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HOUSE BILL NO. 396
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on General Laws and Technology
on February 18, 2026)

(Patron Prior to Substitute—Delegate Krizek)

A BILL to amend and reenact §§ 18.2-334.2, 18.2-340.16, 18.2-340.19, 18.2-340.22, 18.2-340.28:2, and 18.2-340.33 of the Code of Virginia, relating to charitable gaming; poker events.

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-334.2, 18.2-340.16, 18.2-340.19, 18.2-340.22, 18.2-340.28:2, and 18.2-340.33 of the Code of Virginia are amended and reenacted as follows:

§ 18.2-334.2. Same; bingo games, raffles, duck races, and poker events conducted by certain organizations.

Nothing in this article shall apply to any bingo game, instant bingo, network bingo, raffle, duck race, or Texas Hold'em poker tournament event conducted solely by organizations as defined in § 18.2-340.16 which have received a permit as set forth in § 18.2-340.25, or which are exempt from the permit requirement under § 18.2-340.23.

§ 18.2-340.16. Definitions.

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

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

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

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

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

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

"Commissioner" means the Commissioner of the Department of Agriculture and Consumer Services.

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

"Department" means the Department of Agriculture and Consumer Services.

"Electronic gaming" or "electronic games" means any instant bingo, pull tabs, or seal card gaming that is conducted primarily by use of an electronic device. "Electronic gaming" does not include (i) the game of chance identified in clause (ii) of the definition of "bingo" or (ii) network bingo.

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

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

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

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

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

"Instant bingo," "pull tabs," or "seal cards" means specific games of chance played by the random selection of one or more individually prepacked cards with winners being determined by the preprinted or

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60 predetermined appearance of concealed letters, numbers, or symbols that must be exposed by the player to
61 determine wins and losses and may include the use of a seal card that conceals one or more numbers or
62 symbols that have been designated in advance as prize winners. Such cards may be dispensed by mechanical
63 equipment.

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

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

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

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

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

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

80 "Organization" means any one of the following:

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

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

89 3. An athletic association or booster club or a band booster club established solely to raise funds for
90 school-sponsored athletic or band activities for a public school or private school accredited pursuant to
91 § 22.1-19 or to provide scholarships to students attending such school;

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

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

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

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

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

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

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

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

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

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

122 and technology to advance the conservation of the environment, caves, or other natural resources; and (iii)
123 raise funds for the conservation of the environment, caves, or other natural resources or provide grant
124 opportunities to other nonprofit organizations that are devoted to such conservation efforts;

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

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

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

138 17. A local chamber of commerce; or

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

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

150 "Poker event" means a Texas Hold'em poker game or Texas Hold'em poker tournament in which (i) a
151 schedule of fixed and variable fees for entry into the poker event and the number of chips received for such
152 fees is established and posted, (ii) chips with cash value are permitted to be used, (iii) games and
153 tournaments may be run concurrently, (iv) no limit applies to how many poker events occur during the time
154 listed on the permit for such poker event, and (v) a seating fee may be charged at a rate of up to \$8 up to
155 once every 30 minutes.

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

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

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

173 "Social organization" means any qualified organization that provides certification to the Department that
174 it is:

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

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

182 3. An organization established on or before December 31, 1963, as a result of its members being
183 prohibited from joining similar existing organizations because of laws such as the Public Assemblages Act of

184 1926, which required the racial segregation of all public events in the Commonwealth, that is qualified under
185 § 501(c)(7) of the Internal Revenue Code;

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

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

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

194 7. A post or organization of past or present members of the Armed Forces of the United States, or an
195 auxiliary unit or society of, or a trust or foundation for, any such post or organization qualified under §
196 501(c)(19) of the Internal Revenue Code.

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

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

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

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

220 § 18.2-340.19. Regulations of the Department.

221 A. The Department shall adopt regulations that:

222 1. ~~Require~~ *Except as provided in § 18.2-340.28:2, require*, as a condition of receiving a charitable gaming
223 permit or authorization to conduct electronic gaming, that the applicant use a predetermined percentage of its
224 receipts for those lawful religious, charitable, community, or educational purposes for which the organization
225 is specifically chartered or organized, including (i) those expenses relating to the acquisition, construction,
226 maintenance, or repair of any interest in real property or (ii) expenses related to the rental of real property by
227 an organization as described by subdivision 5, 6, or 7 of the definition of "social organization" in
228 § 18.2-340.16 where such real property is involved in the operation of the organization and used for lawful
229 religious, charitable, community, or educational purposes, as follows:

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

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

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

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

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

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

245 5. Define electronic and mechanical equipment used in the conduct of charitable gaming. Department

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

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

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

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

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

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

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

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

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

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

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

295 **§ 18.2-340.22. Permitted forms of gaming; prizes not gaming contracts.**

296 A. This article permits qualified organizations to conduct (i) raffles, bingo, network bingo, instant bingo
 297 games, and ~~Texas Hold'em poker tournaments events~~ and (ii) electronic gaming authorized pursuant to the
 298 provisions of § 18.2-340.26:3. All games not explicitly authorized by this article or Department regulations
 299 adopted in accordance with § 18.2-340.19 are prohibited. Nothing herein shall be construed to authorize the
 300 Department to approve the conduct of any other form of poker in the Commonwealth.

301 B. The award of any prize money for any charitable game shall not be deemed to be part of any gaming
 302 contract within the purview of § 11-14.

303 C. Nothing in this article shall prohibit an organization from using the Virginia Lottery's Pick-3 number or
 304 any number or other designation selected by the Virginia Lottery in connection with any lottery, as the basis
 305 for determining the winner of a raffle.

306 **§ 18.2-340.28:2. Conduct of poker events by qualified organizations; limitation of operator fee;**
 307 **conditions.**

308 A. Any organization qualified to conduct bingo games on or after July 1, 2019, may conduct Texas
309 Hold'em poker tournaments; ~~however, no such organization may conduct individual Texas Hold'em poker~~
310 ~~games.~~ The Commissioner shall promulgate regulations establishing circumstances under which
311 organizations qualified to conduct bingo games prior to July 1, 2019, may conduct Texas Hold'em poker
312 tournaments.

313 B. A qualified organization may contract with an operator to administer Texas Hold'em poker
314 ~~tournaments events. Limitations on operator fees shall be established by Department regulations~~ An
315 ~~operator's fees, charges, or assessments for administering a poker event may be a percentage, provided that~~
316 ~~such percentage shall not exceed 50 percent of the poker adjusted gross receipts.~~

317 C. A qualified organization shall accept only cash or, at its option, checks in payment of any charges or
318 assessments for players to participate in Texas Hold'em poker tournaments events. However, no such
319 organization shall accept postdated checks in payment of any charges or assessments for players to participate
320 in Texas Hold'em poker tournaments events.

321 D. No qualified organization or any person on the premises shall extend lines of credit or accept any credit
322 or debit card or other electronic fund transfer in payment of any charges or assessments for players to
323 participate in Texas Hold'em poker tournaments events.

324 E. No qualified organization shall allow any individual younger than ~~18~~ 21 years of age to participate in
325 Texas Hold'em poker tournaments events.

326 F. No qualified organization shall collect a rake on any amounts wagered by the players during the
327 conduct of any poker event.

328 G. No qualified organization shall conduct any poker event unless it has hired a security officer licensed
329 pursuant to Article 4 (§ 9.1-138 et seq.) of Chapter 1 of Title 9.1 to be present during the times that any event
330 is being conducted.

331 H. A qualified organization that conducts poker events in accordance with the provisions of this article
332 shall use at least 20 percent of its poker adjusted gross receipts derived from the conduct of such poker
333 events for (i) those lawful religious, charitable, community, or educational purposes for which the
334 organization is specifically chartered or organized or (ii) those expenses related to the acquisition,
335 construction, maintenance, or repair of any interest in real property involved in the operation of the
336 organization and used for lawful religious, charitable, community, or educational purposes.

337 I. A qualified organization that conducts poker events in accordance with the provisions of this article
338 shall certify that any individual acting as a dealer during any such poker event (i) is 21 years of age or older
339 and (ii) possesses the knowledge, skill, and competence required to properly shuffle and deal the cards,
340 manage game play, and ensure that all players follow the rules of the game.

341 J. For purposes of this section, "poker adjusted gross receipts" means the gross receipts derived from the
342 conduct of poker events less the total amount in prize money paid out to players.

343 K. Any Texas Hold'em poker game that is not a Texas Hold'em poker tournament, and in which players
344 wager actual money or poker chips that have cash value, shall be conducted only within the social quarters
345 of a qualified organization and shall be limited to participation by bona fide members of such organization.
346 Nothing in this subsection shall be construed to limit participation by the general public in Texas Hold'em
347 poker tournaments conducted in accordance with this article.

348 L. Unlimited rebuys shall only be permitted within the first two hours of tournament play or until the first
349 break, whichever occurs first. A rebuy shall only be allowed if a player has lost all of his poker chips or when
350 a player's total amount of poker chips is less than his starting stack. Rebuys shall be equivalent to the amount
351 of poker chips provided with the original tournament entry fee.

352 One add-on shall be permitted at the end of the rebuy period before play resumes at the end of the first
353 break. Only players that still have poker chips in play after the first break shall be eligible to purchase an
354 add-on. Players shall be limited to the purchase of one add-on per player per tournament.

355 **§ 18.2-340.33. Prohibited practices.**

356 In addition to those other practices prohibited by this article, the following acts or practices are prohibited:

357 1. No part of the gross receipts or electronic gaming adjusted gross receipts derived by a qualified
358 organization may be used for any purpose other than (i) gaming expenses; (ii) reasonable and proper business
359 expenses; and (iii) those lawful religious, charitable, community, or educational purposes for which the
360 organization is specifically chartered or organized.

361 2. Except as provided in § 18.2-340.34:1, no qualified organization shall enter into a contract with or
362 otherwise employ for compensation any person for the purpose of organizing, managing, or conducting any
363 charitable games. However, organizations composed of or for deaf or blind persons may use a part of their
364 gross receipts for costs associated with providing clerical assistance in the management and operation but not
365 the conduct of charitable gaming.

366 The provisions of this subdivision shall not prohibit the joint operation of bingo games held in accordance
367 with § 18.2-340.29.

368 3. No person shall pay or receive for use of any premises wholly devoted to the conduct of any charitable
369 games, any consideration in excess of the current fair market rental value of such property. Fair market rental

370 value consideration shall not be based upon or determined by reference to a percentage of the proceeds
 371 derived from the operation of any charitable games or to the number of people in attendance at such
 372 charitable games.

373 4. No person shall participate in the management or operation of any charitable game unless such person
 374 is and, for a period of at least 30 days immediately preceding such participation, has been a bona fide member
 375 of the organization. For any organization that is not composed of members, a person who is not a bona fide
 376 member may volunteer in the conduct of a charitable game as long as that person is directly supervised by a
 377 bona fide official member of the organization.

378 The provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by
 379 qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a
 380 qualified organization, provided such employees' participation is limited to the management, operation, or
 381 conduct of no more than one raffle per year; (iii) the spouse or family member of any such bona fide member
 382 of a qualified organization provided at least one bona fide member is present; or (iv) persons employed by a
 383 qualified organization authorized to sell pull tabs or seal cards in accordance with § 18.2-340.16, provided (a)
 384 such sales are conducted by no more than two on-duty employees and (b) such employees receive no
 385 compensation for or based on the sale of the pull tabs or seal cards.

386 5. No person shall receive any remuneration for participating in the management, operation, or conduct of
 387 any charitable game, except that:

388 a. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration
 389 not to exceed \$30 per event for providing clerical assistance in the management and operation but not the
 390 conduct of charitable games only for such organizations;

391 b. Persons under the age of 19 who sell raffle tickets for a qualified organization to raise funds for youth
 392 activities in which they participate may receive nonmonetary incentive awards or prizes from the
 393 organization;

394 c. Remuneration may be paid to off-duty law-enforcement officers from the jurisdiction in which such
 395 bingo games are played for providing uniformed security for such bingo games even if such officer is a
 396 member of the sponsoring organization, provided the remuneration paid to such member is in accordance
 397 with off-duty law-enforcement personnel work policies approved by the local law-enforcement official and
 398 further provided that such member is not otherwise engaged in the management, operation, or conduct of the
 399 bingo games of that organization, or to private security services businesses licensed pursuant to § 9.1-139
 400 providing uniformed security for such bingo games, provided that employees of such businesses shall not
 401 otherwise be involved in the management, operation, or conduct of the bingo games of that organization;

402 d. A member of a qualified organization lawfully participating in the management, operation, or conduct
 403 of a bingo game may be provided food and nonalcoholic beverages by such organization for on-premises
 404 consumption during the bingo game provided the food and beverages are provided in accordance with
 405 Department regulations;

406 e. Remuneration may be paid to bingo managers or callers who have a current registration certificate
 407 issued by the Department in accordance with § 18.2-340.34:1, or who are exempt from such registration
 408 requirement. Except as provided for in subdivision f and subsection E of § 18.2-340.34:1, such remuneration
 409 shall not exceed \$200 per session;

410 f. For services provided on any day designated as a legal holiday pursuant to § 2.2-3300, remuneration
 411 shall be paid at a rate not less than one and one-half times the remuneration rate paid pursuant to subdivision
 412 e to bingo managers or callers who have a current registration certificate issued by the Department in
 413 accordance with § 18.2-340.34:1, or who are exempt from such registration requirement; ~~and~~

414 g. Volunteers of a qualified organization may be reimbursed for their reasonable and necessary travel
 415 expenses, not to exceed \$50 per session; *and*

416 *h. Remuneration may be paid to operators of poker events in accordance with the provisions of*
 417 *§ 18.2-340.28:2 and dealers and employees of operators shall be permitted to accept direct or indirect tips or*
 418 *gratuities.*

419 6. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct,
 420 management, or operation of any bingo games; (ii) sell, lease, or otherwise provide for consideration any
 421 bingo supplies, including bingo cards, instant bingo cards, or other game pieces; or (iii) require as a condition
 422 of the lease or by contract that a particular manufacturer, distributor, or supplier of bingo supplies or
 423 equipment be used by the organization.

424 The provisions of this subdivision shall not apply to any qualified organization conducting bingo games
 425 on its own behalf at premises owned by it.

426 7. No qualified organization shall enter into any contract with or otherwise employ or compensate any
 427 member of the organization on account of the sale of bingo supplies or equipment.

428 8. No organization shall award any bingo prize money or any merchandise valued in excess of the
 429 following amounts:

430 a. No bingo door prize shall exceed \$250 for a single door prize or \$500 in cumulative door prizes in any
 431 one session;

432 b. No regular bingo or special bingo game prize shall exceed \$100. However, up to 10 games per bingo
433 session may feature a regular bingo or special bingo game prize of up to \$200;

434 c. No instant bingo, pull tab, or seal card prize for a single card shall exceed \$2,000;

435 d. Except as provided in this subdivision 8, no bingo jackpot of any nature whatsoever shall exceed
436 \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one session exceed \$1,000.
437 Proceeds from the sale of bingo cards and the sheets used for bingo jackpot games shall be accounted for
438 separately from the bingo cards or sheets used for any other bingo games; and

439 e. No single network bingo prize shall exceed \$25,000. Proceeds from the sale of network bingo cards
440 shall be accounted for separately from bingo cards and sheets used for any other bingo game.

441 9. The provisions of subdivision 8 shall not apply to any progressive bingo game in which (i) a regular or
442 special prize, not to exceed \$100, is awarded on the basis of predetermined numbers or patterns selected at
443 random and (ii) a progressive prize, not to exceed \$500 for the initial progressive prize and \$5,000 for the
444 maximum progressive prize, is awarded if the predetermined numbers or patterns are covered when a certain
445 number of numbers is called, provided that (a) there are no more than six such games per session per
446 organization, (b) the amount of increase of the progressive prize per session is no more than \$200, (c) the
447 bingo cards or sheets used in such games are sold separately from the bingo cards or sheets used for any other
448 bingo games, (d) the organization separately accounts for the proceeds from such sale, and (e) such games are
449 otherwise operated in accordance with the Department's rules of play.

450 10. No organization shall award any raffle prize valued at more than \$100,000.

451 The provisions of this subdivision shall not apply to a raffle conducted no more than three times per
452 calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501(c) of the
453 Internal Revenue Code for a prize consisting of a lot improved by a residential dwelling where 100 percent of
454 the moneys received from such a raffle, less deductions for the fair market value for the cost of acquisition of
455 the land and materials, are donated to lawful religious, charitable, community, or educational organizations
456 specifically chartered or organized under the laws of the Commonwealth and qualified as a § 501(c) tax-
457 exempt organization. No more than one such raffle shall be conducted in any one geographical region of the
458 Commonwealth.

459 11. No qualified organization composed of or for deaf or blind persons that employs a person not a
460 member to provide clerical assistance in the management and operation but not the conduct of any charitable
461 games shall conduct such games unless it has in force fidelity insurance, as defined in § 38.2-120, written by
462 an insurer licensed to do business in the Commonwealth.

463 12. No person shall participate in the management or operation of any charitable game if he has ever been
464 convicted of any felony or if he has been convicted of any misdemeanor involving fraud, theft, or financial
465 crimes within the preceding five years. No person shall participate in the conduct of any charitable game if,
466 within the preceding 10 years, he has been convicted of any felony or if, within the preceding five years he
467 has been convicted of any misdemeanor involving fraud, theft, or financial crimes. In addition, no person
468 shall participate in the management, operation, or conduct of any charitable game if that person, within the
469 preceding five years, has participated in the management, operation, or conduct of any charitable game that
470 was found by the Department or a court of competent jurisdiction to have been operated in violation of state
471 law, local ordinance, or Department regulation.

472 13. Qualified organizations jointly conducting bingo games pursuant to § 18.2-340.29 shall not
473 circumvent any restrictions and prohibitions that would otherwise apply if a single organization were
474 conducting such games. These restrictions and prohibitions shall include the frequency with which bingo
475 games may be held, the value of merchandise or money awarded as prizes, or any other practice prohibited
476 under this section.

477 14. A qualified organization shall not purchase any charitable gaming supplies for use in the
478 Commonwealth from any person who is not currently registered with the Department as a supplier pursuant
479 to § 18.2-340.34.

480 15. Unless otherwise permitted in this article, no part of an organization's charitable gaming gross receipts
481 shall be used for an organization's social or recreational activities.

482 16. ~~No organization qualified to conduct Texas Hold'em poker tournaments pursuant to § 18.2-340.28:2~~
483 ~~shall conduct any Texas Hold'em poker games where the game has no predetermined end time and the~~
484 ~~players wager actual money or poker chips that have cash value~~ *qualified organization shall permit a Texas*
485 *Hold'em poker game that is not a Texas Hold'em poker tournament to be conducted outside of its social*
486 *quarters or permit participation in such a game by any person who is not a bona fide member of the*
487 *organization.*

488 **2. That the Department of Agriculture and Consumer Services shall issue amended permits to conform**
489 **to the provisions of this act no later than July 15, 2026, and issue new permits to conform to the**
490 **provisions of this act no later than July 15, 2026.**