed by mechanical*
2611 *equipment only; (ii) the sale of the same is limited to a single event of no more than seven days per calendar*
2612 *year; (iii) any such event is open to the public; and (iv) no such organization realizes actual gross receipts of*
2613 *more than \$40,000 from the conduct of all charitable gaming other than raffles on a total of no more than*
2614 *seven days per calendar year. Notwithstanding the provisions of § 58.1-4159, an organization authorized*
2615 *under this section shall not be required to sell such instant bingo, pull tabs, or seal cards at such times*
2616 *designated in the permit for regular bingo games or at a location at which the organization is authorized to*
2617 *conduct regular bingo games pursuant to subsections E and F of § 58.1-4158. If any organization's actual*
2618 *gross receipts from the sale of instant bingo, pull tabs, or seal cards pursuant to this section exceed \$40,000,*
2619 *the Authority shall require the organization to obtain a permit pursuant to the provisions of § 58.1-4151 and*
2620 *file by a specified date the report required by § 58.1-4163. The Authority may require organizations*
2621 *authorized under this section to make such financial reporting as it deems necessary.*

2622 *Nothing in this section shall be construed as exempting organizations authorized to sell instant bingo, pull*
2623 *tabs, or seal cards under this section from any other provisions of this chapter or other Board regulations.*

2624 **§ 58.1-4157. Electronic gaming; penalty.**

2625 *A. The Director may authorize a social organization to conduct electronic gaming (i) within its social*
2626 *quarters and (ii) elsewhere on the premises of its primary location. Any such authorized social organization*
2627 *may lease its premises to any qualified organization for the purpose of conducting electronic gaming. A*
2628 *qualified organization that leases the premises of a social organization pursuant to this section shall be*
2629 *subject to the rules and regulations prescribed by the Board. No other electronic gaming shall be allowed*
2630 *under this chapter. Any person who conducts or participates in electronic gaming that is not authorized*
2631 *under this section shall be subject to the penalties specified in § 58.1-4172.*

2632 *B. A social organization may request authorization from the Director to conduct electronic gaming*
2633 *pursuant to this section in accordance with the procedures established under §§ 58.1-4146 and 58.1-4151.*
2634 *Any fee charged by the Authority for the purpose of such authorization shall be in addition to any fee charged*
2635 *for a charitable gaming permit. Any charitable gaming permit that also authorizes a social organization to*
2636 *conduct electronic gaming shall identify the expiration date of such authorization and the number of*
2637 *electronic gaming devices authorized at the location.*

2638 *C. A social organization and any qualified organization that leases the premises of a social organization*
2639 *pursuant to this section are prohibited from advertising any electronic gaming activities to the general*
2640 *public.*

2641 *D. The Authority may authorize a maximum of 18 electronic gaming devices at a location. Each such*
2642 *device shall bear a mark indicating it has been authorized and approved by the Authority.*

2643 *E. An electronic gaming manufacturer that has been issued a permit by the Director in accordance with*
2644 *§ 58.1-4167 shall report all electronic gaming adjusted gross receipts pursuant to the provisions of*
2645 *§ 58.1-4164.*

2646 *F. The use of electronic gaming devices utilizing multiple video monitors or touchscreens shall be limited*
2647 *to one player at a time.*

2648 *G. No social organization or qualified organization leasing the premises of a social organization shall*
2649 *allow any individual younger than 21 years of age to participate in electronic gaming. No individual younger*
2650 *than 21 years of age shall participate in electronic gaming or otherwise use an electronic device to play or*
2651 *redeem any instant bingo, pull tabs, or seal cards.*

2652 *H. No social organization or any qualified organization leasing the premises of a social organization*
2653 *shall extend lines of credit or accept any credit or other electronic fund transfer other than debit cards in*
2654 *payment of any charges or assessments for players to participate in electronic gaming.*

2655 **§ 58.1-4158. Conduct of bingo games.**

2656 *A. A qualified organization shall accept only cash or, at its option, checks or debit cards in payment of*
2657 *any charges or assessments for players to participate in bingo games. However, no such organization shall*
2658 *accept postdated checks in payment of any charges or assessments for players to participate in bingo games.*

2659 *B. No qualified organization or any person on the premises shall extend lines of credit or accept any*
2660 *credit or other electronic fund transfer other than debit cards in payment of any charges or assessments for*
2661 *players to participate in bingo games.*

2662 *C. Bingo games may be held by qualified organizations on any calendar day.*

2663 *D. Qualified organizations may hold an unlimited number of bingo sessions on any calendar day.*
 2664 *E. Except as provided in subsection F, no organization may conduct bingo games (i) at a location outside*
 2665 *of the county, city, or town in which its principal office, as registered with the State Corporation Commission,*
 2666 *is located or in an adjoining county, city, or town or (ii) at an establishment that has been granted a license*
 2667 *pursuant to Chapter 2 (§ 4.1-200 et seq.) of Title 4.1 unless such license is held by the organization.*

2668 *F. Notwithstanding the provisions of subsection E, a qualified organization may lease the premises of any*
 2669 *social organization authorized pursuant to § 58.1-4157 for the purpose of conducting bingo games.*

2670 **§ 58.1-4159. Conduct of instant bingo, network bingo, pull tabs, and seal cards.**

2671 *A. Any organization qualified to conduct bingo games pursuant to the provisions of this chapter may also*
 2672 *play instant bingo, network bingo, pull tabs, or seal cards; however, such games shall be played only at such*
 2673 *times designated in the permit for regular bingo games and only at locations at which the organization is*
 2674 *authorized to conduct regular bingo games pursuant to subsections E and F of § 58.1-4158, except that a*
 2675 *qualified organization that is issued a temporary permit pursuant to § 58.1-4153 shall be authorized to play*
 2676 *instant bingo, pull tabs, or seal cards in accordance with subsection D of § 58.1-4155. It is prohibited to use*
 2677 *an electronic device to conduct instant bingo, pull tabs, or seal cards except as permitted under § 58.1-4157.*

2678 *B. Any organization conducting instant bingo, network bingo, pull tabs, or seal cards shall maintain a*
 2679 *record of the date, quantity, and card value of instant bingo supplies purchased as well as the name and*
 2680 *address of the supplier of such supplies. The organization shall also maintain a written invoice or receipt*
 2681 *from a nonmember of the organization verifying any information required by this subsection. Such supplies*
 2682 *shall be paid for only by check drawn on the gaming account of the organization. A complete inventory of all*
 2683 *such gaming supplies shall be maintained by the organization on the premises where the gaming is being*
 2684 *conducted.*

2685 *C. No qualified organization shall sell any instant bingo, network bingo, pull tabs, or seal cards to any*
 2686 *individual younger than 18 years of age. No individual younger than 18 years of age shall play or redeem*
 2687 *any instant bingo, network bingo, pull tabs, or seal cards.*

2688 *D. No qualified organization or any person on the premises shall extend lines of credit or accept any*
 2689 *credit or other electronic fund transfer other than debit cards in payment of any charges or assessments for*
 2690 *players to participate in instant bingo, network bingo, pull tabs, or seal cards.*

2691 **§ 58.1-4160. Conduct of network bingo.**

2692 *A. Any organization qualified to conduct bingo games pursuant to the provisions of this chapter may also*
 2693 *sell network bingo cards; however, network bingo shall be sold only at such times designated in the permit*
 2694 *for regular bingo games and only at locations at which the organization is authorized to conduct regular*
 2695 *bingo games pursuant to subsections E and F of § 58.1-4158.*

2696 *B. Any organization selling network bingo cards shall maintain a record of the date and quantity of*
 2697 *network bingo cards purchased from a licensed network bingo provider. The organization shall also maintain*
 2698 *a written invoice or receipt from a licensed supplier verifying any information required by this subsection.*
 2699 *Such supplies shall be paid for only by check drawn on the gaming account of the organization or by*
 2700 *electronic fund transfer. A complete inventory of all such gaming supplies shall be maintained by the*
 2701 *organization on the premises where network bingo cards are sold.*

2702 *C. No qualified organization shall sell any network bingo cards to any individual younger than 18 years*
 2703 *of age. No individual younger than 18 years of age shall play or redeem any network bingo cards.*

2704 *D. A qualified organization shall accept only cash or, at its option, checks or debit cards in payment of*
 2705 *any charges or assessments for players to participate in any network bingo game. However, no such*
 2706 *organization shall accept postdated checks in payment of any charges or assessments for players to*
 2707 *participate in network bingo games.*

2708 *E. No qualified organization or any person on the premises shall extend lines of credit or accept any*
 2709 *credit or other electronic fund transfer other than debit cards in payment of any charges or assessments for*
 2710 *players to participate in network bingo games.*

2711 *F. No qualified organization shall conduct network bingo more frequently than one day in any calendar*
 2712 *week, which shall not be the same day of each week.*

2713 *G. No qualified organization shall sell network bingo cards on the internet or other online service or*
 2714 *allow the play of network bingo on the internet or other online service. However, the location where network*
 2715 *bingo games are conducted shall be equipped with a video monitor, television, or video screen, or any other*
 2716 *similar means of visually displaying a broadcast or signal, that relays live, real-time video of the numbers as*
 2717 *they are called by a live caller. The internet or other online service may be used to relay information about*
 2718 *winning players.*

2719 *H. Qualified organizations may award network bingo prizes on a graduated scale; however, no single*
 2720 *network bingo prize shall exceed \$25,000.*

2721 *I. Nothing in this section shall be construed to prohibit an organization from participating in more than*
 2722 *one network bingo network.*

2723 **§ 58.1-4161. Conduct of Texas Hold'em poker tournaments by qualified organizations; limitation of**
 2724 **operator fee; conditions.**

2725 A. Any organization qualified to conduct bingo games on or after July 1, 2019, may conduct Texas
2726 Hold'em poker tournaments; however, no such organization may conduct individual Texas Hold'em poker
2727 games. The Board shall promulgate regulations establishing circumstances under which organizations
2728 qualified to conduct bingo games prior to July 1, 2019, may conduct Texas Hold'em poker tournaments.

2729 B. A qualified organization may contract with an operator to administer Texas Hold'em poker
2730 tournaments. Limitations on operator fees shall be established by Board regulations.

2731 C. A qualified organization shall accept only cash or, at its option, checks in payment of any charges or
2732 assessments for players to participate in Texas Hold'em poker tournaments. However, no such organization
2733 shall accept postdated checks in payment of any charges or assessments for players to participate in Texas
2734 Hold'em poker tournaments.

2735 D. No qualified organization or any person on the premises shall extend lines of credit or accept any
2736 credit or debit card or other electronic fund transfer in payment of any charges or assessments for players to
2737 participate in Texas Hold'em poker tournaments.

2738 E. No qualified organization shall allow any individual younger than 18 years of age to participate in
2739 Texas Hold'em poker tournaments.

2740 **§ 58.1-4162. Joint operation of bingo games; written reports; joint permit required.**

2741 A. Any two or more qualified organizations may jointly organize and conduct bingo games provided both
2742 have fully complied with all other provisions of this chapter.

2743 B. Any two or more qualified organizations jointly conducting such games shall be (i) subject to the same
2744 restrictions and prohibitions contained in this chapter that would apply to a single organization conducting
2745 bingo games and (ii) required to furnish to the Authority a written report setting forth the location where
2746 such games will be held and the division of manpower, costs, and proceeds for each game to be jointly
2747 conducted.

2748 Upon a finding that the division of manpower and costs for each game bears a reasonable relationship to
2749 the division of proceeds, the Director shall issue a joint permit.

2750 C. No bingo game shall be jointly conducted until the joint permit issued pursuant to subsection B is
2751 obtained by the organizations.

2752 **§ 58.1-4163. Reports of gross receipts, electronic gaming adjusted gross receipts, and disbursements
2753 required; form of reports; failure to file.**

2754 A. 1. Each qualified organization shall keep a complete record of all:

2755 a. Inventory of charitable gaming supplies purchased.

2756 b. Receipts from its charitable gaming operation, including a breakdown of receipts attributable to each
2757 type of game offered.

2758 c. Electronic gaming adjusted gross receipts.

2759 d. Disbursements related to charitable gaming and electronic gaming operations, including a breakdown
2760 of disbursements for each purpose specified in subdivision 1 of § 58.1-4166.

2761 2. Except as provided in §§ 58.1-4148 and 58.1-4164, each qualified organization shall file under penalty
2762 of perjury and at least annually, on a form prescribed by the Board, a report of all receipts and
2763 disbursements specified in subdivision 1, the amount of money on hand attributable to charitable gaming as
2764 of the end of the period covered by the report, and any other information related to its charitable gaming
2765 operation that the Authority may require. In addition, the Board, by regulation, may require any qualified
2766 organization, except any qualified organization that realizes annual gross receipts of \$40,000 or less, whose
2767 net receipts exceed a specified amount during any three-month period to file a report of its receipts and
2768 disbursements for such period. All reports filed pursuant to this section shall be a matter of public record.

2769 B. All reports required by this section shall be filed on or before the date prescribed by the Director. The
2770 Board, by regulation, shall establish a schedule of late fees to be assessed for any organization that fails to
2771 submit required reports by the due date.

2772 C. Except as provided in § 58.1-4148, each qualified organization shall designate or compensate an
2773 outside individual or group who shall be responsible for filing an annual, and, if required, quarterly,
2774 financial report if the organization goes out of business or otherwise ceases to conduct charitable gaming
2775 activities. The Authority shall require such reports as it deems necessary until all proceeds of any charitable
2776 gaming have been used for the purposes specified in § 58.1-4145 or have been disbursed in a manner
2777 approved by the Authority.

2778 D. Each qualified organization shall maintain for three years a complete written record of (i) all
2779 charitable gaming sessions using Board-prescribed forms or reasonable facsimiles thereof approved by the
2780 Authority; (ii) the name and address of each individual to whom is awarded any charitable gaming prize or
2781 jackpot that meets or exceeds the requirements of Internal Revenue Service Publication 3079, as well as the
2782 amount of the award; and (iii) an itemized record of all receipts and disbursements, including operating costs
2783 and use of proceeds incurred in operating bingo games.

2784 E. The failure to file reports within 30 days of the time such reports are due shall cause the automatic
2785 revocation of the permit, and no organization shall conduct any bingo game or raffle thereafter until the
2786 report is properly filed and a new permit is obtained. However, the Director may grant an extension of time

2787 for filing such reports for a period not to exceed 45 days if requested by an organization, provided the
2788 organization requests an extension within 15 days of the time such reports are due and all projected fees are
2789 paid. For the term of any such extension, the organization's permit shall not be automatically revoked, such
2790 organization may continue to conduct charitable gaming, or electronic gaming if authorized to do so
2791 pursuant to the provisions of this chapter, and no new permit shall be required.

2792 F. For purposes of this section, the requirement to file a report shall also include the payment of any
2793 applicable fees required to accompany such report.

2794 **§ 58.1-4164. Reports of electronic gaming adjusted gross receipts by electronic gaming manufacturer**
2795 **required; form of reports; failure to file.**

2796 A. Each electronic gaming manufacturer that holds a permit issued by the Director pursuant to
2797 § 58.1-4167 shall keep a complete record of all electronic gaming adjusted gross receipts and shall file at
2798 least annually, on a form prescribed by the Board, a report of all such receipts and any other information
2799 related to the manufacture of electronic gaming devices that the Authority may require.

2800 B. The report required by this section shall be filed on or before the date prescribed by the Director. The
2801 Board, by regulation, shall establish a schedule of late fees to be assessed for any electronic gaming
2802 manufacturer that fails to submit required reports by the due date.

2803 C. Each electronic gaming manufacturer shall maintain for three years a complete written record of all
2804 electronic gaming adjusted gross receipts.

2805 D. The failure to file the report required by this section within 30 days of the time such report is due shall
2806 cause the automatic revocation of the electronic gaming manufacturer's permit, and no such manufacturer
2807 shall manufacture any new electronic gaming device until the report is properly filed and a new permit is
2808 obtained. However, the Director may grant an extension of time for filing such report for a period not to
2809 exceed 45 days if requested by a manufacturer, provided that the manufacturer requests an extension within
2810 15 days of the time such report is due and all projected fees are paid. For the term of any such extension, the
2811 manufacturer's permit shall not be automatically revoked, such manufacturer may continue to manufacture
2812 electronic gaming devices, and no new permit shall be required.

2813 E. For purposes of this section, the requirement to file a report shall also include the payment of any
2814 applicable fees required to accompany such report.

2815 **§ 58.1-4165. Audit of reports; exemption; audit and administration fee; additional assessment of gross**
2816 **receipts and electronic gaming adjusted gross receipts.**

2817 A. All reports filed pursuant to §§ 58.1-4163 and 58.1-4164 shall be subject to audit by the Authority in
2818 accordance with Board regulations. The Authority may engage the services of independent certified public
2819 accountants to perform any audits deemed necessary to fulfill the Authority's responsibilities under this
2820 chapter.

2821 B. The Board shall prescribe a reasonable audit and administration fee to be paid by (i) any organization
2822 conducting charitable gaming under a permit issued by the Director unless the organization is exempt from
2823 such fee pursuant to § 58.1-4148 or (ii) any electronic gaming manufacturer that holds a permit issued by the
2824 Director pursuant to § 58.1-4167. Such fee shall not exceed one-half of one percent of the gross receipts that
2825 an organization reports pursuant to § 58.1-4163 or one-half of one percent of the electronic gaming adjusted
2826 gross receipts that an electronic gaming manufacturer reports pursuant to § 58.1-4164. The audit and
2827 administration fee shall accompany each report for each calendar quarter.

2828 C. The audit and administration fee shall be payable to the State Treasurer. All such fees received by the
2829 State Treasurer shall be separately accounted for and shall only be used by the Authority for the purposes of
2830 auditing and regulating charitable gaming.

2831 D. In addition to the fee imposed under subsection B, an additional fee of (i) one-quarter of one percent of
2832 the gross receipts that an organization reports pursuant to § 58.1-4163 shall be paid by the organization or
2833 (ii) one-quarter of one percent of the electronic gaming adjusted gross receipts that an electronic gaming
2834 manufacturer reports pursuant to § 58.1-4164 shall be paid by the electronic gaming manufacturer to the
2835 State Treasurer. All such amounts shall be collected and deposited in the same manner as prescribed in
2836 subsections B and C and shall be used for the same purposes.

2837 **§ 58.1-4166. Prohibited practices.**

2838 In addition to those other practices prohibited by this chapter, the following acts or practices are
2839 prohibited:

2840 1. No part of the gross receipts or electronic gaming adjusted gross receipts derived by a qualified
2841 organization may be used for any purpose other than (i) gaming expenses; (ii) reasonable and proper
2842 business expenses; and (iii) those lawful religious, charitable, community, or educational purposes for which
2843 the organization is specifically chartered or organized.

2844 2. Except as provided in § 58.1-4168, no qualified organization shall enter into a contract with or
2845 otherwise employ for compensation any person for the purpose of organizing, managing, or conducting any
2846 charitable games. However, organizations composed of or for deaf or blind persons may use a part of their
2847 gross receipts for costs associated with providing clerical assistance in the management and operation but
2848 not the conduct of charitable gaming.

2849 *The provisions of this subdivision shall not prohibit the joint operation of bingo games held in accordance*
 2850 *with § 58.1-4162.*

2851 *3. No person shall pay or receive for use of any premises wholly devoted to the conduct of any charitable*
 2852 *games any consideration in excess of the current fair market rental value of such property. Fair market*
 2853 *rental value consideration shall not be based upon or determined by reference to a percentage of the*
 2854 *proceeds derived from the operation of any charitable games or to the number of people in attendance at*
 2855 *such charitable games.*

2856 *4. No person shall participate in the management or operation of any charitable game unless such person*
 2857 *is and, for a period of at least 30 days immediately preceding such participation, has been a bona fide*
 2858 *member of the organization. For any organization that is not composed of members, a person who is not a*
 2859 *bona fide member may volunteer in the conduct of a charitable game as long as that person is directly*
 2860 *supervised by a bona fide official member of the organization.*

2861 *The provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by*
 2862 *qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a*
 2863 *qualified organization, provided such employees' participation is limited to the management, operation, or*
 2864 *conduct of no more than one raffle per year; (iii) the spouse or family member of any such bona fide member*
 2865 *of a qualified organization, provided at least one bona fide member is present; or (iv) persons employed by a*
 2866 *qualified organization authorized to sell pull tabs or seal cards in accordance with § 58.1-4142, provided (a)*
 2867 *such sales are conducted by no more than two on-duty employees and (b) such employees receive no*
 2868 *compensation for or based on the sale of the pull tabs or seal cards.*

2869 *5. No person shall receive any remuneration for participating in the management, operation, or conduct*
 2870 *of any charitable game, except that:*

2871 *a. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration*
 2872 *not to exceed \$30 per event for providing clerical assistance in the management and operation but not the*
 2873 *conduct of charitable games only for such organizations;*

2874 *b. Persons younger than 19 years of age who sell raffle tickets for a qualified organization to raise funds*
 2875 *for youth activities in which they participate may receive nonmonetary incentive awards or prizes from the*
 2876 *organization;*

2877 *c. Remuneration may be paid to off-duty law-enforcement officers from the jurisdiction in which such*
 2878 *bingo games are played for providing uniformed security for such bingo games even if such officer is a*
 2879 *member of the sponsoring organization, provided the remuneration paid to such member is in accordance*
 2880 *with off-duty law-enforcement personnel work policies approved by the local law-enforcement official and*
 2881 *further provided that such member is not otherwise engaged in the management, operation, or conduct of the*
 2882 *bingo games of that organization, or to private security services businesses licensed pursuant to § 9.1-139*
 2883 *providing uniformed security for such bingo games, provided that employees of such businesses shall not*
 2884 *otherwise be involved in the management, operation, or conduct of the bingo games of that organization;*

2885 *d. A member of a qualified organization lawfully participating in the management, operation, or conduct*
 2886 *of a bingo game may be provided food and nonalcoholic beverages by such organization for on-premises*
 2887 *consumption during the bingo game, provided the food and beverages are provided in accordance with*
 2888 *Board regulations;*

2889 *e. Remuneration may be paid to bingo managers or callers who have a current registration certificate*
 2890 *issued by the Director in accordance with § 58.1-4168, or who are exempt from such registration*
 2891 *requirement. Except as provided for in subdivision f and subsection E of § 58.1-4168, such remuneration*
 2892 *shall not exceed \$200 per session;*

2893 *f. For services provided on any day designated as a legal holiday pursuant to § 2.2-3300, remuneration*
 2894 *shall be paid at a rate not less than one and one-half times the remuneration rate paid pursuant to*
 2895 *subdivision e to bingo managers or callers who have a current registration certificate issued by the Director*
 2896 *in accordance with § 58.1-4168, or who are exempt from such registration requirement; and*

2897 *g. Volunteers of a qualified organization may be reimbursed for their reasonable and necessary travel*
 2898 *expenses, not to exceed \$50 per session.*

2899 *6. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct,*
 2900 *management, or operation of any bingo games; (ii) sell, lease, or otherwise provide for consideration any*
 2901 *bingo supplies, including bingo cards, instant bingo cards, or other game pieces; or (iii) require as a*
 2902 *condition of the lease or by contract that a particular manufacturer, distributor, or supplier of bingo supplies*
 2903 *or equipment be used by the organization.*

2904 *The provisions of this subdivision shall not apply to any qualified organization conducting bingo games*
 2905 *on its own behalf at premises owned by it.*

2906 *7. No qualified organization shall enter into any contract with or otherwise employ or compensate any*
 2907 *member of the organization on account of the sale of bingo supplies or equipment.*

2908 *8. No organization shall award any bingo prize money or any merchandise valued in excess of the*
 2909 *following amounts:*

2910 *a. No bingo door prize shall exceed \$250 for a single door prize or \$500 in cumulative door prizes in any*

2911 *one session;*

2912 *b. No regular bingo or special bingo game prize shall exceed \$100. However, up to 10 games per bingo*
2913 *session may feature a regular bingo or special bingo game prize of up to \$200;*

2914 *c. No instant bingo, pull tab, or seal card prize for a single card shall exceed \$2,000;*

2915 *d. Except as provided in this subdivision 8, no bingo jackpot of any nature whatsoever shall exceed*
2916 *\$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one session exceed \$1,000.*
2917 *Proceeds from the sale of bingo cards and the sheets used for bingo jackpot games shall be accounted for*
2918 *separately from the bingo cards or sheets used for any other bingo games; and*

2919 *e. No single network bingo prize shall exceed \$25,000. Proceeds from the sale of network bingo cards*
2920 *shall be accounted for separately from bingo cards and sheets used for any other bingo game.*

2921 *9. The provisions of subdivision 8 shall not apply to any progressive bingo game in which (i) a regular or*
2922 *special prize, not to exceed \$100, is awarded on the basis of predetermined numbers or patterns selected at*
2923 *random and (ii) a progressive prize, not to exceed \$500 for the initial progressive prize and \$5,000 for the*
2924 *maximum progressive prize, is awarded if the predetermined numbers or patterns are covered when a certain*
2925 *number of numbers is called, provided that (a) there are no more than six such games per session per*
2926 *organization, (b) the amount of increase of the progressive prize per session is no more than \$200, (c) the*
2927 *bingo cards or sheets used in such games are sold separately from the bingo cards or sheets used for any*
2928 *other bingo games, (d) the organization separately accounts for the proceeds from such sale, and (e) such*
2929 *games are otherwise operated in accordance with the Authority's rules of play.*

2930 *10. No organization shall award any raffle prize valued at more than \$100,000.*

2931 *The provisions of this subdivision shall not apply to a raffle conducted no more than three times per*
2932 *calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501(c) of the*
2933 *Internal Revenue Code for a prize consisting of a lot improved by a residential dwelling where 100 percent of*
2934 *the moneys received from such a raffle, less deductions for the fair market value for the cost of acquisition of*
2935 *the land and materials, are donated to lawful religious, charitable, community, or educational organizations*
2936 *specifically chartered or organized under the laws of the Commonwealth and qualified as a § 501(c) tax-*
2937 *exempt organization. No more than one such raffle shall be conducted in any one geographical region of the*
2938 *Commonwealth.*

2939 *11. No qualified organization composed of or for deaf or blind persons that employs a person not a*
2940 *member to provide clerical assistance in the management and operation but not the conduct of any charitable*
2941 *games shall conduct such games unless it has in force fidelity insurance, as defined in § 38.2-120, written by*
2942 *an insurer licensed to do business in the Commonwealth.*

2943 *12. No person shall participate in the management or operation of any charitable game if he has ever*
2944 *been convicted of any felony or if he has been convicted of any misdemeanor involving fraud, theft, or*
2945 *financial crimes within the preceding five years. No person shall participate in the conduct of any charitable*
2946 *game if, within the preceding 10 years, he has been convicted of any felony or if, within the preceding five*
2947 *years, he has been convicted of any misdemeanor involving fraud, theft, or financial crimes. In addition, no*
2948 *person shall participate in the management, operation, or conduct of any charitable game if that person,*
2949 *within the preceding five years, has participated in the management, operation, or conduct of any charitable*
2950 *game that was found by the Authority or a court of competent jurisdiction to have been operated in violation*
2951 *of state law, local ordinance, or Board regulation.*

2952 *13. Qualified organizations jointly conducting bingo games pursuant to § 58.1-4162 shall not circumvent*
2953 *any restrictions and prohibitions that would otherwise apply if a single organization were conducting such*
2954 *games. These restrictions and prohibitions shall include the frequency with which bingo games may be held,*
2955 *the value of merchandise or money awarded as prizes, or any other practice prohibited under this section.*

2956 *14. A qualified organization shall not purchase any charitable gaming supplies for use in the*
2957 *Commonwealth from any person who is not currently registered with the Authority as a supplier pursuant to*
2958 *§ 58.1-4167.*

2959 *15. Unless otherwise permitted in this chapter, no part of an organization's charitable gaming gross*
2960 *receipts shall be used for an organization's social or recreational activities.*

2961 *16. No organization qualified to conduct Texas Hold'em poker tournaments pursuant to § 58.1-4161 shall*
2962 *conduct any Texas Hold'em poker games where the game has no predetermined end time and the players*
2963 *wager actual money or poker chips that have cash value.*

2964 **§ 58.1-4167. Suppliers of charitable gaming supplies; manufacturers of electronic gaming devices;**
2965 **permit; qualification; suspension, revocation, or refusal to renew certificate; maintenance, production,**
2966 **and release of records.**

2967 *A. No person shall offer to sell, sell, or otherwise provide charitable gaming supplies to any qualified*
2968 *organization and no manufacturer shall distribute electronic gaming devices for charitable gaming in the*
2969 *Commonwealth unless and until such person has made application for and has been issued a permit by the*
2970 *Director. An application for permit shall be made on forms prescribed by the Board and shall be*
2971 *accompanied by a fee in the amount of \$1,000. Each permit shall remain valid for a period of one year from*
2972 *the date of issuance. Application for renewal of a permit shall be accompanied by a fee in the amount of*

2973 \$1,000 and shall be made on forms prescribed by the Board.

2974 B. The Board shall have authority to prescribe by regulation reasonable criteria consistent with the
2975 provisions of this chapter for the registration of suppliers and manufacturers of electronic gaming devices for
2976 charitable gaming. The Director shall refuse to issue a permit to any supplier or manufacturer who has, or
2977 who has any officer, director, partner, or owner who has, (i) been convicted of or pleaded nolo contendere to
2978 a felony in any state or federal court or has been convicted of any offense that, if committed in the
2979 Commonwealth, would be a felony; (ii) been convicted of or pleaded nolo contendere to a crime involving
2980 gambling; (iii) violated the gaming laws of any jurisdiction within the last five years, including violations for
2981 failure to register; or (iv) had any license, permit, certificate, or other authority related to charitable gaming
2982 suspended or revoked in the Commonwealth or in any other jurisdiction within the last five years. The
2983 Director may refuse to issue a permit to any supplier or manufacturer who has, or who has any officer,
2984 director, partner, or owner who has, (a) failed to file or has been delinquent in excess of one year in the filing
2985 of any tax returns or the payment of any taxes due the Commonwealth or (b) failed to establish a registered
2986 office or registered agent in the Commonwealth if so required by § 13.1-634 or 13.1-763.

2987 C. The Director shall suspend, revoke, or refuse to renew the permit of any supplier or manufacturer for
2988 any conduct described in clause (i), (ii), (iii), or (iv) of subsection B. The Director shall suspend, revoke, or
2989 refuse to renew the permit of any supplier or manufacturer for any conduct described in clause (a) or (b) of
2990 subsection B or for any violation of this chapter or regulation of the Board. Before taking any such action,
2991 the Director shall give the supplier or manufacturer a written statement of the grounds upon which he
2992 proposes to take such action and an opportunity to be heard. Every hearing in a contested case shall be
2993 conducted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.).

2994 D. Each supplier shall document each sale of charitable gaming supplies, including electronic gaming
2995 devices, and other items incidental to the conduct of charitable gaming, such as markers, wands, or tape, to a
2996 qualified organization on an invoice that clearly shows (i) the name and address of the qualified organization
2997 to which such supplies or items were sold; (ii) the date of the sale; (iii) the name or form and serial number
2998 of each deal of instant bingo cards and pull-tab raffle cards, the quantity of deals sold, and the price per deal
2999 paid by the qualified organization; (iv) the serial number of the top sheet in each packet of bingo paper, the
3000 serial number for each series of uncollated bingo paper, and the cut, color, and quantity of bingo paper sold;
3001 and (v) any other information with respect to charitable gaming supplies, including electronic gaming
3002 devices, or other items incidental to the conduct of charitable gaming as the Board may prescribe by
3003 regulation. A legible copy of the invoice shall accompany the charitable gaming supplies when delivered to
3004 the qualified organization.

3005 Each manufacturer of electronic gaming devices shall document each distribution of such devices to a
3006 qualified organization or supplier on an invoice that clearly shows (a) the name and address of the qualified
3007 organization or supplier to which such systems were distributed; (b) the date of distribution; (c) the serial
3008 number of each such device; and (d) any other information with respect to electronic gaming devices as the
3009 Board may prescribe by regulation. A legible copy of the invoice shall accompany the electronic gaming
3010 devices when delivered to the qualified organization or supplier.

3011 E. Each supplier and manufacturer shall maintain a legible copy of each invoice required by subsection D
3012 for a period of three years from the date of sale. Each supplier and manufacturer shall make such documents
3013 immediately available for inspection and copying to any agent or employee of the Authority upon request
3014 made during normal business hours. This subsection shall not limit the right of the Authority to require the
3015 production of any other documents in the possession of the supplier or manufacturer that relate to its
3016 transactions with qualified organizations. All documents and other information of a proprietary nature
3017 furnished to the Authority in accordance with this subsection shall not be a matter of public record and shall
3018 be exempt from disclosure under the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et
3019 seq.).

3020 F. Each supplier and manufacturer shall provide to the Authority the results of background checks and
3021 any other records or documents necessary for the Authority to enforce the provisions of subsections B and C.

3022 **§ 58.1-4168. Bingo managers and callers; remuneration; registration; qualification; suspension,**
3023 **revocation, or refusal to renew certificate; exceptions.**

3024 A. No person shall receive remuneration as a bingo manager or caller from any qualified organization
3025 unless and until such person has made application for and has been issued a registration certificate by the
3026 Director. Application for registration shall be made on forms prescribed by the Board and shall be
3027 accompanied by a fee in the amount of \$75. Each registration certificate shall remain valid for a period of
3028 one year from the date of issuance. Application for renewal of a registration certificate shall be accompanied
3029 by a fee in the amount of \$75 and shall be made on forms prescribed by the Board.

3030 B. As a condition of registration as a bingo manager, the applicant shall (i) have been a bona fide
3031 member of the qualified organization for at least 12 consecutive months prior to making application for
3032 registration and (ii) be required to complete a reasonable training course developed and conducted by the
3033 Board.

3034 As a condition of registration as a bingo caller, the applicant shall be required to complete a reasonable

3035 *training course developed and conducted by the Board.*

3036 *The Director may refuse to register any bingo manager or caller who has (a) been convicted of or*
3037 *pleaded nolo contendere to a felony in any state or federal court or has been convicted of any offense that, if*
3038 *committed in the Commonwealth, would be a felony; (b) been convicted of or pleaded nolo contendere to a*
3039 *crime involving gambling; (c) had any license, permit, certificate, or other authority related to activities*
3040 *defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth or in any*
3041 *other jurisdiction; or (d) failed to file or has been delinquent in excess of one year in the filing of any tax*
3042 *returns or the payment of any taxes due the Commonwealth.*

3043 *C. The Director may suspend, revoke, or refuse to renew the registration certificate of any bingo manager*
3044 *or caller for any conduct described in subsection B or for any violation of this chapter or Board regulations.*
3045 *Before taking any such action, the Director shall give the bingo manager or caller a written statement of the*
3046 *grounds upon which he proposes to take such action and an opportunity to be heard. Every hearing in a*
3047 *contested case shall be conducted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.).*

3048 *D. The provisions of subsection A requiring registration for bingo callers with the Authority shall not*
3049 *apply to a bingo caller for a volunteer fire department or volunteer emergency medical services agency or*
3050 *auxiliary unit thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution*
3051 *of the political subdivision where the volunteer fire department or volunteer emergency medical services*
3052 *agency is located as being a part of the safety program of such political subdivision.*

3053 *E. By October 1, 2029, and annually thereafter, the Board shall adjust the dollar amount of \$200*
3054 *specified in subdivision 5 e of § 58.1-4166 to reflect the rate of inflation from the previous date that the dollar*
3055 *amount was established, as measured by the Consumer Price Index or other method of measuring the rate of*
3056 *inflation that the Authority determines is reliable and generally accepted. The amount of each annual*
3057 *adjustment shall not be less than zero and shall be rounded to the nearest whole dollar.*

3058 **§ 58.1-4169. Licensing of network bingo providers; qualification; suspension, revocation, or refusal to**
3059 **renew license; maintenance, production, and release of records.**

3060 *A. No person shall sell, offer to sell, or otherwise provide access to a network bingo network to any*
3061 *qualified organization unless and until such person has made application for and has been issued a license*
3062 *by the Director. An application for license shall be made on forms prescribed by the Board and shall be*
3063 *accompanied by a fee in the amount of \$500. Each license shall remain valid for a period of two years from*
3064 *the date of issuance. Application for renewal of a license shall be accompanied by a fee in the amount of*
3065 *\$500 and shall be made on forms prescribed by the Board.*

3066 *B. The Board shall have authority to prescribe by regulation reasonable criteria consistent with the*
3067 *provisions of this chapter for the licensure of network bingo providers. The Director may refuse to issue a*
3068 *license to any network bingo provider that has any officer, director, partner, or owner who has (i) been*
3069 *convicted of or pleaded nolo contendere to a felony in any state or federal court or has been convicted of any*
3070 *offense that, if committed in the Commonwealth, would be a felony; (ii) been convicted of or pleaded nolo*
3071 *contendere to a crime involving gambling; (iii) had any license, permit, certificate, or other authority related*
3072 *to activities defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth*
3073 *or in any other jurisdiction; (iv) failed to file or been delinquent in excess of one year in the filing of any tax*
3074 *returns or the payment of any taxes due the Commonwealth; or (v) failed to establish a registered office or*
3075 *registered agent in the Commonwealth if so required by § 13.1-634 or 13.1-763.*

3076 *C. The Director may suspend, revoke, or refuse to renew the license of any network bingo provider for*
3077 *any conduct described in subsection B or for any violation of this chapter or regulation of the Board. Before*
3078 *taking any such action, the Director shall give the network bingo provider a written statement of the grounds*
3079 *upon which he proposes to take such action and an opportunity to be heard. Every hearing in a contested*
3080 *case shall be conducted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.).*

3081 *D. The Board by regulation shall require network bingo providers to have onsite independent supervision*
3082 *of network bingo games as the numbers are called.*

3083 *E. Each network bingo provider shall document each sale of network bingo supplies and other items*
3084 *incidental to the conduct of network bingo to a qualified organization on an invoice that clearly shows (i) the*
3085 *name and address of the qualified organization to which such supplies or items were sold; (ii) the date of the*
3086 *sale; (iii) the name or form and serial number of each network bingo card, the quantity of cards sold, and the*
3087 *price per card paid by the qualified organization; and (iv) any other information required by the Authority. A*
3088 *legible copy of the invoice shall accompany the network bingo supplies when delivered to the qualified*
3089 *organization.*

3090 *F. Each network bingo provider shall maintain a legible copy of each invoice required by subsection E for*
3091 *a period of three years from the date of sale. Each network bingo provider shall make such documents*
3092 *immediately available for inspection and copying to any agent or employee of the Authority upon request*
3093 *made during normal business hours. This subsection shall not limit the right of the Authority to require the*
3094 *production of any other documents in the possession of the network bingo provider that relate to its*
3095 *transactions with qualified organizations. All documents and other information of a proprietary nature*
3096 *furnished to the Authority in accordance with this subsection shall be exempt from disclosure under the*

3097 provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

3098 **§ 58.1-4170. Suspension of permit and registration.**

3099 A. When any officer charged with the enforcement of the charitable gaming laws of the Commonwealth
3100 has reasonable cause to believe that the conduct of charitable gaming is being conducted by an organization
3101 in violation of this chapter or Board regulations, he may apply to any judge, magistrate, or other person
3102 having authority to issue criminal warrants for the immediate suspension of the permit or registration of the
3103 organization conducting charitable gaming. If the judge, magistrate, or person to whom such application is
3104 presented is satisfied that probable cause exists to suspend the permit or registration, he shall suspend the
3105 permit or registration. Immediately upon such suspension, the officer shall notify the organization in writing
3106 of such suspension.

3107 B. Written notice specifying the particular basis for the immediate suspension shall be provided by the
3108 officer to the organization within one business day of the suspension and a hearing held thereon by the
3109 Authority or its designated hearing officer within 10 days of the suspension unless the organization consents
3110 to a later date. No charitable gaming shall be conducted by the organization until the suspension has been
3111 lifted by the Authority or a court of competent jurisdiction.

3112 **§ 58.1-4171. Civil penalty.**

3113 A. Any person or organization, whether permitted or qualified pursuant to this chapter or not, that (i)
3114 conducts charitable gaming without first obtaining a permit to do so, (ii) continues to conduct such games
3115 after revocation or suspension of such permit, or (iii) otherwise violates any provision of this chapter shall, in
3116 addition to any other penalties provided, be subject to a civil penalty of not less than \$25,000 and not more
3117 than \$50,000 per incident. Any civil penalties collected pursuant to this section shall be payable to the State
3118 Treasurer for remittance to the Authority.

3119 B. Any electronic gaming manufacturer, whether permitted pursuant to this chapter or not, shall, in
3120 addition to any other penalties provided, be subject to the penalty identified in subsection A for any violation
3121 of any provision of this chapter.

3122 **§ 58.1-4172. Criminal penalties.**

3123 A. Any person who (i) violates the provisions of this chapter; (ii) willfully and knowingly files, or causes
3124 to be filed, a false application, report, or other document; or (iii) willfully and knowingly makes a false
3125 statement, or causes a false statement to be made, on any application, report, or other document required to
3126 be filed with or made to the Authority is guilty of a Class 1 misdemeanor.

3127 B. Each day in violation of this section shall constitute a separate offense.

3128 C. Any person who converts funds derived from any charitable gaming to his own or another's use, when
3129 the amount of funds is less than \$1,000, is guilty of petit larceny and, when the amount of funds is \$1,000 or
3130 more, is guilty of grand larceny. The provisions of this section shall not preclude the applicability of any
3131 other provision of the criminal law of the Commonwealth that may apply to any course of conduct that
3132 violates this section.

3133 **CHAPTER 43.**
3134 **FANTASY CONTESTS.**

3135 **§ 58.1-4173. Definitions.**

3136 As used in this chapter, unless the context requires otherwise:

3137 "Confidential information" means information related to the play of a fantasy contest by fantasy contest
3138 players obtained as a result of, or by virtue of, a person's employment.

3139 "Entry fee" means cash or cash equivalent that is required to be paid by a fantasy contest participant to a
3140 fantasy contest operator in order to participate in a fantasy contest.

3141 "Fantasy contest" includes any online fantasy or simulated game or contest with an entry fee in which (i)
3142 the value of all prizes and awards offered to winning participants is established and made known to the
3143 participants in advance of the contest; (ii) all winning outcomes reflect the relative knowledge and skill of the
3144 participants and shall be determined by accumulated statistical results of the performance of individuals,
3145 including athletes in the case of sports events; and (iii) no winning outcome is based on the score, point
3146 spread, or any performance of any single actual team or combination of teams or solely on any single
3147 performance of an individual athlete or player in any single actual event.

3148 "Fantasy contest operator" or "operator" means a person or entity that offers fantasy contests for a cash
3149 prize to members of the public.

3150 "Fantasy contest player" or "player" means a person who participates in a fantasy contest offered by a
3151 fantasy contest operator.

3152 "Principal stockholder" means any person who individually or in concert with his spouse and immediate
3153 family members beneficially owns or controls, directly or indirectly, 15 percent or more of the equity
3154 ownership of a fantasy contest operator or who in concert with his spouse and immediate family members has
3155 the power to vote or cause the vote of 15 percent or more of the equity ownership of any such operator.

3156 **§ 58.1-4174. Registration of fantasy contest operators required; application for registration; issuance**
3157 **of registration certificate; penalty.**

3158 A. No fantasy contest operator shall offer any fantasy contest in the Commonwealth without first being

3159 registered with the Authority. Applications for registration shall be on forms prescribed by the Board. Any
 3160 registration issued by the Director shall be valid for one year from the date of issuance.

3161 B. The application for registration submitted by a fantasy contest operator shall contain the following
 3162 information:

3163 1. The name and principal address of the applicant; if a corporation, the state of its incorporation, the full
 3164 name and address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to
 3165 do business in the Commonwealth; if a partnership or joint venture, the name and address of each officer
 3166 thereof;

3167 2. The address of any offices of the applicant in the Commonwealth and its designated agent for process
 3168 within the Commonwealth. If no such agent is designated, the applicant shall be deemed to have designated
 3169 the Authority. If the operator does not maintain an office, the name and address of the person having custody
 3170 of its financial records;

3171 3. The place where and the date when the applicant was legally established and the form of its
 3172 organization;

3173 4. The names and addresses of the officers, directors, trustees, and principal salaried executive staff
 3174 officer;

3175 5. The name and address of each principal stockholder or member of such corporation; and

3176 6. Such information as the Board deems necessary to ensure compliance with the provisions of this
 3177 chapter.

3178 C. Every registration filed pursuant to this chapter shall be accompanied by a nonrefundable, initial
 3179 application fee set by the Board.

3180 D. As a condition of registration, a fantasy contest operator shall submit evidence satisfactory to the
 3181 Board that the operator has established and will implement procedures for fantasy contests that:

3182 1. Prevent him or his employees and relatives living in the same household as the operator from
 3183 competing in any public fantasy contest offered by such operator in which the operator offers a cash prize;

3184 2. Prevent the sharing of confidential information that could affect fantasy contest play with third parties
 3185 until the information is made publicly available;

3186 3. Verify that any fantasy contest player is 21 years of age or older;

3187 4. Ensure that players who are the subject of a fantasy contest are restricted from entering a fantasy
 3188 contest that is determined, in whole or part, on the accumulated statistical results of a team of individuals in
 3189 which such players are participants;

3190 5. Allow individuals to restrict themselves from entering a fantasy contest upon request and take
 3191 reasonable steps to prevent those individuals from entering the operator's fantasy contests;

3192 6. Disclose the number of entries a single fantasy contest player may submit to each fantasy contest and
 3193 take reasonable steps to prevent such players from submitting more than the allowable number; and

3194 7. Segregate player funds from operational funds in separate accounts and maintain a reserve in the form
 3195 of cash, cash equivalents, irrevocable letter of credit, bond, or a combination thereof in an amount sufficient
 3196 to pay all prizes and awards offered to winning participants.

3197 E. If the registration forms are filed online using a website approved by the Director, the operator shall
 3198 follow the procedures on that website for signing the forms.

3199 F. Any operator that allows its registration to lapse, without requesting an extension of time to file, shall
 3200 be required to resubmit an initial registration. An extension may be granted by the Director upon receipt of a
 3201 written request.

3202 **§ 58.1-4175. Issuance of registration; denial of same.**

3203 A. The Director shall consider all applications for registration and shall issue a valid registration to an
 3204 applicant that meets the criteria set forth in this chapter.

3205 B. The Director shall deny registration to any applicant unless he finds that:

3206 1. If the corporation is a stock corporation, such stock is fully paid and nonassessable and has been
 3207 subscribed and paid for only in cash or property to the exclusion of past services and, if the corporation is a
 3208 nonstock corporation, that there are at least five members;

3209 2. All principal stockholders or members have submitted to the jurisdiction of the courts of the
 3210 Commonwealth for the purposes of this chapter, and all nonresident principal stockholders or members have
 3211 designated the Director as their agent for receipt of process;

3212 3. The applicant's articles of incorporation provide that the corporation may, on vote of a majority of the
 3213 stockholders or members, purchase at fair market value the entire membership interest of any stockholder or
 3214 require the resignation of any member who is or becomes unqualified for such position under subsection C;
 3215 and

3216 4. The applicant meets the criteria established by the Board for the granting of registration.

3217 C. The Director may deny registration to an applicant if he finds that the applicant, or any officer,
 3218 partner, principal stockholder, or director of the applicant:

3219 1. Has knowingly made a false statement of material fact or has deliberately failed to disclose any
 3220 information requested;

3221 2. Is or has been found guilty of any illegal, corrupt, or fraudulent act, practice, or conduct in connection
 3222 with any fantasy contest in the Commonwealth or any other state or has been convicted of a felony, a crime of
 3223 moral turpitude, or any criminal offense involving dishonesty or breach of trust within the 10 years prior to
 3224 the date of application for registration;

3225 3. Has at any time knowingly failed to comply with the provisions of this chapter or of any requirements of
 3226 the Board;

3227 4. Has had a registration or permit to hold or conduct fantasy contests denied for just cause, suspended,
 3228 or revoked in any other state or country;

3229 5. Has legally defaulted in the payment of any obligation or debt due to the Commonwealth; or

3230 6. Is not qualified to do business in the Commonwealth or is not subject to the jurisdiction of the courts of
 3231 the Commonwealth.

3232 D. Any operator applying for registration or renewal of a registration may operate during the application
 3233 period unless the Director has reasonable cause to believe that such operator is or may be in violation of the
 3234 provisions of this chapter and the Director requires such operator to suspend the operation of any fantasy
 3235 contest until registration or renewal of registration is issued.

3236 E. The Director shall issue such registration within 60 days of receipt of the application for registration.
 3237 If the registration is not issued, the Director shall provide the operator with specific justification for not
 3238 issuing such registration.

3239 **§ 58.1-4176. Independent audit required; submission to Authority.**

3240 A registered operator shall (i) annually contract with a certified public accountant to conduct an
 3241 independent audit, consistent with the standards accepted by the Board of Accountancy; (ii) annually
 3242 contract with a testing laboratory recognized by the Authority to verify compliance with the provisions of
 3243 subsection D of § 58.1-4174; and (iii) submit to the Authority a copy of the (a) audit report and (b) report of
 3244 the testing laboratory as required by clause (ii).

3245 **§ 58.1-4177. Powers and duties of the Board and the Authority.**

3246 A. The Authority shall have all powers and duties necessary to carry out the provisions of this chapter.
 3247 The Board may establish procedures deemed necessary to carry out the provisions of this chapter.

3248 B. Whenever it appears to the Authority that any person has violated any provision of this chapter, it may
 3249 apply to the appropriate circuit court for an injunction against such person. The order granting or refusing
 3250 such injunction shall be subject to appeal as in other cases in equity.

3251 C. Whenever the Authority has reasonable cause to believe that a violation of this chapter may have
 3252 occurred, the Authority, upon its own motion or upon complaint of any person, may investigate any fantasy
 3253 contest operator to determine whether such operator has violated the provisions of this chapter. In the
 3254 conduct of such investigation, the Authority:

3255 1. May require or permit any person to file a statement in writing, under oath or otherwise as it
 3256 determines, as to all facts and circumstances concerning the matter to be investigated;

3257 2. May administer oaths or affirmations and, upon its own motion or upon request of any party, subpoena
 3258 witnesses and compel their attendance, take evidence, and require the production of any matter that is
 3259 relevant to the investigation, including the existence, description, nature, custody, condition, and location of
 3260 any books, documents, or other tangibles and the identity and location of persons having knowledge of
 3261 relevant facts or any other matter reasonably calculated to lead to the discovery of material evidence; and

3262 3. Shall report immediately, upon the receipt of a complaint of an alleged criminal violation of this
 3263 chapter, such complaint to the Office of the Gaming Enforcement Coordinator at the Department of State
 3264 Police pursuant to § 52-54 and the attorney for the Commonwealth in the jurisdiction where such alleged
 3265 violation occurred for appropriate action.

3266 D. Any proceedings or hearings by the Authority under this chapter, where witnesses are subpoenaed and
 3267 their attendance is required for evidence to be taken or any matter is to be produced to ascertain material
 3268 evidence, shall take place within the City of Richmond.

3269 E. Upon failure to obey a subpoena and upon reasonable notice to all persons affected thereby, the
 3270 Authority may apply to the Circuit Court of the City of Richmond for an order imposing punishment for
 3271 contempt of the subpoena or compelling compliance.

3272 **§ 58.1-4178. Suspension or revocation of registration.**

3273 A. After a hearing with 15 days' notice, the Director may suspend or revoke any registration or impose on
 3274 such operator a monetary penalty of not more than \$1,000 for each violation of this chapter, not to exceed
 3275 \$50,000, in any case where a violation of this chapter has been shown by a preponderance of the evidence.
 3276 The Director may revoke a registration if he finds that facts not known by him at the time he considered the
 3277 application indicate that such registration should not have been issued.

3278 B. The Director may summarily suspend any registration for a period of not more than seven days,
 3279 pending a hearing and final determination by the Board, if he determines that a violation of this chapter has
 3280 occurred and emergency action is required to protect the public health, safety, and welfare. The Director
 3281 shall (i) schedule a hearing within seven business days after the registration is summarily suspended and (ii)
 3282 notify the registered operator not less than five business days before the hearing of the date, time, and place

3283 of the hearing.

3284 C. If any such registration is suspended or revoked, the Director shall state his reasons for doing so,
 3285 which shall be entered of record. Such action shall be final unless appealed in accordance with § 58.1-4179.
 3286 Suspension or revocation of a registration issued by the Director for any violation shall not preclude civil
 3287 liability for such violation.

3288 **§ 58.1-4179. Hearing and appeal.**

3289 Any person aggrieved by a denial of the Director to issue a registration, the suspension or revocation of a
 3290 registration, the imposition of a fine, or any other action of the Board may seek review of such action in
 3291 accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act in the Circuit Court of the
 3292 City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the
 3293 Administrative Process Act.

3294 **§ 58.1-4180. Fees and charges.**

3295 All fees, charges, and monetary penalties collected by the Authority as provided in this chapter shall be
 3296 paid into a special fund of the state treasury. Such funds shall be used to finance the administration and
 3297 operation of this chapter.

3298 **§ 58.1-4181. Authority to adjust fees; certain transfer of money collected prohibited.**

3299 A. Nongeneral funds generated by fees collected in accordance with this chapter on behalf of the
 3300 Authority and accounted for and deposited into a special fund by the Director shall be held exclusively to
 3301 cover the expenses of the Authority in administering this chapter and shall not be transferred to any other
 3302 agency.

3303 B. Following the close of any biennium, when the account for the Authority maintained under this chapter
 3304 shows expenses allocated to it for the past biennium to be more than 10 percent greater or less than moneys
 3305 collected on behalf of the Authority, it shall revise the fees levied by it for registration and renewal thereof so
 3306 that the fees are sufficient but not excessive to cover expenses.

3307 **§ 58.1-4182. Public inspection of information filed with the Authority; charges for production.**

3308 A. Except as provided in subsection B, registrations required to be filed under this chapter shall be open
 3309 to the public for inspection at such time and under such conditions as the Board may prescribe. A charge not
 3310 exceeding \$1 per page may be made for any copy of such documents as may be furnished to any person by
 3311 the Authority.

3312 B. Reports, data, or documents submitted to the Authority pursuant to the audit requirements of
 3313 § 58.1-4176 and records submitted to the Authority as part of an application for registration or renewal that
 3314 contain information about the character or financial responsibility of the operator or its principal
 3315 stockholders shall be deemed confidential and shall be exempt from disclosure under the Virginia Freedom of
 3316 Information Act (§ 2.2-3700 et seq.).

3317 **§ 58.1-4183. Registration not endorsement.**

3318 No registered operator shall use or exploit the fact of registration under this chapter so as to lead the
 3319 public to believe that such registration in any manner constitutes an endorsement or approval by the
 3320 Commonwealth.

3321 **§ 58.1-4184. Acquisition of interest in fantasy contest operator.**

3322 A. If any person acquires actual control of a registered operator, such person shall register with the
 3323 Authority in accordance with § 58.1-4174.

3324 B. Where any such acquisition of control is without prior approval of the Director, the Director may
 3325 suspend any registration he has issued to such operator, order compliance with this section, or take such
 3326 other action as may be appropriate within his authority.

3327 **§ 58.1-4185. Civil penalty.**

3328 In addition to the provisions of § 58.1-4178, any person, firm, corporation, association, agent, or
 3329 employee who knowingly violates any procedure implemented under subsection D of § 58.1-4174 or any
 3330 other provision of this chapter shall be liable for a civil penalty of not more than \$1,000 for each such
 3331 violation. Such amount shall be recovered in a civil action brought by the Authority and be paid into the
 3332 Literary Fund.

3333 **§ 58.1-4186. Fantasy contests conducted under this chapter not illegal gambling.**

3334 A. Nothing contained in Article 1 (§ 18.2-325 et seq.) of Chapter 8 of Title 18.2 shall be applicable to a
 3335 fantasy contest conducted in accordance with this chapter. The award of any prize money for any fantasy
 3336 contest shall not be deemed to be part of any gaming contract within the purview of § 11-14.

3337 B. This section shall not apply to any sports betting or related activity that is lawful under Chapter 40.2
 3338 (§ 58.1-4075 et seq.), which shall be regulated pursuant to such chapter.

3339 **§ 58.1-4187. Liability imposed by other laws not decreased.**

3340 Except as provided in § 58.1-4186, nothing contained in this chapter shall be construed as making lawful
 3341 any act or omission that is now unlawful or as decreasing the civil or criminal liability of any person imposed
 3342 by existing laws.

3343

CHAPTER 44.

3344 LIVE HORSE RACING, HISTORICAL HORSE RACING, AND SIMULCAST HORSE RACING WITH PARI-

MUTUEL WAGERING.

Article 1.

General Provisions.

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§ 58.1-4188. Control of live horse racing, historical horse racing, and simulcast horse racing with pari-mutuel wagering.

A. Horse racing with pari-mutuel wagering licensed pursuant to this chapter is permitted in the Commonwealth for the promotion, sustenance, and growth of a native industry, in a manner consistent with the health, safety, and welfare of the people. The Virginia Lottery and Gaming Authority is vested with (i) plenary power and control of all historical horse racing and simulcast horse racing with pari-mutuel wagering in the Commonwealth and (ii) power to prescribe regulations and conditions under which live horse racing with pari-mutuel wagering shall be conducted, with the advice and in consultation with the Virginia Racing Commission established pursuant to § 58.1-4190, so as to maintain horse racing in the Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest, or unprincipled practices and to maintain in such racing complete honesty and integrity. The Virginia Lottery and Gaming Authority shall encourage participation by local individuals and businesses in those activities associated with horse racing.

B. The conduct of any horse racing with pari-mutuel wagering, participation in such horse racing or wagering, and entrance to any place where such racing or wagering is conducted is a privilege that may be granted or denied by the Authority or its duly authorized representatives in its discretion in order to effectuate the purposes set forth in this chapter.

C. The award of any prize money for any pari-mutuel wager placed at a racetrack or satellite facility licensed by the shall not be construed as a part of any gaming contract within the purview of § 11-14.

D. This section shall not apply to any sports betting or related activity that is lawful under Chapter 40.2 (§ 58.1-4075 et seq.) or 41 (§ 58.1-4100 et seq.), which shall be regulated pursuant to such chapters.

§ 58.1-4189. Definitions.

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

"Advance deposit account wagering" means a method of pari-mutuel wagering conducted in the Commonwealth that is permissible under the Interstate Horseracing Act, 15 U.S.C. § 3001 et seq., and in which an individual may establish an account with an entity, licensed by the Authority, to place pari-mutuel wagers in person or electronically.

"Breakage" means the odd cents by which the amount payable on each dollar wagered exceeds a multiple of \$0.10.

"Dependent" means a son, daughter, father, mother, brother, sister, or other person, whether or not related by blood or marriage, if such person receives from an officer or employee more than one-half of his financial support.

"Drug" means the same as that term is defined in § 54.1-3401. The Board shall, by regulation, define and designate those drugs the use of which is prohibited or restricted.

"Enclosure" means all areas of the property of a track to which admission can be obtained only by payment of an admission fee or upon presentation of authorized credentials, and any additional areas designated by the Racing Commission.

"Handle" means the total amount of all pari-mutuel wagering sales excluding refunds and cancellations.

"Historical horse racing" means a form of horse racing that creates pari-mutuel pools from wagers placed on previously conducted horse races and is hosted at (i) a racetrack owned or operated by a significant infrastructure limited licensee or (ii) a satellite facility that is owned or operated by (a) a significant infrastructure limited licensee or (b) the nonprofit industry stakeholder organization recognized by the Authority and licensed to own or operate such satellite facility.

"Horse racing" or "live horse racing" means a competition on a set course involving a race between horses on which pari-mutuel wagering is permitted.

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

"Licensee" includes any person holding an owner's or operator's license pursuant to this chapter.

"Member" includes any person designated a member of a nonstock corporation, and any person who by means of a pecuniary or other interest in such corporation exercises the power of a member.

"Pari-mutuel wagering" means the system of wagering on horse races in which those who wager on horses that finish in the position or positions for which wagers are taken share in the total amounts wagered, plus any amounts provided by a licensee, less deductions required or permitted by law and includes pari-mutuel wagering on historical horse racing and simulcast horse racing originating within the Commonwealth or from any other jurisdiction.

"Participant" means any person who (i) has an ownership interest in any horse entered to race in the Commonwealth or who acts as the trainer, jockey, or driver of any horse entered to race in the Commonwealth or (ii) takes part in any horse racing subject to the jurisdiction of the Authority or in the

3407 *conduct of a race meeting or pari-mutuel wagering there, including a horse owner, trainer, jockey, or driver,*
3408 *groom, stable foreman, valet, veterinarian, agent, pari-mutuel employee, concessionaire or employee thereof,*
3409 *track employee, or other position the Authority deems necessary to regulate to ensure the integrity of horse*
3410 *racing in Virginia.*

3411 *"Permit holder" includes any person holding a permit to participate in any horse racing subject to the*
3412 *jurisdiction of the Authority or in the conduct of a race meeting or pari-mutuel wagering thereon as provided*
3413 *in § 58.1-4216.*

3414 *"Person" means any individual, group of individuals, firm, company, corporation, partnership, business,*
3415 *trust, association, or other legal entity.*

3416 *"Pool" means the amount wagered during a race meeting or during a specified period of a race meeting.*

3417 *"Principal stockholder" means any person who individually or in concert with his spouse and immediate*
3418 *family members, beneficially owns or controls, directly or indirectly, five percent or more of the stock of any*
3419 *person that is a licensee, or who in concert with his spouse and immediate family members, has the power to*
3420 *vote or cause the vote of five percent or more of any such stock. However, "principal stockholder" shall not*
3421 *include a broker-dealer registered under the Securities Exchange Act of 1934, as amended, which holds in*
3422 *inventory shares for sale on the financial markets for a publicly traded corporation holding, directly or*
3423 *indirectly, a license from the Authority.*

3424 *"Race meeting" means the whole consecutive period of time during which horse racing with pari-mutuel*
3425 *wagering is conducted by a licensee.*

3426 *"Racetrack" means an outdoor course located in the Commonwealth that is laid out for horse racing and*
3427 *is licensed by the Authority.*

3428 *"Racing Commission" means the Virginia Racing Commission established pursuant to § 58.1-4190.*

3429 *"Recognized majority horsemen's group" means the organization recognized by the Racing Commission*
3430 *as the representative of the majority of owners and trainers racing at race meetings subject to the Authority's*
3431 *jurisdiction.*

3432 *"Retainage" means the total amount deducted from the pari-mutuel wagering pool for (i) a license fee to*
3433 *the Authority and localities, (ii) the licensee, (iii) purse money for the participants, (iv) the Virginia Breeders*
3434 *Fund, and (v) certain enumerated organizations as required or permitted by law, regulation, or contract*
3435 *approved by the Authority.*

3436 *"Satellite facility" means all areas of the property at which simulcast horse racing is received for the*
3437 *purposes of pari-mutuel wagering, and any additional areas designated by the Authority.*

3438 *"Significant infrastructure facility" means a horse racing facility that has been approved by a local*
3439 *referendum pursuant to § 58.1-4220 and has a minimum racing infrastructure consisting of (i) a one-mile dirt*
3440 *track for flat racing, (ii) a seven-eighths-mile turf course for flat or jump racing, (iii) covered seating for no*
3441 *fewer than 500 persons, and (iv) barns with no fewer than 400 permanent stalls.*

3442 *"Significant infrastructure limited licensee" means a person who owns or operates a significant*
3443 *infrastructure facility and holds a limited license under § 58.1-4204.*

3444 *"Simulcast horse racing" means the simultaneous transmission of the audio or video portion, or both, of*
3445 *horse races from a licensed horse racetrack or satellite facility to another licensed horse racetrack or*
3446 *satellite facility, regardless of state of licensure, whether such races originate within the Commonwealth or*
3447 *any other jurisdiction, by satellite communication devices, television cables, telephone lines, or any other*
3448 *means for the purposes of conducting pari-mutuel wagering.*

3449 *"Steward" means a racing official, duly appointed by the Authority, with powers and duties prescribed by*
3450 *Board regulations.*

3451 *"Stock" includes all classes of stock, partnership interest, membership interest, or similar ownership*
3452 *interest of an applicant or licensee, and any debt or other obligation of such person or an affiliated person if*
3453 *the Authority finds that the holder of such interest or stock derives therefrom such control of or voice in the*
3454 *operation of the applicant or licensee that he should be deemed an owner of stock.*

3455 *"Virginia Breeders Fund" means the fund established to foster the industry of breeding race horses in the*
3456 *Commonwealth.*

3457 **§ 58.1-4190. Virginia Racing Commission established; purpose; membership; compensation; duties.**

3458 *A. The Virginia Racing Commission is established as an advisory board in state government for the*
3459 *purpose of advising the Virginia Lottery and Gaming Authority on all aspects of the live horse racing*
3460 *industry in the Commonwealth. The Racing Commission shall have a total membership of five nonlegislative*
3461 *citizen members to be appointed by the Governor, subject to confirmation by the General Assembly.*
3462 *Nonlegislative citizen members shall be citizens of the Commonwealth.*

3463 *Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms.*
3464 *Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed.*

3465 *After the initial staggering of terms, nonlegislative citizen members shall be appointed for a term of five*
3466 *years.*

3467 *The Racing Commission shall elect a chairman and vice-chairman from among its membership. A*
3468 *majority of the members shall constitute a quorum. The meetings of the Racing Commission shall be held at*

3469 *the call of the chairman or whenever the majority of the members so request.*

3470 *Members shall receive such compensation for the performance of their duties as provided in § 2.2-2813.*
 3471 *All members shall be reimbursed for all reasonable and necessary expenses incurred in the performance of*
 3472 *their duties as provided in §§ 2.2-2813 and 2.2-2825. Funding for the costs of compensation and expenses of*
 3473 *the members shall be provided by the Authority.*

3474 *B. The Racing Commission shall have the following powers and duties:*

3475 *1. Advise the Authority on the conduct of live horse racing in the Commonwealth, including consulting*
 3476 *with the Authority on the promulgation of all rules and regulations related to the live horse racing industry;*

3477 *2. Recommend policy and legislative changes to the Authority regarding horse racing, licensure and*
 3478 *permitting, upkeep of racetracks and stable maintenance, or other matters related to the horse racing*
 3479 *industry;*

3480 *3. Advise on other matters related to horse racing that the Authority may request or the Racing*
 3481 *Commission may deem necessary; and*

3482 *4. Keep a complete and accurate record of its proceedings. A copy of such record and any other public*
 3483 *records not exempt from disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) shall*
 3484 *be available for public inspection and copying during regular office hours at the Authority.*

3485 **§ 58.1-4191. Financial interests of Racing Commission members and family members prohibited.**

3486 *No member of the Racing Commission, and no spouse or immediate family member of any such member*
 3487 *shall have any financial interest, direct or indirect, in (i) any horse racetrack, satellite facility, or operation*
 3488 *incident thereto subject to the provisions of this chapter; (ii) any entity that has submitted an application for*
 3489 *a license pursuant to this chapter; (iii) the operation of any such racetrack or satellite facility within the*
 3490 *Commonwealth; or (iv) the operation of any wagering authorized under this chapter. No member of the*
 3491 *Racing Commission, and no spouse or immediate family member of any such member shall (a) participate as*
 3492 *owner of a horse or otherwise as a contestant in any race subject to the jurisdiction of the Authority; (b) have*
 3493 *any pecuniary interest in the purse or prize contested for in any such race; or (c) make any contribution to a*
 3494 *candidate for office or office holders on the local or state level, or cause a contribution to be made on their*
 3495 *behalf.*

3496 **§ 58.1-4192. Powers and duties of the Authority.**

3497 *A. The Authority shall have all powers and duties necessary to carry out the provisions of this chapter.*
 3498 *Such powers and duties may be executed by the Board, and when in regard to live horse racing, shall be*
 3499 *executed in consultation and with the advice and consent of the Virginia Racing Commission pursuant to the*
 3500 *provisions of § 58.1-4188.*

3501 *B. The powers and duties of the Authority shall include the following:*

3502 *1. The Authority is vested with jurisdiction and supervision over all horse racing, historical horse racing,*
 3503 *and simulcast horse racing licensed under the provisions of this chapter including all persons conducting,*
 3504 *participating in, or attending any race meeting. It shall employ such persons to be present at race meetings*
 3505 *as are necessary to ensure that they are conducted with order and the highest degree of integrity. It may eject*
 3506 *or exclude from the enclosure or from any part of such enclosure any person, whether or not he possesses a*
 3507 *license or permit, whose conduct or reputation is such that his presence may, in the opinion of the Authority,*
 3508 *reflect on the honesty and integrity of horse racing or interfere with the orderly conduct of horse racing.*

3509 *2. The Authority, its representatives, and employees shall visit, investigate, and have free access to the*
 3510 *office, track, facilities, satellite facilities, or other places of business of any licensee or permit holder, and*
 3511 *may compel the production of any of the books, documents, records, or memoranda of any licensee or permit*
 3512 *holder for the purpose of satisfying itself that this chapter and its regulations are strictly complied with. In*
 3513 *addition, the Authority may require any person granted a permit by the Director and shall require any person*
 3514 *licensed by the Director, the recognized majority horsemen's group, and the nonprofit industry stakeholder*
 3515 *organization recognized by the Authority under this chapter to produce an annual balance sheet and*
 3516 *operating statement prepared by a certified public accountant approved by the Authority. The Authority may*
 3517 *require the production of any contract to which such person is or may be a party.*

3518 *3. The Board shall promulgate regulations and conditions under which horse racing, historical horse*
 3519 *racing, and simulcast horse racing with pari-mutuel wagering shall be conducted in the Commonwealth, and*
 3520 *all such other regulations it deems necessary and appropriate to effect the purposes of this chapter, including*
 3521 *a requirement that licensees post, in a conspicuous place in every place where pari-mutuel wagering is*
 3522 *conducted, (i) a sign that bears a toll-free telephone number for "Gamblers Anonymous" or other*
 3523 *organization that provides assistance to compulsive gamblers and (ii) a sign that bears the toll-free number*
 3524 *and website for the illegal gaming tip line established and administered by the Office of the Gaming*
 3525 *Enforcement Coordinator in the Department of State Police pursuant to § 52-54 for members of the public to*
 3526 *report concerns about, or suspected instances of, illegal gaming activities. Such regulations shall include*
 3527 *provisions for affirmative action to assure participation by minority persons in contracts granted by the*
 3528 *Authority and its licensees. Nothing in this subdivision shall be deemed to preclude private local ownership*
 3529 *or participation in any horse racetrack. Such regulations may include penalties for violations. The*
 3530 *regulations shall be subject to the Administrative Process Act (§ 2.2-4000 et seq.).*

3531 4. The Board shall promulgate regulations and conditions under which simulcast horse racing shall be
3532 conducted at a licensed horse racetrack or satellite facility in the Commonwealth and all such other
3533 regulations it deems necessary and appropriate to effect the purposes of this chapter. Such regulations shall
3534 include provisions that all simulcast horse racing shall comply with the Interstate Horse Racing Act of 1978
3535 (15 U.S.C. § 3001 et seq.) and shall require the holder of a license to schedule no more than 125 live racing
3536 days in the Commonwealth each calendar year; however, the Racing Commission shall have the authority to
3537 alter the required number of live racing days in the event of force majeure. Such regulations shall authorize
3538 up to 10 satellite facilities and restrict majority ownership of satellite facilities to an entity licensed by the
3539 Director that is a significant infrastructure limited licensee, or if by August 1, 2015, there is no such licensee
3540 or a pending application for such license, then the nonprofit industry stakeholder organization recognized by
3541 the Authority may be granted licenses to own or operate satellite facilities. If, however, after the issuance of a
3542 license to own or operate a satellite facility to such nonprofit industry stakeholder organization, the Director
3543 grants a license to a significant infrastructure limited licensee pursuant to § 58.1-4204, then such limited
3544 licensee may own or operate the remaining available satellite facilities authorized in accordance with this
3545 subdivision. In no event shall the Authority authorize any such entities to own or operate more than a
3546 combined total of 10 satellite facilities. Nothing in this subdivision shall be deemed to preclude private local
3547 ownership or participation in any satellite facility. Except as authorized pursuant to subdivision 5, wagering
3548 on simulcast horse racing shall take place only at a licensed horse racetrack or satellite facility. For
3549 purposes of this subdivision, "force majeure" means an event or events reasonably beyond the ability of the
3550 Racing Commission to anticipate and control. "Force majeure" includes acts of God, incidences of terrorism,
3551 war or riots, labor strikes or civil disturbances, floods, earthquakes, fire, explosions, epidemics, hurricanes,
3552 tornadoes, and governmental actions and restrictions.

3553 5. The Board shall promulgate regulations and conditions regulating and controlling advance deposit
3554 account wagering. Such regulations shall include (i) standards, qualifications, and procedures for the
3555 issuance of a license to an entity for the operation of pari-mutuel wagering in the Commonwealth, except that
3556 the Director shall not issue a license to, and shall revoke the license of, an entity that, either directly or
3557 through an entity under common control with it, withholds the sale at fair market value to a licensee of
3558 simulcast horse racing signals that such entity or an entity under common control with it sells to other
3559 racetracks, satellite facilities, or advance deposit account wagering providers located in or outside of the
3560 Commonwealth; (ii) provisions regarding access to books, records, and memoranda, and submission to
3561 investigations and audits, as authorized by subdivisions 2 and 10; and (iii) provisions regarding the
3562 collection of all revenues due to the Commonwealth from the placing of such wagers. No pari-mutuel wager
3563 may be made on or with any computer owned or leased by the Commonwealth, or any of its subdivisions, or
3564 at any public elementary or secondary school or institution of higher education. The Authority also shall
3565 ensure that, except for this method of pari-mutuel wagering, all wagering on simulcast horse racing shall
3566 take place only at a licensed horse racetrack or satellite facility.

3567 Nothing in this subdivision shall be construed to limit the Authority's authority as set forth elsewhere in
3568 this section.

3569 6. The Board may issue subpoenas for the attendance of witnesses before it, administer oaths, and compel
3570 production of records or other documents and testimony of such witnesses whenever, in the judgment of the
3571 Board, it is necessary to do so for the effectual discharge of its duties.

3572 7. The Board may compel any person holding a license or permit to file with the Authority such data as
3573 shall appear to the Board to be necessary for the performance of its duties including financial statements and
3574 information relative to stockholders and all others with any pecuniary interest in such person. It may
3575 prescribe the manner in which books and records of such persons shall be kept.

3576 8. The Authority shall report annually on or before March 1 to the Governor and the General Assembly,
3577 which report shall include a financial statement of the operation of the Authority.

3578 9. The Authority may order such audits, in addition to those required by § 58.1-4198, as it deems
3579 necessary and desirable.

3580 10. The Authority, shall upon the receipt of a complaint of an alleged criminal violation of this chapter,
3581 immediately report the complaint to the Attorney General and the Office of the Gaming Enforcement
3582 Coordinator at the Department of State Police pursuant to § 52-54 for appropriate action.

3583 11. The Authority shall provide for the withholding of the applicable amount of state and federal income
3584 tax of persons claiming a prize or pay-off for a winning wager and shall establish the thresholds for such
3585 withholdings.

3586 12. The Authority, its representatives, and employees may, within the enclosure, stable, or other facility
3587 related to the conduct of horse racing, and during regular or usual business hours, subject any (i) permit
3588 holder to personal inspections, including alcohol and drug testing for illegal drugs, inspections of personal
3589 property, and inspections of other property or premises under the control of such permit holder and (ii) horse
3590 eligible to race at a race meeting licensed by the Authority to testing for substances foreign to the natural
3591 horse within the racetrack enclosure or other place where such horse is kept. Any item, document, or record
3592 indicative of a violation of any provision of this chapter or Board regulations may be seized as evidence of

3593 such violation. All permit holders consent to the searches and seizures authorized by this subdivision,
 3594 including breath, blood, and urine sampling for alcohol and illegal drugs, by accepting the permit issued by
 3595 the Director. The Director may revoke or suspend the permit of any person who fails or refuses to comply
 3596 with this subdivision or any rules of the Authority. Board regulations in effect on July 1, 1998, shall continue
 3597 in full force and effect until modified by the Board in accordance with law.

3598 13. The Authority shall require the existence of a contract between each licensee and the recognized
 3599 majority horsemen's group for that licensee. Such contract shall be subject to the approval of the Board,
 3600 which shall have the power to approve or disapprove any of its items, including the provisions regarding
 3601 purses and prizes. Such contracts shall provide that on pools generated by wagering on simulcast horse
 3602 racing from outside the Commonwealth, (i) for the first \$75 million of the total pari-mutuel handle for each
 3603 breed, the licensee shall deposit funds at the minimum rate of five percent in the horsemen's purse account;
 3604 (ii) for any amount in excess of \$75 million but less than \$150 million of the total pari-mutuel handle for each
 3605 breed, the licensee shall deposit funds at the minimum rate of six percent in the horsemen's purse account;
 3606 and (iii) for amounts in excess of \$150 million for each breed, the licensee shall deposit funds at the minimum
 3607 rate of seven percent in the horsemen's purse account. Such deposits shall be made in the horsemen's purse
 3608 accounts of the breed that generated the pools and such deposits shall be made within five days from the date
 3609 on which the licensee receives wagers. In the absence of the required contract between the licensee and the
 3610 recognized majority horsemen's group, the Board may permit wagering to proceed on simulcast horse racing
 3611 from outside of the Commonwealth, provided that the licensee deposits into the Horse Racing Operations
 3612 Fund created pursuant to § 58.1-4194 an amount equal to the minimum percentage of the total pari-mutuel
 3613 handles as required in clauses (i), (ii), and (iii) or such lesser amount as the Board may approve. The
 3614 deposits shall be made within five days from the date on which the licensee receives wagers. Once a contract
 3615 between the licensee and the recognized majority horsemen's group is executed and approved by the Board,
 3616 the Authority shall transfer these funds to the licensee and the horsemen's purse accounts.

3617 14. Notwithstanding the provisions of § 58.1-4220, the Director may grant provisional limited licenses or
 3618 provisional unlimited licenses to own or operate racetracks or satellite facilities to an applicant prior to the
 3619 applicant securing the approval through the local referendum required by § 58.1-4220. The provisional
 3620 licenses issued by the Director shall only become effective upon the approval of the racetrack or satellite
 3621 wagering facilities in a referendum conducted pursuant to § 58.1-4220 in the jurisdiction in which the
 3622 racetrack or satellite wagering facility is to be located.

3623 15. The Board shall promulgate regulations requiring, for each calendar year, any significant
 3624 infrastructure limited licensee that offers pari-mutuel wagering on historical horse racing to hold at least one
 3625 live Thoroughbred horse racing day, consisting of not less than eight races per day, for every 100 historical
 3626 horse racing terminals installed at its significant infrastructure facility together with any satellite facility
 3627 owned, operated, controlled, managed, or otherwise directly or indirectly affiliated with such licensee. The
 3628 regulations shall require any such significant infrastructure limited licensee that holds more than one live
 3629 Thoroughbred horse racing day in accordance with the provisions of this subdivision to hold at least one of
 3630 those racing days on a weekend. The number of historical horse racing terminals installed at a significant
 3631 infrastructure facility shall be calculated as of December 31 of the calendar year in question; however, only
 3632 historical horse racing terminals that are fully operational shall be included in such calculation.

3633 **§ 58.1-4193. Staff; stewards.**

3634 A. The Authority shall appoint such employees as it deems essential to perform its duties under this
 3635 chapter, who shall possess such authority and perform such duties as the Authority shall prescribe or
 3636 delegate to them. Such employees may include stewards, chemists, veterinarians, inspectors, accountants,
 3637 guards, and such other employees deemed by the Authority to be necessary for the supervision and the proper
 3638 conduct of the highest standard of horse racing. Such employees shall be compensated as provided by the
 3639 Authority.

3640 B. The stewards appointed by the Executive Secretary shall act as racing officials to oversee the conduct
 3641 of (i) horse racing at licensed racetracks and (ii) simulcast horse racing at satellite facilities. The stewards
 3642 shall have the authority to interpret and enforce the Board's regulations and to decide all questions of horse
 3643 racing and simulcast horse racing not specifically covered by the regulations of the Board. Nothing in this
 3644 subsection shall limit the authority of the Authority to carry out the provisions of this chapter and to exercise
 3645 control of horse racing as set forth in this chapter, including the power to review all decisions and rulings of
 3646 the stewards.

3647 **§ 58.1-4194. Horse Racing Operations Fund.**

3648 There is hereby created in the state treasury a special nonreverting fund to be known as the Horse Racing
 3649 Operations Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the
 3650 Comptroller. All moneys and revenues received by the Authority pursuant to the provisions of this chapter
 3651 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall
 3652 remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at
 3653 the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the
 3654 Fund shall be used solely for the operation and administration of this chapter by the Authority. Expenditures

3655 *and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the*
 3656 *Comptroller upon written request signed by the Director.*

3657 **§ 58.1-4195. Fingerprints and background investigations; investigations from other states.**

3658 *A. The Authority shall fingerprint and require a background investigation, including a criminal history*
 3659 *record information check, conducted by a representative of a law-enforcement agency of the Commonwealth*
 3660 *or federal government of the following persons: (i) every person licensed to hold race meetings within the*
 3661 *Commonwealth; (ii) every person who is an officer, director, or principal stockholder of a corporation that*
 3662 *holds such a license, and every employee of the holder of any such license whose duties relate to the horse*
 3663 *racing business in the Commonwealth; (iii) all security personnel of any license holder; (iv) members and*
 3664 *employees of the Authority; (v) all permit holders, owners, trainers, jockeys, apprentices, stable employees,*
 3665 *managers, agents, blacksmiths, veterinarians, and employees of any licensee or permit holder; and (vi) any*
 3666 *person who actively participates in the horse racing activities of any licensee or permit holder.*

3667 *B. Notwithstanding the provisions of subsection A, the Board may (i) by regulation, establish a procedure*
 3668 *to recognize a license or permit issued by another state in which horse racing is authorized when the Board,*
 3669 *in its discretion, determines that (a) the laws or requirements of the licensing authority for such state*
 3670 *governing fingerprinting and background investigations are substantially the same as required under this*
 3671 *chapter and Board regulations and (b) the applicant has not been convicted of an offense as provided in*
 3672 *subsection C of § 58.1-4218 and (ii) waive the requirements for fingerprinting and background investigations*
 3673 *for permit holders participating in (a) horse racing in nonsecure areas or (b) nonracing activities.*

3674 **§ 58.1-4196. Hearing and appeal.**

3675 *Any person aggrieved by (i) a refusal of the Director to issue any license or permit, (ii) the suspension or*
 3676 *revocation of a license or permit, (iii) the imposition of a fine, or (iv) any other action of the Authority or*
 3677 *Board pursuant to this chapter, may seek review of such action in accordance with Article 5 (§ 2.2-4025 et*
 3678 *seq.) of the Administrative Process Act in the Circuit Court of the City of Richmond, and any further appeals*
 3679 *shall also be in accordance with such chapter.*

3680 **§ 58.1-4197. Injunction.**

3681 *Whenever it appears to the Authority that any person has violated or may violate any provision of this*
 3682 *chapter, any Board regulation, or final decision of the Authority, it may apply to the appropriate circuit court*
 3683 *for an injunction against such person. The order granting or refusing such injunction shall be subject to*
 3684 *appeal as in other cases in equity.*

3685 **§ 58.1-4198. Audit required.**

3686 *A regular post-audit shall be conducted of all accounts and transactions of the Authority. An audit of a*
 3687 *fiscal and compliance nature of the accounts and transactions of the Authority shall be conducted by the*
 3688 *Auditor of Public Accounts as determined necessary by the Auditor of Public Accounts. The cost of the audit*
 3689 *and post-audit examinations shall be paid by the Authority.*

3690 **§ 58.1-4199. Virginia Breeders Fund.**

3691 *There is hereby created within the State Treasury the Virginia Breeders Fund, referred to in this section*
 3692 *as "the Fund," which Fund, together with the interest thereon, shall be administered in whole or in part by*
 3693 *the Authority or by an entity designated by the Authority. The cost of administering and promoting the Fund*
 3694 *shall be deducted from the Fund, and the balance shall be disbursed by the Authority or designated entity to*
 3695 *the breeders of Virginia-bred horses that finish first, second, or third in races at race meetings designated by*
 3696 *the Authority, to the owners of Virginia sires of Virginia-bred horses that finish first, second, or third in races*
 3697 *at race meetings designated by the Authority, to the owners of Virginia-bred horses that win or earn purse*
 3698 *money in nonrestricted races at racetracks in Virginia licensed by the Authority, to the owners of Virginia-*
 3699 *bred horses that win races at race meetings designated by the Authority, and for purses for races restricted to*
 3700 *Virginia-bred or Virginia-sired horses or both at race meetings designated by the Authority. To assist the*
 3701 *Authority in establishing this awards and incentive program to foster the industry of breeding racehorses in*
 3702 *Virginia, the Board shall appoint an advisory committee composed of two members from each of the*
 3703 *registered breed associations representing each breed of horse participating in the Fund program, one*
 3704 *member representing the owners and operators of racetracks, and one member representing all of the meets*
 3705 *sanctioned by the National Steeplechase Association.*

3706 **Article 2.**

3707 **Live Horseracing Compact.**

3708 **§ 58.1-4200. Live Horseracing Compact; form of compact.**

3709 *The Live Horseracing Compact is enacted into law and entered into with all other jurisdictions legally*
 3710 *joining therein in the form substantially as follows:*

3711 **ARTICLE I. Purposes.**

3712 **§ 1. Purposes.**

3713 *The purposes of this compact are to:*

3714 *1. Establish uniform requirements among the party states for the licensing of participants in live horse*
 3715 *racing with pari-mutuel wagering, and ensure that all such participants who are licensed pursuant to this*
 3716 *compact meet a uniform minimum standard of honesty and integrity.*

3717 2. Facilitate the growth of the horse racing industry in each party state and nationwide by simplifying the
 3718 process for licensing participants in live racing, and reduce the duplicative and costly process of separate
 3719 licensing by the regulatory agency in each state that conducts live horse racing with pari-mutuel wagering.

3720 3. Authorize the Virginia Lottery and Gaming Authority to participate in this compact.

3721 4. Provide for participation in this compact by officials of the party states, and permit those officials,
 3722 through the compact committee established by this compact, to enter into contracts with governmental
 3723 agencies and nongovernmental persons to carry out the purposes of this compact.

3724 5. Establish the compact committee created by this compact as an interstate governmental entity duly
 3725 authorized to request and receive criminal history record information from the Federal Bureau of
 3726 Investigation and other state and local law-enforcement agencies.

3727 ARTICLE II. Definitions.

3728 § 2. Definitions.

3729 "Compact committee" means the organization of officials from the party states that is authorized and
 3730 empowered by this compact to carry out the purposes of this compact.

3731 "Official" means the appointed, elected, designated, or otherwise duly selected representative of a racing
 3732 commission or the equivalent thereof in a party state who represents that party state as a member of the
 3733 compact committee.

3734 "Participants in live racing" means participants in live horse racing with pari-mutuel wagering in the
 3735 party states.

3736 "Party state" means each state that has enacted this compact.

3737 "State" means each of the several states of the United States, the District of Columbia, the Commonwealth
 3738 of Puerto Rico, and each territory or possession of the United States.

3739 ARTICLE III. Entry into Force, Eligible Parties, and Withdrawal.

3740 § 3. Entry into force.

3741 This compact shall come into force when enacted by any four states. Thereafter, this compact shall
 3742 become effective as to any other state upon (i) that state's enactment of this compact and (ii) the affirmative
 3743 vote of a majority of the officials on the compact committee as provided in § 8.

3744 § 4. States eligible to join compact.

3745 Any state that has adopted or authorized horse racing with pari-mutuel wagering shall be eligible to
 3746 become party to this compact.

3747 § 5. Withdrawal from compact and impact thereof on force and effect of compact.

3748 Any party state may withdraw from this compact by enacting a statute repealing this compact, but no such
 3749 withdrawal shall become effective until the head of the executive branch of the withdrawing state has given
 3750 notice in writing of such withdrawal to the head of the executive branch of all other party states. If as a result
 3751 of withdrawals participation in this compact decreases to less than three party states, this compact no longer
 3752 shall be in force and effect unless and until there are at least three or more party states again participating in
 3753 this compact.

3754 ARTICLE IV. Compact Committee.

3755 § 6. Compact committee established.

3756 There is hereby created an interstate governmental entity to be known as the "compact committee," which
 3757 shall be composed of one official from the racing commission or its equivalent in each party state who shall
 3758 be appointed, serve, and be subject to removal in accordance with the laws of the party state he represents.
 3759 Pursuant to the laws of his party state, each official shall have the assistance of his state's racing commission
 3760 or the equivalent thereof in considering issues related to licensing of participants in live racing and in
 3761 fulfilling his responsibilities as the representative from his state to the compact committee. If an official is
 3762 unable to perform any duty in connection with the powers and duties of the compact committee, the racing
 3763 commission or equivalent thereof from his state shall designate an alternate who shall serve in his place and
 3764 represent the party state as its official on the compact committee until that racing commission or equivalent
 3765 thereof determines that the original representative official is able once again to perform his duties as that
 3766 party state's representative official on the compact committee. The designation of an alternate shall be
 3767 communicated by the affected state's racing commission or equivalent thereof to the compact committee as
 3768 the committee's bylaws may provide.

3769 § 7. Powers and duties of compact committee.

3770 In order to carry out the purposes of this compact, the compact committee is hereby granted the power
 3771 and duty to:

3772 1. Determine which categories of participants in live racing, including but not limited to owners, trainers,
 3773 jockeys, grooms, mutuel clerks, racing officials, veterinarians, and farriers, and which categories of
 3774 equivalent participants in live racing with pari-mutuel wagering authorized in two or more of the party
 3775 states, should be licensed by the committee, and establish the requirements for the initial licensure of
 3776 applicants in each such category, the term of the license for each category, and the requirements for renewal
 3777 of licenses in each category, provided, however, that with regard to requests for criminal records on the
 3778 issuance or renewal of a license, the compact committee shall determine for each category of participants in

3779 live racing which licensure requirements for that category are, in its judgment, the most restrictive licensure
3780 requirements of any party state for that category and shall adopt licensure requirements for that category
3781 that are, in its judgment, comparable to those most restrictive requirements.

3782 2. Investigate applicants for a license from the compact committee and, as permitted by federal and state
3783 law, gather information on such applicants, including criminal history record information from the Federal
3784 Bureau of Investigation and relevant state and local law-enforcement agencies, and, where appropriate, from
3785 the Royal Canadian Mounted Police and law-enforcement agencies of other countries, necessary to
3786 determine whether a license should be issued under the licensure requirements established by the committee
3787 as provided in subdivision 1. Only officials on, and employees of, the compact committee may receive and
3788 review such criminal history record information, and those officials and employees may use that information
3789 only for the purposes of this compact. No such official or employee may disclose or disseminate such
3790 information to any person or entity other than another official or employee of the compact committee. The
3791 fingerprints of each applicant for a license from the compact committee shall be taken by the compact
3792 committee, its employees, or its designee and, pursuant to Public Law 92-544 or Public Law 100-413, shall
3793 be forwarded to a state identification bureau, or an association of state officials regulating pari-mutuel
3794 wagering designated by the Attorney General of the United States, for submission to the Federal Bureau of
3795 Investigation for a criminal history records check. Such fingerprints may be submitted on a fingerprint card
3796 or by electronic or other means authorized by the Federal Bureau of Investigation or other receiving law-
3797 enforcement agency.

3798 3. Issue licenses to, and renew the licenses of, participants in live racing listed in subdivision 1 who are
3799 found by the committee to have met the licensure and renewal requirements established by the committee.
3800 The compact committee shall not have the power or authority to deny a license. If it determines that an
3801 applicant will not be eligible for the issuance or renewal of a compact committee license, the compact
3802 committee shall notify the applicant that it will not be able to process his application further. Such
3803 notification does not constitute and shall not be considered to be the denial of a license. Any such applicant
3804 shall have the right to present additional evidence to, and to be heard by, the compact committee, but the
3805 final decision on issuance or renewal of the license shall be made by the compact committee using the
3806 requirements established pursuant to subdivision 1.

3807 4. Enter into contracts or agreements with governmental agencies and with nongovernmental persons to
3808 provide personal services for its activities and such other services as may be necessary to effectuate the
3809 purposes of this compact.

3810 5. Create, appoint, and abolish those offices, employments, and positions, including an executive director,
3811 as it deems necessary for the purposes of this compact, prescribe their powers, duties, and qualifications,
3812 hire persons to fill those offices, employments, and positions, and provide for the removal, term, tenure,
3813 compensation, fringe benefits, retirement benefits, and other conditions of employment of its officers,
3814 employees, and other positions.

3815 6. Borrow, accept, or contract for the services of personnel from any state, the United States, or any other
3816 governmental agency, or from any person, firm, association, corporation, or other entity.

3817 7. Acquire, hold, and dispose of real and personal property by gift, purchase, lease, license, or in other
3818 similar manner, in furtherance of the purposes of this compact.

3819 8. Charge a fee to each applicant for an initial license or renewal of a license.

3820 9. Receive other funds through gifts, grants, and appropriations.

3821 § 8. Voting requirements.

3822 A. Each official shall be entitled to one vote on the compact committee.

3823 B. All action taken by the compact committee with regard to the addition of party states as provided in §
3824 3, the licensure of participants in live racing, and the receipt and disbursement of funds shall require a
3825 majority vote of the total number of officials, or their alternates, on the committee. All other action by the
3826 compact committee shall require a majority vote of those officials, or their alternates, present and voting.

3827 C. No action of the compact committee may be taken unless a quorum is present. A majority of the
3828 officials, or their alternates, on the compact committee shall constitute a quorum.

3829 § 9. Administration and management.

3830 A. The compact committee shall elect annually from among its members a chairman, a vice-chairman,
3831 and a secretary/treasurer.

3832 B. The compact committee shall adopt bylaws for the conduct of its business by a two-thirds vote of the
3833 total number of officials, or their alternates, on the committee at that time and shall have the power by the
3834 same vote to amend and rescind such bylaws. The committee shall publish its bylaws in convenient form and
3835 shall file a copy thereof and a copy of any amendments thereto with the secretary of state or equivalent
3836 agency of each of the party states.

3837 C. The compact committee may delegate the day-to-day management and administration of its duties and
3838 responsibilities to an executive director and his support staff.

3839 D. Employees of the compact committee shall be considered governmental employees.

3840 § 10. Immunity from liability for performance of official responsibilities and duties.

3841 *No official of a party state or employee of the compact committee shall be held personally liable for any*
 3842 *good faith act or omission that occurs during the performance and within the scope of his responsibilities and*
 3843 *duties under this compact.*

3844 **ARTICLE V. Rights and Responsibilities of Each Party State.**

3845 **§ 11. Rights and responsibilities of each party state.**

3846 **A. By enacting this compact, each party state:**

3847 **1. Agrees (i) to accept the decisions of the compact committee regarding the issuance of compact**
 3848 **committee licenses to participants in live racing pursuant to the committee's licensure requirements and (ii)**
 3849 **to reimburse or otherwise pay the expenses of its official representative on the compact committee or his**
 3850 **alternate.**

3851 **2. Agrees not to treat a notification to an applicant by the compact committee under subdivision 3 of § 7**
 3852 **that the compact committee will not be able to process his application further as the denial of a license, or to**
 3853 **penalize such an applicant in any other way based solely on such a decision by the compact committee.**

3854 **3. Reserves the right (i) to charge a fee for the use of a compact committee license in that state; (ii) to**
 3855 **apply its own standards in determining whether, on the facts of a particular case, a compact committee**
 3856 **license should be suspended or revoked; (iii) to apply its own standards in determining licensure eligibility,**
 3857 **under the laws of that party state, for categories of participants in live racing that the compact committee**
 3858 **determines not to license and for individual participants in live racing who do not meet the licensure**
 3859 **requirements of the compact committee; and (iv) to establish its own licensure standards for the licensure of**
 3860 **nonracing employees at horse racetracks and employees at separate satellite wagering facilities. Any party**
 3861 **state that suspends or revokes a compact committee license shall, through its racing commission or the**
 3862 **equivalent thereof or otherwise, promptly notify the compact committee of that suspension or revocation.**

3863 **B. No party state shall be held liable for the debts or other financial obligations incurred by the compact**
 3864 **committee.**

3865 **ARTICLE VI. Construction and Severability.**

3866 **§ 12. Construction and severability.**

3867 *This compact shall be liberally construed so as to effectuate its purposes. The provisions of this compact*
 3868 *shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be*
 3869 *contrary to the Constitution of the United States or of any party state, or the applicability of this compact to*
 3870 *any government, agency, person, or circumstance is held invalid, the validity of the remainder of this*
 3871 *compact and the applicability thereof to any government, agency, person, or circumstance shall not be*
 3872 *affected thereby. If all or some portion of this compact is held to be contrary to the constitution of any party*
 3873 *state, the compact shall remain in full force and effect as to the remaining party states and in full force and*
 3874 *effect as to the state affected as to all severable matters.*

3875 **§ 58.1-4201. Compact Committee members.**

3876 *The Governor shall appoint one official to represent the Commonwealth on the Compact Committee for a*
 3877 *term of four years. No official shall serve more than three consecutive terms. A vacancy shall be filled by the*
 3878 *Governor for the unexpired term.*

3879 **§ 58.1-4202. Cooperation of departments, agencies, and officers of the Commonwealth.**

3880 *All departments, agencies, and officers of the Commonwealth and its political subdivisions are hereby*
 3881 *authorized to cooperate with the Compact Committee in furtherance of any of its activities pursuant to the*
 3882 *Compact.*

3883 **Article 3.**

3884 **Licenses and Permits.**

3885 **§ 58.1-4203. Owner's and operator's license required.**

3886 **A. No person shall construct, establish, or own a satellite facility where pari-mutuel wagering is**
 3887 **permitted unless he has obtained an owner's license issued by the Director in accordance with the provisions**
 3888 **of this chapter.**

3889 **B. No person shall operate pari-mutuel wagering with his knowledge or acquiescence unless he has**
 3890 **obtained an operator's license issued by the Director in accordance with the provisions of this chapter.**

3891 **C. No license issued under the provisions of this chapter shall be transferable.**

3892 **§ 58.1-4204. Limited licenses; transfer of meet; taxation; authority to issue; limitations.**

3893 **A. Notwithstanding the provisions of § 58.1-4203 or 58.1-4206 but subject to such regulations and**
 3894 **criteria as it may prescribe, the Authority is authorized to issue limited licenses, provided such licenses shall**
 3895 **permit any holder to conduct a race meeting or meetings for a period not to exceed 14 days in any calendar**
 3896 **year, or in the case of a significant infrastructure limited licensee, 75 days in any calendar year.**

3897 **B. The Authority may at any time, in its discretion, authorize any organization or association licensed**
 3898 **under this section to transfer its race meeting or meetings from its own track or place for holding races to the**
 3899 **track or place for holding races of any other organization or association licensed under this chapter upon the**
 3900 **payment of any and all appropriate license fees. No such authority to transfer shall be granted without the**
 3901 **express consent of the organization or association owning or leasing the track to which such transfer is**
 3902 **made.**

3903 C. For any such meeting the licensee shall retain and pay from the pool the tax as provided in Article 5
3904 (§ 58.1-4221 et seq.).

3905 **§ 58.1-4205. Application for owner's license; penalty.**

3906 A. Any person desiring to construct or own a satellite facility where pari-mutuel wagering is permitted
3907 shall file with the Authority an application for an owner's license. Such application shall be filed at the time
3908 and place, and in such form and containing such information, as prescribed by the Board with the following:

3909 1. The name and address of such person; if a corporation, the state of its incorporation, and the full name
3910 and address of each officer and director thereof, and if a foreign corporation, whether it is qualified to do
3911 business in the Commonwealth; if a partnership or joint venture, the name and address of each officer
3912 thereof;

3913 2. The name and address of each stockholder or member of such corporation, or each partner of such
3914 partnership or joint venture, and of each person who has contracted for a pecuniary interest in the applicant
3915 where pari-mutuel wagering will be conducted, whether such interest is an ownership or a security interest,
3916 and the nature and value of such interest, and the name and address of each person who has agreed to lend
3917 money to the applicant;

3918 3. Such information as the Board deems appropriate regarding the character, background, and
3919 responsibility of the applicant and the members, partners, stockholders, officers, and directors of the
3920 applicant;

3921 4. The location and description of the place where such person proposes to hold such wagering, including
3922 the name of any county, city, or town in which any property of such satellite facility is or will be located. The
3923 Board shall require such information about the location of such satellite facility as it deems necessary and
3924 appropriate to determine whether it complies with the minimum standards provided in this chapter, and
3925 whether the conduct of pari-mutuel wagering at such location would be in the best interests of the people of
3926 the Commonwealth;

3927 5. Such information relating to the financial responsibility of the applicant as the Board deems
3928 appropriate;

3929 6. If any of the facilities necessary for the conduct of pari-mutuel wagering are to be leased, the terms of
3930 such lease; and

3931 7. Any other information that the Board, in its discretion, deems appropriate.

3932 B. Any application filed hereunder shall be verified by the oath or affirmation of an officer of the
3933 applicant and accompanied by a nonrefundable application fee as prescribed by the Board.

3934 C. Any person who knowingly makes a false statement to the Board for the purposes of obtaining a license
3935 under this chapter is guilty of a Class 4 felony.

3936 **§ 58.1-4206. Issuance of owner's license.**

3937 A. The Director shall consider all applications for an owner's license and may grant a valid owner's
3938 license to applicants who meet the criteria set forth in this chapter and established by the Board. The
3939 Director shall deny a license to any applicant unless he finds that the applicant's facilities are or will be
3940 appropriate for the finest quality of racing.

3941 B. The Director shall deny a license to an applicant if he finds that (i) for any reason, the issuance of a
3942 license to the applicant would not be in the interest of the people of the Commonwealth or the horse racing
3943 industry in the Commonwealth or would reflect adversely on the honesty and integrity of the horse racing
3944 industry in the Commonwealth or (ii) that the applicant, or any officer, partner, principal stockholder, or
3945 director of the applicant:

3946 1. Has knowingly made a false statement of material fact or has deliberately failed to disclose any
3947 information requested;

3948 2. Is or has been found guilty of any illegal, corrupt, or fraudulent act, practice, or conduct in connection
3949 with any horse racing in this or any other state, or has been convicted of a felony;

3950 3. Has at any time knowingly failed to comply with the provisions of this chapter or of any regulations of
3951 the Board;

3952 4. Has had a license or permit to hold or conduct a horse race meeting denied for just cause, suspended,
3953 or revoked in any other state or country;

3954 5. Has legally defaulted in the payment of any obligation or debt due to the Commonwealth;

3955 6. Has constructed or caused to be constructed a racetrack or satellite facility for which a license was
3956 required under § 58.1-4205 without obtaining such license, or has deviated substantially, without the
3957 permission of the Director, from the plans and specifications submitted to the Authority; or

3958 7. Is not qualified to do business in the Commonwealth or is not subject to the jurisdiction of the courts of
3959 the Commonwealth.

3960 C. The Director shall deny a license to any applicant unless he finds:

3961 1. That, if the corporation is a stock corporation, that such stock is fully paid and nonassessable, has been
3962 subscribed and paid for only in cash or property to the exclusion of past services, and, if the corporation is a
3963 nonstock corporation, that there are at least 20 members;

3964 2. That all principal stockholders or members have submitted to the jurisdiction of the courts of the

3965 Commonwealth, and all nonresident principal stockholders or members have designated the Executive
3966 Secretary as their agent for receipt of process;

3967 3. That the applicant's articles of incorporation provide that the corporation may, on vote of a majority of
3968 the stockholders or members, purchase at fair market value the entire membership interest of any stockholder
3969 or require the resignation of any member who is or becomes unqualified for such position under § 58.1-4208;
3970 and

3971 4. That the applicant meets the criteria established by the Board for the granting of an owner's license.

3972 **§ 58.1-4207. Licensing of owners or operators of certain pari-mutuel facilities.**

3973 A. Notwithstanding the provisions of § 58.1-4220, the Director may grant a license, for a duration to be
3974 determined by the Board, to the owner or operator of a facility for the purpose of conducting pari-mutuel
3975 wagering on (i) Thoroughbred and standard bred race meetings and (ii) simulcast horse racing at that
3976 facility in conjunction with the race meetings for a period not to exceed 14 days in any calendar year,
3977 provided that, prior to making application for such license, (a) the facility has been approved by the Board
3978 and (b) the owner or operator of such facility has been granted tax-exempt status under § 501(c)(3) or (4) of
3979 the Internal Revenue Code.

3980 B. In deciding whether to grant any license pursuant to this section, the Director shall consider (i) the
3981 results of, circumstances surrounding, and issues involved in any referendum conducted under the provisions
3982 of § 58.1-4220 and (ii) whether the Director had previously granted a license to such facility, owner, or
3983 operator.

3984 C. In no event shall the Director issue more than 12 licenses in a calendar year pursuant to this section.

3985 **§ 58.1-4208. Refusal of owner's license.**

3986 No owner's license or renewal thereof shall be granted to any corporation if the Director finds that any
3987 principal stockholder of such stock corporation, or any member of such nonstock corporation:

3988 1. Is or has been guilty of any illegal, corrupt, or fraudulent act, conduct, or practice in connection with
3989 horse racing in this or any other state, or has knowingly failed to comply with the provisions of this chapter
3990 or Board regulations;

3991 2. Has had a license or permit to hold or conduct a race meeting denied for cause, suspended, or revoked
3992 in any other state or country; or

3993 3. Has at any time during the previous five years knowingly failed to comply with the provisions of this
3994 chapter or any Board regulations.

3995 **§ 58.1-4209. Duration, form of owner's license; bond.**

3996 A license issued under § 58.1-4206 shall be for the period set by the Board, not to be less than 20 years,
3997 but shall be reviewed annually. The Board shall designate on the license the duration of such license, the
3998 location of such satellite facility or proposed satellite facility and such other information as it deems proper.
3999 The Board shall establish criteria and procedures for license renewal.

4000 The Board shall require (i) a bond with surety or (ii) a letter of credit, acceptable to the Board, and in an
4001 amount determined by it, to be sufficient to cover any indebtedness incurred by the licensee to the
4002 Commonwealth.

4003 **§ 58.1-4210. Application for operator's license.**

4004 A. Any person desiring to operate a satellite facility shall file with the Authority an application for an
4005 operator's license. Such application may be made in conjunction with an application for an owner's license, if
4006 appropriate, and shall be filed at the time and place, and in such form and containing such information, as
4007 prescribed by the Board, including all information prescribed for an owner's license under § 58.1-4205.

4008 B. Any application filed pursuant to this section shall be verified by the oath or affirmation of an officer of
4009 the applicant and accompanied by a nonrefundable application fee as prescribed by the Board.

4010 **§ 58.1-4211. Issuance of operator's license.**

4011 The Director shall promptly consider any application for an operator's license and grant a valid
4012 operator's license to applicants who meet the criteria set forth in this chapter and established by the Board.
4013 The Director shall deny a license to any applicant, unless he finds:

4014 1. That such applicant is a corporation organized under Title 13.1 or comparable law of another state,
4015 and qualified to do business in the Commonwealth;

4016 2. That, if the corporation is a stock corporation, all principal stockholders have submitted to the
4017 jurisdiction of the courts of the Commonwealth and all nonresident principal stockholders have designated
4018 the Executive Secretary as their agent for process, and further, that an application shall also contain
4019 information as required by § 58.1-4205;

4020 3. That the applicant's articles of incorporation provide that the corporation may, on vote of a majority of
4021 the stockholders or members, purchase at fair market value the entire membership interest of any
4022 stockholder, or require the resignation of any member, who is or becomes unqualified for such position under
4023 § 58.1-4208;

4024 4. That the applicant would be qualified for a license to own such satellite facility under the provisions of
4025 §§ 58.1-4206 and 58.1-4208;

4026 5. That the applicant has made provisions satisfactory to the Board for the detection and prosecution of

4027 any illegal, corrupt, or fraudulent act, practice, or conduct in connection with any race meeting or pari-
4028 mutuel wagering, that the applicant has made provision for membership in the Thoroughbred Racing
4029 Association or other equivalent applicable association, and that the applicant shall utilize the services of the
4030 Thoroughbred Racing Protective Bureau or any other protective agency acceptable to the Authority and with
4031 the approval of the Racing Commission; and

4032 6. That the applicant has met the criteria established by the Board for the granting of an operator's
4033 license.

4034 **§ 58.1-4212. Duration, form of operator's license; bond.**

4035 A license issued under § 58.1-4211 shall be for a period of 20 years from the date of issuance, but shall be
4036 reviewed annually. The Board may, as it deems appropriate, change at the beginning of any year the dates on
4037 which the licensee is authorized to conduct pari-mutuel wagering. An applicant for renewal of a license may
4038 omit any information that in the opinion of the Authority is already available to it. The Board shall establish
4039 criteria and procedures for license renewal.

4040 Any license issued under § 58.1-4211 shall designate on its face (i) the type or types of pari-mutuel
4041 wagering for which it is issued, (ii) the location of the satellite facility where such wagering is to be
4042 conducted, (iii) the period during which such license is in effect, and (iv) such other information as the Board
4043 deems proper.

4044 The Board shall require a bond with surety acceptable to it, and in an amount determined by it to be
4045 sufficient to cover any indebtedness incurred by such licensee during the days allotted for racing.

4046 **§ 58.1-4213. Denial of license final.**

4047 The denial of an owner's or operator's license by the Director shall be final unless appealed under §
4048 58.1-4196.

4049 **§ 58.1-4214. Suspension or revocation of license final.**

4050 A. After a hearing with 15 days' notice, the Director may (i) suspend or revoke any license or (ii) fine the
4051 holder of such license a sum not to exceed \$100,000 in any case where he has reason to believe that any
4052 provision of this chapter, or any regulation or condition of the Board, has not been complied with or has
4053 been violated. The Director may revoke a license if he finds that facts not known by him at the time he
4054 considered the application indicate that such license should not have been issued.

4055 B. The Director shall revoke any license issued under § 58.1-4211 for the operation of a satellite facility if
4056 the licensee, within one year of issuance of the satellite facility license, fails to conduct (i) live racing at a
4057 racetrack licensed pursuant to § 58.1-4211 or (ii) the live racing days assigned to the licensee by the Racing
4058 Commission without the permission of the Racing Commission.

4059 C. The Director may summarily suspend any license for a period of not more than 90 days pending a
4060 hearing and final determination by the Board if he determines that emergency action is required to protect
4061 the public health, safety, and welfare including revenues due the Commonwealth, localities, and the
4062 horsemen's purse account. The Board shall (i) schedule a hearing within 14 business days after the license is
4063 summarily suspended and (ii) notify the licensee not less than five business days before the hearing of the
4064 date, time, and place of the hearing.

4065 D. Deliberations of the Board pursuant to this section shall be conducted pursuant to the provisions of the
4066 Virginia Freedom of Information Act (§ 2.2-3700 et seq.). If any such license is suspended or revoked, the
4067 Director shall state his reasons for doing so, which shall be entered of record. Such action shall be final
4068 unless appealed in accordance with § 58.1-4196. Suspension or revocation of a license by the Director for
4069 any violation shall not preclude criminal liability for such violation.

4070 **§ 58.1-4215. Acquisition of interest in licensee.**

4071 A. The Authority shall require any person desiring to become a partner, member, or principal stockholder
4072 of any licensee to apply to the Authority for such approval and may demand such information of the applicant
4073 as it finds necessary. The Director shall consider such application forthwith and shall approve or deny the
4074 application within 60 days of receipt. The Director shall approve an application that meets the criteria set
4075 forth in this chapter. The Director shall deny an application if in his judgment the acquisition by the
4076 applicant would be detrimental to the public interest or to the honesty, integrity, and reputation of horse
4077 racing. The Director shall approve an application to acquire actual control of a licensee only if he finds that
4078 the applicant meets the criteria set forth in subsection B.

4079 B. If an applicant proposes to acquire actual control of a licensee, such person shall, pursuant to
4080 subsection A, submit to the Authority (i) its proposal for the future operation of any existing or planned
4081 satellite facility owned or operated by the licensee, (ii) such additional information as it desires, and (iii)
4082 such information as may be required by the Board to assure the Director that the licensee, under the actual
4083 control of such person, will have the experience, expertise, financial responsibility, and commitment to
4084 comply with (a) the provisions of this chapter, (b) Board regulations and orders, (c) the requirements for the
4085 continued operation of the licensee pursuant to the terms and conditions in effect on the date of the
4086 application of all licenses held by the licensee, (d) any existing contract with a recognized majority
4087 horseman's group, and (e) any proposal submitted to the Authority by such person. The provisions of this
4088 subsection shall apply regardless of whether the control acquired is direct or indirect or whether its

4089 acquisition is accomplished individually or in concert with others.

4090 C. Any such acquisition of control without prior approval of the Director shall be voidable by the
4091 Authority and, in such instance, the Director may revoke any license he has issued to such licensee, order
4092 compliance with this section, or take such other action as may be appropriate within his authority.

4093 **§ 58.1-4216. Permit required; exception.**

4094 A. No participant shall engage in any horse racing subject to the jurisdiction of the Authority or in the
4095 conduct of a race meeting or pari-mutuel wagering thereon, including as a horse owner, trainer, jockey,
4096 exercise rider, groom, stable foreman, valet, veterinarian, agent, pari-mutuel employee, concessionaire or
4097 employee thereof, track employee, or other position the Authority deems necessary to regulate to ensure the
4098 integrity of horse racing in Virginia, unless such person (i) possesses a permit therefor from the Authority
4099 and (ii) complies with the provisions of this chapter and all Board regulations. No permit issued under the
4100 provisions of this chapter shall be transferable.

4101 B. The Director may waive the permit requirement for any person who possesses a valid permit or license
4102 to participate in the conduct of horse racing in another racing jurisdiction and participates in horse racing in
4103 Virginia on nonconsecutive racing days.

4104 C. Once a horse is entered to run in Virginia, all participants shall come under the jurisdiction of the
4105 Authority and its stewards and shall be subject to regulations of the Board and sanctions it or its stewards
4106 may impose.

4107 **§ 58.1-4217. Application for permit.**

4108 Any person desiring to obtain a permit as required by this chapter shall submit an application on a form,
4109 and accompanied by a fee, as prescribed by the Board and verified by the oath or affirmation of the
4110 applicant.

4111 **§ 58.1-4218. Consideration of application.**

4112 A. The Director shall promptly consider any application for a permit and issue or deny such permit based
4113 on the information in the application and all other information before him, including any investigation he
4114 deems appropriate. If an application for a permit is approved, the Director shall issue a permit, which shall
4115 contain such information as the Board deems appropriate. Such permit shall be valid for one year; however,
4116 the permit of a licensee's employee shall expire automatically when such permit holder leaves the
4117 employment of the licensee or at the end of one year, whichever occurs first. The licensee shall promptly
4118 notify the Authority when a permit holder leaves the employment of the licensee. The Board shall establish
4119 criteria and procedures for permit renewal.

4120 B. The Director shall deny the application and refuse to issue the permit, which denial shall be final
4121 unless an appeal is taken under § 58.1-4196, if he finds that the issuance of such permit to such applicant (i)
4122 would not be in the interests of the people of the Commonwealth or the horse racing industry of the
4123 Commonwealth, or would reflect on the honesty and integrity of the horse racing industry in the
4124 Commonwealth, or (ii) that the applicant:

4125 1. Has knowingly made a false statement of a material fact in the application, or has deliberately failed to
4126 disclose any information requested by the Authority;

4127 2. Is or has been found guilty of any corrupt or fraudulent practice or conduct in connection with horse
4128 racing in this or any other state;

4129 3. Has knowingly failed to comply with the provisions of this chapter or the regulations of the Board;

4130 4. Has had a permit to engage in activity related to horse racing denied for just cause, suspended, or
4131 revoked in any other state, and such denial, suspension, or revocation is still in effect; or

4132 5. Is unqualified to perform the duties required for the permit sought.

4133 C. The Director shall deny the application and refuse to issue the permit if, within the five years
4134 immediately preceding the date of the application for the permit sought, the applicant has been convicted of a
4135 crime involving the unlawful conduct of wagering, fraudulent use of a credential, unlawful transmission of
4136 information, touting, bribery, or administration or possession of drugs or any felony considered by the
4137 Authority to be detrimental to horse racing in the Commonwealth; the denial shall be final unless an appeal
4138 is taken under § 58.1-4196. Additionally, the Director may deny the application and refuse to issue any
4139 permit if the applicant has been convicted of any such crime committed prior to the 20 years immediately
4140 preceding the date of his application.

4141 D. The Director may refuse to issue the permit if for any reason he feels the granting of such permit is not
4142 consistent with the provisions of this chapter or his responsibilities hereunder.

4143 **§ 58.1-4219. Suspension or revocation of permit; fine.**

4144 A. The Director, acting by and through his stewards or at a Board meeting at which a quorum is present,
4145 may (i) suspend or revoke a permit issued under this chapter or fine the holder of such permit a sum not to
4146 exceed \$10,000 or (ii) suspend a permit issued by this chapter and fine the holder of such permit a sum not to
4147 exceed \$10,000 after a hearing for which proper notice has been given to the permittee, in any case where it
4148 determines by a preponderance of the evidence that any provision of this chapter, or any regulation or
4149 condition of the Board, has not been complied with or has been violated. The Director may revoke such
4150 permit, after such hearing, if he finds that facts not known by him at the time he was considering the

4151 application indicate that such permit should not have been issued. Deliberations of the Authority under this
 4152 section shall be conducted pursuant to the provisions of the Virginia Freedom of Information Act (§ 2.2-3700
 4153 et seq.). If any permit is suspended or revoked, the Director shall state his reasons for doing so, which shall
 4154 be entered of record. Such action shall be final unless an appeal is taken in accordance with § 58.1-4196.
 4155 Suspension or revocation of a permit by the Director for any violation shall not preclude criminal liability for
 4156 such violation.

4157 B. The Director, acting by and through his stewards, or at a Board meeting at which a quorum is present,
 4158 may summarily suspend the permit of a person for a period of not more than 90 days pending a hearing and
 4159 final determination by the Director or his stewards, if the Director or his stewards determine the protection
 4160 of the integrity of horse racing requires emergency action. The Director or his stewards shall (i) schedule a
 4161 hearing within 14 business days after the permit is summarily suspended and (ii) notify the permit holder, not
 4162 less than five business days before the hearing, of the date, time, and place of the hearing.

4163 Article 4.

4164 Local Referendum.

4165 **§ 58.1-4220. Local referendum required.**

4166 The Director shall not grant any initial license to construct, establish, operate, or own a racetrack or
 4167 satellite facility until a referendum approving the question is held in each county, city, or town in which such
 4168 racetrack or satellite facility is to be located, in the following manner:

4169 1. A petition, signed by five percent of the qualified voters of such county, city, or town shall be filed with
 4170 the circuit court of such county, city, or town asking that a referendum be held on the question, "Shall pari-
 4171 mutuel wagering be permitted at a licensed racetrack in (name of such county, city, or town) on live horse
 4172 racing at, and on simulcast horse racing transmitted from another jurisdiction to, the licensed racetrack on
 4173 such days as may be approved by the Virginia Lottery and Gaming Authority in accordance with Chapter 44
 4174 (§ 58.1-4188 et seq.) of Title 58.1 of the Code of Virginia?" In addition, or in the alternative, such petition
 4175 may ask that a referendum be held on the question, "Shall pari-mutuel wagering be permitted in
 4176 _____ (the name of such county, city, or town) at satellite facilities in accordance with Chapter
 4177 44 (§ 58.1-4188 et seq.) of Title 58.1 of the Code of Virginia?"

4178 2. Following the filing of such petition, the court shall, by order of record entered in accordance with
 4179 § 24.2-684.1, require the regular election officers of such county, city, or town to cause a special election to
 4180 be held to take the sense of the qualified voters on the question. Such election shall be on a day designated by
 4181 order of such court, but shall not be later than the next general election unless such general election is within
 4182 60 days of the date of the entry of such order, nor shall it be held on a date designated as a primary election.

4183 3. The clerk of such court of record of such county, city, or town shall publish notice of such election in a
 4184 newspaper of general circulation in such county, city, or town once a week for three consecutive weeks prior
 4185 to such election.

4186 4. The regular election officers of such county or city shall open the polls at the various voting places in
 4187 such county or city on the date specified in such order and conduct such election in the manner provided by
 4188 law. The election shall be by ballot, which shall be prepared by the electoral board of the county, city, or
 4189 town and on which shall be printed either or both of the following questions:

4190 44horse racing at, and on simulcast horse racing transmitted from another jurisdiction to, the licensed
 4191 racetrack on such days as may be approved by the Virginia Lottery and Gaming Authority in accordance
 4192 with Chapter 44 (§ 58.1-4188 et seq.) of Title 58.1 of the Code of Virginia?

4193 [] Yes

4194 [] No"

4195 "Shall pari-mutuel wagering be permitted in _____ at satellite facilities in accordance with
 4196 Chapter 44 (§ 58.1-4188 et seq.) of Title 58.1 of the Code of Virginia?

4197 [] Yes

4198 [] No"

4199 In the blank shall be inserted the name of the county, city, or town in which such election is held. Any
 4200 voter desiring to vote "Yes" shall mark a check mark () or a cross mark (x or +) or a line (-) in the square
 4201 provided for such purpose immediately preceding the word "Yes," leaving the square immediately preceding
 4202 the word "No" unmarked. Any voter desiring to vote "No" shall mark a check mark () or a cross mark (x or
 4203 +) or a line (-) in the square provided for such purpose immediately preceding the word "No," leaving the
 4204 square immediately preceding the word "Yes" unmarked.

4205 The ballots shall be counted, the returns made and canvassed as in other elections, and the results
 4206 certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an
 4207 order proclaiming the results of such election and a duly certified copy of such order shall be transmitted to
 4208 the Authority and to the governing body of such county, city, or town.

4209 No such referendum as described above shall be held more often than every three years in the same
 4210 county, city, or town.

4211 A subsequent local referendum shall be required if a license has not been granted by the Authority within
 4212 five years of the court order proclaiming the results of the election. "Town," for purposes of this section,

4213 means any town with a population of 5,000 or more.

4214 Article 5.

4215 Taxation; Retainage; Distribution.

4216 **§ 58.1-4221. Taxation and retainage generally.**

4217 A. Moneys payable to the Commonwealth shall be deposited in the general fund. Gross receipts for
4218 license tax purposes under Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 shall not include pari-mutuel
4219 wagering pools and license taxes authorized by this article.

4220 B. All payments by the licensee to the Commonwealth or any locality shall be made within five days from
4221 the date on which such wagers are received by the licensee. All payments by the licensee to the Virginia
4222 Breeders Fund shall be made to the Authority within five days from the date on which such wagers are
4223 received by the licensee. All payments by the licensee to the Virginia-Maryland Regional College of
4224 Veterinary Medicine, the Virginia Horse Center Foundation, the Virginia Horse Industry Board, and the
4225 Virginia Thoroughbred Association shall be made by the first day of each quarter of the calendar year. All
4226 payments made under this article shall be used in support of the policy of the Commonwealth to sustain and
4227 promote the growth of a native industry.

4228 C. If a satellite facility is located in more than one locality, any amount a licensee is required to pay
4229 under this article to the locality in which the satellite facility is located shall be prorated in equal shares
4230 among those localities.

4231 D. Any contractual agreement between a licensee and other entities concerning the distribution of the
4232 remaining portion of the retainage under subsections B through G of § 58.1-4223 and subsections A and B of
4233 § 58.1-4224 shall be subject to the approval of the Board.

4234 E. The recognized majority horsemen's group racing at a licensed race meeting may, subject to the
4235 approval of the Board, withdraw for administrative costs associated with serving the interests of the
4236 horsemen an amount not to exceed two percent of the amount in the horsemen's account.

4237 F. The legitimate breakage from each pari-mutuel pool for live, historical, and simulcast horse racing
4238 shall be distributed as follows:

4239 1. Seventy percent to be retained by the licensee to be used for capital improvements that are subject to
4240 approval of the Board; and

4241 2. Thirty percent to be deposited in the Racing Benevolence Fund, administered jointly by the licensee and
4242 the recognized majority horsemen's group racing at a licensed race meeting, to be disbursed with the
4243 approval of the Board for gambling addiction and substance abuse counseling, recreational, educational, or
4244 other related programs.

4245 **§ 58.1-4222. Percentage retained; tax; live horse racing.**

4246 A. On pari-mutuel pools generated by wagering at the racetrack on live horse racing conducted within the
4247 Commonwealth involving win, place, and show wagering, the licensee shall retain a percentage amount
4248 approved by the Board as jointly requested by a recognized majority horsemen's group and a licensee and
4249 the legitimate breakage, out of which shall be paid 1.25 percent to be distributed as follows: 1.0 percent to
4250 the Commonwealth as a license tax and 0.25 percent to the locality in which the racetrack is located. The
4251 remainder of the retainage shall be paid as provided in subsection C, provided, however, that if the
4252 percentage amount approved by the Board is other than 18 percent, the amounts provided in subdivisions C
4253 1, 2, and 3 shall be adjusted by the proportion that the approved percentage amount bears to 18 percent.

4254 B. On pari-mutuel pools generated by wagering at each Virginia satellite facility on live horse racing
4255 conducted within the Commonwealth involving win, place, and show wagering, the licensee shall retain a
4256 percentage amount approved by the Board as jointly requested by a recognized majority horsemen's group
4257 and a licensee and the legitimate breakage, out of which shall be paid 1.25 percent to be distributed as
4258 follows: 0.75 percent to the Commonwealth as a license tax, 0.25 percent to the locality in which the satellite
4259 facility is located, and 0.25 percent to the locality in which the racetrack is located. The remainder of the
4260 retainage shall be paid as provided in subsection C, provided, however, that if the percentage amount
4261 approved by the Board is other than 18 percent, the amounts provided in subdivisions C 1, 2, and 3 shall be
4262 adjusted by the proportion that the approved percentage amount bears to 18 percent.

4263 C. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on
4264 live horse racing conducted within the Commonwealth involving win, place, and show wagering, the licensee
4265 shall retain a percentage amount approved by the Board as jointly requested by a recognized majority
4266 horsemen's group and a licensee and the legitimate breakage, out of which shall be paid:

4267 1. Eight percent as purses or prizes to the participants in such race meeting;

4268 2. Seven and one-half percent and all of the breakage and the proceeds of pari-mutuel tickets unredeemed
4269 180 days from the date on which the race was conducted, to the operator;

4270 3. One percent to the Virginia Breeders Fund;

4271 4. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;

4272 5. Five one-hundredths percent to the Virginia Horse Center Foundation;

4273 6. Five one-hundredths percent to the Virginia Horse Industry Board; and

4274 7. The remainder as appropriate under subsection A or B.

4275 *D. On pari-mutuel pools generated by wagering at the racetrack on live horse racing conducted within*
 4276 *the Commonwealth involving wagering other than win, place, and show wagering, the licensee shall retain a*
 4277 *percentage amount approved by the Board as jointly requested by a recognized majority horsemen's group*
 4278 *and a licensee and the legitimate breakage, out of which shall be paid 2.75 percent to be distributed as*
 4279 *follows: 2.25 percent to the Commonwealth as a license tax, and 0.5 percent to the locality in which the*
 4280 *racetrack is located. The remainder of the retainage shall be paid as provided in subsection F, provided,*
 4281 *however, that if the percentage amount approved by the Board is other than 22 percent, the amounts*
 4282 *provided in subdivisions F 1, 2, and 3 shall be adjusted by the proportion that the approved percentage*
 4283 *amount bears to 22 percent.*

4284 *E. On pari-mutuel pools generated by wagering at each Virginia satellite facility on live horse racing*
 4285 *conducted within the Commonwealth involving wagering other than win, place, and show wagering, the*
 4286 *licensee shall retain a percentage amount approved by the Board as jointly requested by a recognized*
 4287 *majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid 2.75*
 4288 *percent to be distributed as follows: 1.75 percent to the Commonwealth as a license tax, 0.5 percent to the*
 4289 *locality in which the satellite facility is located, and 0.5 percent to the locality in which the racetrack is*
 4290 *located. The remainder of the retainage shall be paid as provided in subsection F, provided, however, that if*
 4291 *the percentage amount approved by the Board is other than 22 percent, the amounts provided in subdivisions*
 4292 *F 1, 2, and 3 shall be adjusted by the proportion that the approved percentage amount bears to 22 percent.*

4293 *F. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on live*
 4294 *horse racing conducted within the Commonwealth involving wagering other than win, place, and show*
 4295 *wagering, the licensee shall retain a percentage amount approved by the Board as jointly requested by a*
 4296 *recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid:*

- 4297 1. *Nine percent as purses or prizes to the participants in such race meeting;*
- 4298 2. *Nine percent and the proceeds of the pari-mutuel tickets unredeemed 180 days from the date on which*
 4299 *the race was conducted, to the operator;*
- 4300 3. *One percent to the Virginia Breeders Fund;*
- 4301 4. *Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;*
- 4302 5. *Five one-hundredths percent to the Virginia Horse Center Foundation;*
- 4303 6. *Five one-hundredths percent to the Virginia Horse Industry Board; and*
- 4304 7. *The remainder as appropriate under subsection D or E.*

4305 **§ 58.1-4223. Percentage retained; tax; simulcast horse racing.**

4306 *A. On pari-mutuel wagering generated by simulcast horse racing transmitted from jurisdictions outside*
 4307 *the Commonwealth, the licensee may, with the approval of the Board, commingle pools with the racetrack*
 4308 *where the transmission emanates or establish separate pools for wagering within the Commonwealth. All*
 4309 *simulcast horse racing in this subsection must comply with the Interstate Horse Racing Act of 1978 (15*
 4310 *U.S.C. § 3001 et seq.).*

4311 *B. On pari-mutuel pools generated by wagering at the racetrack on simulcast horse racing transmitted*
 4312 *from jurisdictions outside the Commonwealth involving win, place, and show wagering, the licensee shall*
 4313 *retain 1.25 percent of such pool to be distributed as follows: 0.75 percent to the Commonwealth as a license*
 4314 *tax and 0.5 percent to the Virginia locality in which the racetrack is located.*

4315 *C. On pari-mutuel pools generated by wagering at each Virginia satellite facility on simulcast horse*
 4316 *racing transmitted from jurisdictions outside the Commonwealth involving win, place, and show wagering,*
 4317 *the licensee shall retain 1.25 percent of such pool to be distributed as follows: 0.75 percent to the*
 4318 *Commonwealth as a license tax, 0.25 percent to the locality in which the satellite facility is located, and 0.25*
 4319 *percent to the Virginia locality in which the racetrack is located.*

4320 *D. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on*
 4321 *simulcast horse racing transmitted from jurisdictions outside the Commonwealth involving win, place, and*
 4322 *show wagering, the licensee shall retain 1.3 percent of such pool to be distributed as follows:*

- 4323 1. *One percent of the pool to the Virginia Breeders Fund;*
- 4324 2. *Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;*
- 4325 3. *Five one-hundredths percent to the Virginia Horse Center Foundation;*
- 4326 4. *Five one-hundredths percent to the Virginia Horse Industry Board; and*
- 4327 5. *Five one-hundredths percent to the Virginia Thoroughbred Association for the promotion of breeding*
 4328 *in the Commonwealth.*

4329 *E. On pari-mutuel pools generated by wagering at the racetrack on simulcast horse racing transmitted*
 4330 *from jurisdictions outside the Commonwealth involving wagering other than win, place, and show wagering,*
 4331 *the licensee shall retain 2.75 percent of such pool to be distributed as follows: 1.75 percent to the*
 4332 *Commonwealth as a license tax and 1.0 percent to the Virginia locality in which the racetrack is located.*

4333 *F. On pari-mutuel pools generated by wagering at each Virginia satellite facility on simulcast horse*
 4334 *racing transmitted from jurisdictions outside the Commonwealth involving wagering other than win, place,*
 4335 *and show wagering, the licensee shall retain 2.75 percent of such pool to be distributed as follows: 1.75*
 4336 *percent to the Commonwealth as a license tax, 0.5 percent to the locality in which the satellite facility is*

4337 located, and 0.5 percent to the Virginia locality in which the racetrack is located.

4338 G. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on
 4339 simulcast horse racing transmitted from jurisdictions outside the Commonwealth involving wagering other
 4340 than win, place, and show wagering, the licensee shall retain 1.3 percent of such pool to be distributed as
 4341 follows:

- 4342 1. One percent of the pool to the Virginia Breeders Fund;
- 4343 2. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;
- 4344 3. Five one-hundredths percent to the Virginia Horse Center Foundation;
- 4345 4. Five one-hundredths percent to the Virginia Horse Industry Board; and
- 4346 5. Five one-hundredths percent to the Virginia Thoroughbred Association for the promotion of breeding
 4347 in the Commonwealth.

4348 **§ 58.1-4224. Percentage retained; tax; historical horse racing.**

4349 A. On pari-mutuel pools generated by wagering on historical horse racing on the first 3,000 terminals
 4350 authorized, the licensee shall retain 1.25 percent of such pool to be distributed as follows:

- 4351 1. a. If generated at a racetrack, 0.5 percent to the locality in which the racetrack is located; or
- 4352 b. If generated at a satellite facility, 0.25 percent to the locality in which the satellite facility is located
 4353 and 0.25 percent to the Virginia locality in which the racetrack is located;

4354 2. To the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2, 0.01
 4355 percent;

4356 3. To the (i) Virginia Breeders Fund, (ii) Virginia-Maryland Regional College of Veterinary Medicine for
 4357 its equine programs, (iii) Virginia Horse Center Foundation, and (iv) Virginia Horse Industry Board, 0.025
 4358 percent each; and

4359 4. The remainder to the Commonwealth as a license tax.

4360 B. On pari-mutuel pools generated by wagering on historical horse racing on the 2,000 terminals
 4361 authorized by the seventh enactment of Chapters 1197 and 1248 of the Acts of Assembly of 2020, the licensee
 4362 shall retain 1.6 percent of such pool to be distributed as follows:

- 4363 1. a. If generated at a racetrack, 0.64 percent to the locality in which the racetrack is located; or
- 4364 b. If generated at a satellite facility, 0.32 percent to the locality in which the satellite facility is located
 4365 and 0.32 percent to the Virginia locality in which the racetrack is located;

4366 2. To the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2, 0.01
 4367 percent;

4368 3. To the (i) Virginia Breeders Fund, (ii) Virginia-Maryland Regional College of Veterinary Medicine for
 4369 its equine programs, (iii) Virginia Horse Center Foundation, and (iv) Virginia Horse Industry Board, 0.025
 4370 percent each; and

4371 4. The remainder to the Commonwealth as a license tax.

4372 **§ 58.1-4225. Advance deposit account wagering revenues; distribution.**

4373 A. Notwithstanding the provisions of this article, the allocation of revenue from advance deposit account
 4374 wagering shall include (i) a licensee fee of 1.5 percent paid to the Authority; (ii) an additional fee equal to
 4375 one percent of all wagers made within the Commonwealth placed through an advance deposit account
 4376 wagering licensee, which shall be paid to the Virginia Breeders Fund, and (iii) an additional fee equal to
 4377 nine percent of all wagers made within the Commonwealth placed through an advance deposit account
 4378 wagering licensee, out of which shall be paid:

4379 1. Four percent to a nonprofit industry stakeholder organization recognized by the Board to include the
 4380 recognized majority horsemen's group, a breeder's organization, and a licensed track operator for the
 4381 purpose of promoting, sustaining, and advancing horse racing within the Commonwealth; and

4382 2. Five percent to representatives of the recognized majority horsemen's group by breed to be used for
 4383 purse funds at races conducted in the Commonwealth, unless otherwise authorized by the Board.

4384 Notwithstanding the foregoing, if the advance deposit account wagering licensee is a significant
 4385 infrastructure limited licensee, the additional fee equal to nine percent of the wagers placed through such
 4386 advance deposit account wagering licensee since November 1, 2014, shall instead be retained by such
 4387 licensee for operational expenses, including defraying the costs of live racing.

4388 B. The Board-recognized nonprofit industry stakeholder organization shall make distributions from fees
 4389 received from advance deposit wagering to organizations within the Commonwealth providing care for
 4390 retired race horses, the Virginia-Maryland Regional College of Veterinary Medicine, the Virginia Horse
 4391 Center Foundation, the Virginia Horse Industry Board, and the Virginia Thoroughbred Association in the
 4392 percentages of wagering handles set forth in subsections D and G of § 58.1-4223, and shall make a
 4393 distribution of thirty-five one-hundredths of one percent of all wagers made within the Commonwealth placed
 4394 through such advance deposit account wagering licensee to the locality where live racing licensed by the
 4395 Authority occurred prior to January 1, 2012, and beginning January 1, 2020, to the locality or localities
 4396 where such live racing occurs to be shared in a ratio of the number of such annual live races in a locality to
 4397 the total number of such annual live races in the Commonwealth. Distributions under this section from the
 4398 Board-recognized nonprofit stakeholder organization to the foregoing entities and locality or localities, when

4399 *added to the distributions to such entities and locality or localities under this article, shall be capped at the*
 4400 *sum necessary to equal distributions made in the 2013 calendar year to each entity under this article, and*
 4401 *shall be capped at the sum necessary to equal \$400,000 for a locality or localities.*

4402 *C. Any additional distribution of fees received from advance deposit account licensees by the Board-*
 4403 *recognized nonprofit industry stakeholder organization shall be approved by the Board.*

4404 **§ 58.1-4226. Admissions tax.**

4405 *The governing body of any county or city may by ordinance impose a tax on any licensee hereunder to*
 4406 *conduct a race meeting at a track located solely in such county or city of \$0.25 on the admission of each*
 4407 *person on each day except those holding a valid permit under this chapter and actually employed at such*
 4408 *track in the capacity for which such permit was issued. The licensee may collect such amount from the ticket*
 4409 *holder in addition to the amount charged for the ticket of admission.*

4410 *If such track or its enclosure is located in two or in three localities, each locality may impose a tax*
 4411 *pursuant to this section of twelve and one-half cents or eight and one-third cents per person, respectively.*

4412 *Gross receipts for license tax purposes under Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 shall not*
 4413 *include the admissions tax imposed under this section.*

4414 *Article 6.*

4415 *Prohibited Acts; Penalties.*

4416 **§ 58.1-4227. Unlawful conduct of wagering; penalty.**

4417 *Any person not licensed pursuant to this chapter who conducts (i) pari-mutuel wagering or (ii) horse*
 4418 *racing on which wagering is conducted with his knowledge or consent is guilty of a Class 4 felony.*

4419 **§ 58.1-4228. Fraudulent use of credential; penalty.**

4420 *A. Any person who has in his possession (i) any credential, license, or permit issued by the Director other*
 4421 *than the lawful holder thereof or (ii) a forged or simulated credential, license, or permit of the Authority, and*
 4422 *uses such credential, license, or permit for the purpose of misrepresentation, fraud, or touting is guilty of a*
 4423 *Class 4 felony.*

4424 *B. Any credential, license, or permit issued by the Director shall be automatically revoked if used by the*
 4425 *holder thereof for a purpose other than identification and in the performance of legitimate duties on a*
 4426 *racetrack or within a satellite facility, whether so used on or off a racetrack or satellite facility.*

4427 **§ 58.1-4229. Unlawful transmission of information; penalty.**

4428 *A. Any person who knowingly transmits information as to the progress or results of a horse race, or*
 4429 *information as to wagers, betting odds, post or off times, or jockey changes in any race by any means*
 4430 *whatsoever for the purposes of carrying on illegal gambling operations as defined in § 18.2-325, or to a*
 4431 *person engaged in illegal gambling operations is guilty of a Class 4 felony.*

4432 *B. This section shall not be construed to prohibit (i) a newspaper from printing such results or*
 4433 *information as news or (ii) any television or radio station from telecasting or broadcasting such results or*
 4434 *information as news.*

4435 *C. This section shall not be so construed as to place in jeopardy any common carrier or its agents*
 4436 *performing operations within the scope of a public franchise or any gambling operation authorized by law.*

4437 **§ 58.1-4230. Touting; penalty.**

4438 *Any person who (i) knowingly and designedly by false representation persuades, procures, or causes, or*
 4439 *attempts to persuade, procure, or cause, another person to wager on a horse in a race to be run in the*
 4440 *Commonwealth or elsewhere, and upon which money is wagered in the Commonwealth, and (ii) asks or*
 4441 *demands compensation as a reward for information or purported information given in such case is guilty of a*
 4442 *Class 1 misdemeanor.*

4443 **§ 58.1-4231. Bribing of a jockey, driver, or other participant; penalty.**

4444 *Any person who gives, promises, or offers to any jockey, driver, groom, or any person participating in any*
 4445 *race meeting, including owners of racetracks and their employees, stewards, trainers, judges, starters, and*
 4446 *special policemen, any valuable thing with intent to influence him to attempt to lose or cause to be lost a*
 4447 *horse race in which such person is taking part or expects to take part, or has any duty or connection, or who,*
 4448 *being either jockey, driver, groom, or participant in a race meeting, solicits or accepts any valuable thing to*
 4449 *influence him to lose or cause to be lost a horse race in which he is taking part, or expects to take part, or*
 4450 *has any duty or connection, is guilty of a Class 4 felony.*

4451 **§ 58.1-4232. Prohibited acts, administration of drugs, etc.; penalty.**

4452 *A. Any person who, with the intent to defraud, acts to alter the outcome of a race by (i) the administration*
 4453 *of any substance foreign to the natural horse, except those substances specifically permitted by the*
 4454 *regulations of the Board, or (ii) the use of any device, electrical or otherwise, except those specifically*
 4455 *permitted by the regulations of the Board, is guilty of a Class 4 felony.*

4456 *B. Any person who, with the intent to defraud, influences or conspires with another to alter the outcome of*
 4457 *a race by (i) the administration of any substance foreign to the natural horse, except those substances*
 4458 *specifically permitted by the regulations of the Board, or (ii) the use of any device, electrical or otherwise,*
 4459 *except those specifically permitted by the regulations of the Board, is guilty of a Class 4 felony.*

4460 *C. Any person who (i) administers any substance foreign to the natural horse, except those substances*

4461 specifically permitted by the regulations of the Board, when the horse is entered to start or (ii) at any time,
 4462 exposes any substance foreign to the natural horse with the intent of impeding or increasing the speed,
 4463 endurance, health, or condition of a horse, is guilty of a Class 4 felony.

4464 **§ 58.1-4233. Possessing drugs; penalty.**

4465 A. Except those drugs permitted by regulation of the Board, no person shall possess or transport any drug
 4466 within the racing enclosure without a bona fide veterinarian's prescription with a complete statement of uses
 4467 and purposes on the container. A copy of such prescription shall be filed with the stewards.

4468 B. Any person knowingly violating the provisions of this section relating to the legal possession of drugs
 4469 is guilty of a Class 1 misdemeanor.

4470 C. The provisions of the Drug Control Act (§ 54.1-3400 et seq.) shall apply in situations where drugs
 4471 regulated by the Act are within the racing enclosure.

4472 **§ 58.1-4234. Racing under false name; penalty.**

4473 Any person who knowingly (i) enters or races any horse in any running or harness race under any name
 4474 or designation other than the name or designation assigned to such horse by and registered with the Jockey
 4475 Club, the United States Trotting Association, the American Quarter Horse Association, or other applicable
 4476 association or (ii) instigates, engages in, or in any way furthers any act by which any horse is entered or
 4477 raced in any running or trotting race under any name or designation other than the name or designation duly
 4478 assigned by and registered with the Jockey Club, the United States Trotting Association, the American
 4479 Quarter Horse Association, or other applicable association, is guilty of a Class 4 felony.

4480 **§ 58.1-4235. Prohibition on underage pari-mutuel wagering; penalty.**

4481 A. No person shall wager on or conduct any wagering on the outcome of a horse race pursuant to the
 4482 provisions of this chapter unless such person is 18 years of age or older.

4483 B. No person shall accept any wager from a minor.

4484 C. No person shall be admitted into a satellite facility if such person is under 18 years of age unless
 4485 accompanied by a parent or legal guardian.

4486 D. No person under 21 years of age shall use any electronic gaming terminal or other electronic device in
 4487 a satellite facility to wager on or conduct any wagering on historical horse racing.

4488 E. Violation of this section shall be a Class 1 misdemeanor.

4489 **§ 58.1-4236. Conspiracies and attempts to commit violations; penalty.**

4490 A. Any person who conspires, confederates, or combines with another, either within or outside of the
 4491 Commonwealth, to commit a felony prohibited by this chapter is guilty of a Class 4 felony.

4492 B. Any person who attempts to commit any act prohibited by this chapter shall be guilty of a criminal
 4493 offense and punished as provided in either § 18.2-26, 18.2-27, or 18.2-28, as appropriate.

4494 **2. That Article 1.1:1 (§§ 18.2-340.15 through 18.2-340.37) of Chapter 8 of Title 18.2, §§ 58.1-4001,**
 4495 **58.1-4007.1, 58.1-4007.3, 58.1-4009 through 58.1-4022.1, and 58.1-4029, Article 2 (§§ 58.1-4030 through**
 4496 **58.1-4048) of Chapter 40 of Title 58.1, Chapter 29 (§§ 59.1-364 through 59.1-405) of Title 59.1, and**
 4497 **Chapter 51 (§§ 59.1-556 through 59.1-570) of Title 59.1 of the Code of Virginia are repealed.**

4498 **3. That the Department of Behavioral Health and Developmental Services and the Virginia Lottery**
 4499 **shall evaluate the Problem Gambling Treatment and Support Fund, as established pursuant to**
 4500 **§37.2-314.2 of the Code of Virginia, to identify how much money is being contributed to the Fund each**
 4501 **year, the sources of those funds, the impact and utilization of such funds, and an assessment of whether**
 4502 **and how much it would cost for problem gaming and treatment services to be housed under the**
 4503 **Virginia Lottery. The Department of Behavioral Health and Developmental Services and the Virginia**
 4504 **Lottery shall submit a joint report to the Governor and the General Assembly no later than November**
 4505 **1, 2026.**