

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 58.1-4031 and 58.1-4034 of the Code of Virginia, relating to sports betting;*  
 3 *prohibition on use of credit cards.*

4 [H 515]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That §§ 58.1-4031 and 58.1-4034 of the Code of Virginia are amended and reenacted as follows:**8 **§ 58.1-4031. Powers and duties of the Director related to sports betting; reporting.**

9 A. The Department shall operate a sports betting program under the direction of the Director, who shall  
 10 allow applicants to apply for permits to engage in sports betting operations in the Commonwealth. The Board  
 11 shall regulate such operations. The Department shall not operate a sports betting platform or a sports betting  
 12 facility.

13 B. The Director may:

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

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

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

21 C. The Director shall:

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

24 2. Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate Committee  
 25 on Finance and Appropriations, House Committee on Finance, and House Committee on Appropriations the  
 26 total sports betting revenues and expenses for the previous month and make an annual report, which shall  
 27 include a full and complete statement of sports betting revenues and expenses, to the Governor and the  
 28 General Assembly, including recommendations for changes in this article as the Director and Board deem  
 29 prudent; and

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

34 D. In accordance with sports betting program regulations, the Director shall approve methods for sports  
 35 bettors to fund sports betting accounts, including automated ~~clearing house~~ *clearinghouse* payments, ~~credit~~  
 36 ~~cards~~, debit cards, wire transfers, and any other method that the Board determines is appropriate for sports  
 37 betting; *however, the Director shall not approve the use of credit cards as a method for sports bettors to fund*  
 38 *sports betting accounts.*

39 **§ 58.1-4034. Duties of permit holders.**

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

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

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

45 3. Prevent betting on events that are prohibited by § 58.1-4039, underage betting as prohibited by  
 46 § 58.1-4040, and bets by persons who are prohibited from sports betting by § 58.1-4041;

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

50 5. Establish procedures to detect suspicious or illegal betting activity, including measures to immediately  
 51 report such activity to the Department;

52 6. Provide for the issuance of applicable tax forms to persons who meet the reporting threshold for income  
 53 from sports betting; and

54 7. If applicable, allow sports bettors to establish and fund sports betting accounts over the Internet on a  
 55 sports betting platform, which may be funded through methods including automated ~~clearing house~~  
 56 *clearinghouse* payments, ~~credit cards~~, debit cards, wire transfers, or any other method approved by the

ENROLLED

HBS15ER

57 Director under § 58.1-4031. *A permit holder shall take reasonable measures to prohibit the acceptance of*  
58 *credit cards to fund sports betting accounts on its sports betting platform.*

59 B. A permit holder shall maintain records on:

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

62 2. Suspicious or illegal betting activity.

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

65 D. 1. If a sports governing body notifies the Department that real-time information-sharing for bets placed  
66 on its sporting events is necessary and desirable, permit holders shall, as soon as is commercially reasonable,  
67 share the information required to be retained pursuant to subdivision B 1 of § 58.1-4034 with the sports  
68 governing body or its designee with respect to bets on its sporting events. The information shared pursuant to  
69 this subsection shall be shared pseudonymously and shall not include personal information associated with  
70 any bettor. A permit holder shall not be required to share any information that is required to be kept  
71 confidential under federal or Virginia law.

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

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

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

78 2. Disclose the identity of the permit holder;

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

80 4. Are not misleading to a reasonable person.

81 F. A permit holder shall not sublicense, convey, concede, or otherwise transfer its permit to a third party  
82 unless granted approval by the Director. The Director shall charge a nonrefundable fee of \$200,000 for a  
83 permit transfer. Such fees shall be deposited into the Gaming Regulatory Fund established pursuant to  
84 § 58.1-4048.

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

91 2. A permit holder is prohibited from cooperatively marketing its sports betting platform with any  
92 business issued a license pursuant to the provisions of Title 4.1. This prohibition shall not apply to any motor  
93 sports facility, major league sports franchise, or operator of a facility issued a permit pursuant to the  
94 provisions of subdivision D 4 or D 5 of § 58.1-4032, provided that such motor sports facility, major league  
95 sports franchise, or operator of a facility shall be authorized to cooperatively market only on the premises of  
96 its stadium. If casino gaming is authorized under the laws of the Commonwealth and a casino gaming  
97 operator is licensed by the Department as a permit holder, the prohibition in this subdivision shall not apply  
98 to such operator, provided that such operator shall be authorized to cooperatively market only on the premises  
99 of its casino gaming establishment. A permit holder shall not be allowed an exemption from the prohibition  
100 in this subdivision unless (i) such permit holder complies with any applicable local zoning ordinances and (ii)  
101 the local governing body approves by ordinance cooperative marketing with respect to the permit holder's  
102 stadium or casino gaming establishment.

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

105 I. Permit holders shall at all times maintain cash reserves in amounts to be established by Board  
106 regulation.