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HOUSE BILL NO. 145
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Joint Conference Committee
on March 13, 2026)

(Patron Prior to Substitute—Delegate Krizek)

A BILL to amend and reenact §§ 2.2-3705.3, as it is currently effective and as it shall become effective, 37.2-314.2, 52-53, 58.1-4015.1, 58.1-4030, and 58.1-4103 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 3 of Title 11 a section numbered 11-16.3 and by adding in Title 58.1 a chapter numbered 42, consisting of sections numbered 58.1-4200 through 58.1-4214; and to repeal Chapter 51 (§§ 59.1-556 through 59.1-570) of Title 59.1 of the Code of Virginia, relating to regulation and taxation of fantasy contests.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-3705.3, as it is currently effective and as it shall become effective, 37.2-314.2, 52-53, 58.1-4015.1, 58.1-4030, and 58.1-4103 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 3 of Title 11 a section numbered 11-16.3 and by adding in Title 58.1 a chapter numbered 42, consisting of sections numbered 58.1-4200 through 58.1-4214, as follows:

§ 2.2-3705.3. (Effective until July 1, 2026) Exclusions to application of chapter; records relating to administrative investigations.

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record shall be conducted in accordance with § 2.2-3704.01.

1. Information relating to investigations of applicants for licenses and permits, and of all licensees and permittees, made by or submitted to the Virginia Alcoholic Beverage Control Authority, the Virginia Cannabis Control Authority, the Virginia Lottery pursuant to Chapter 40 (§ 58.1-4000 et seq.) ~~and~~, Chapter 41 (§ 58.1-4100 et seq.), *and Chapter 42 (§ 58.1-4200 et seq.)* of Title 58.1, the Virginia Racing Commission, the Department of Agriculture and Consumer Services relating to investigations and applications pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, or the Private Security Services Unit of the Department of Criminal Justice Services.

2. Records of active investigations being conducted by the Virginia Cannabis Control Authority or by the Department of Health Professions or any health regulatory board in the Commonwealth pursuant to § 54.1-108.

3. Investigator notes, and other correspondence and information, furnished in confidence with respect to an active investigation of individual employment discrimination complaints made to the Department of Human Resource Management, to such personnel of any local public body, including local school boards, as are responsible for conducting such investigations in confidence, or to any public institution of higher education. However, nothing in this subdivision shall prevent the disclosure of information taken from inactive reports in a form that does not reveal the identity of charging parties, persons supplying the information, or other individuals involved in the investigation.

4. Records of active investigations being conducted by the Department of Medical Assistance Services pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.

5. Investigative notes and other correspondence and information furnished in confidence with respect to an investigation or conciliation process involving an alleged unlawful discriminatory practice under the Virginia Human Rights Act (§ 2.2-3900 et seq.) or under any local ordinance adopted in accordance with the authority specified in § 2.2-524, or adopted pursuant to § 15.2-965, or adopted prior to July 1, 1987, in accordance with applicable law, relating to local human rights or human relations commissions. However, nothing in this subdivision shall prevent the distribution of information taken from inactive reports in a form that does not reveal the identity of the parties involved or other persons supplying information.

6. Information relating to studies and investigations by the Virginia Lottery of (i) lottery agents, (ii) lottery vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the law or regulations that cause abuses in the administration and operation of the lottery and any evasions of such provisions, or (v) the use of the lottery as a subterfuge for organized crime and illegal gambling where such information has not been publicly released, published or copyrighted. All studies and investigations referred to under clauses (iii), (iv), and (v) shall be open to inspection and copying upon completion of the study or investigation.

7. Investigative notes, correspondence and information furnished in confidence, and records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for (i) the Auditor of Public Accounts; (ii) the Joint Legislative Audit and Review Commission; (iii) an appropriate authority as defined in § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower

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Protection Act (§ 2.2-3009 et seq.); (iv) the Office of the State Inspector General with respect to an investigation initiated through the Fraud, Waste and Abuse Hotline or an investigation initiated pursuant to Chapter 3.2 (§ 2.2-307 et seq.); (v) internal auditors appointed by the head of a state agency or by any public institution of higher education; (vi) the committee or the auditor with respect to an investigation or audit conducted pursuant to § 15.2-825; (vii) the auditors, appointed by the local governing body of any county, city, or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an investigation of any officer, department, or program of such body; or (viii) the Behavioral Health Commission. Information contained in completed investigations shall be disclosed in a form that does not reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is excluded by this subdivision, the information disclosed shall include the agency involved, the identity of the person who is the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject of the complaint may be released only with the consent of the subject person. Local governing bodies shall adopt guidelines to govern the disclosure required by this subdivision.

8. The names and personal contact information of complainants furnished in confidence with respect to an investigation of individual zoning enforcement complaints or complaints relating to the Uniform Statewide Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et seq.) made to a local governing body. As used in this subdivision, "personal contact information" includes the complainant's home or business (i) address, (ii) email address, or (iii) telephone number or comparable number assigned to any other electronic communication device.

9. Records of active investigations being conducted by the Department of Criminal Justice Services pursuant to Article 4 (§ 9.1-138 et seq.), Article 4.1 (§ 9.1-150.1 et seq.), Article 11 (§ 9.1-185 et seq.), and Article 12 (§ 9.1-186 et seq.) of Chapter 1 of Title 9.1.

10. Information furnished to or prepared by the Board of Education pursuant to subsection D of § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security, unauthorized alteration, or improper administration of tests by local school board employees responsible for the distribution or administration of the tests. However, this section shall not prohibit the disclosure of such information to (i) a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee or (ii) any requester, after the conclusion of a review or investigation, in a form that (a) does not reveal the identity of any person making a complaint or supplying information to the Board on a confidential basis and (b) does not compromise the security of any test mandated by the Board.

11. Information contained in (i) an application for licensure or renewal of a license for teachers and other school personnel, including transcripts or other documents submitted in support of an application, and (ii) an active investigation conducted by or for the Board of Education related to the denial, suspension, cancellation, revocation, or reinstatement of teacher and other school personnel licenses including investigator notes and other correspondence and information, furnished in confidence with respect to such investigation. However, this subdivision shall not prohibit the disclosure of such (a) application information to the applicant at his own expense or (b) investigation information to a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee. Information contained in completed investigations shall be disclosed in a form that does not reveal the identity of any complainant or person supplying information to investigators. The completed investigation information disclosed shall include information regarding the school or facility involved, the identity of the person who was the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation fails to support a complaint or does not lead to corrective action, the identity of the person who was the subject of the complaint may be released only with the consent of the subject person. No personally identifiable information regarding a current or former student shall be released except as permitted by state or federal law.

12. Information provided in confidence and related to an investigation by the Attorney General under Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2, Article 10 (§ 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2, or Article 1 (§ 58.1-1000) of Chapter 10 of Title 58.1. However, information related to an investigation that has been inactive for more than six months shall, upon request, be disclosed provided such disclosure is not otherwise prohibited by law and does not reveal the identity of charging parties, complainants, persons supplying information, witnesses, or other individuals involved in the investigation.

13. Records of active investigations being conducted by the Department of Behavioral Health and Developmental Services pursuant to Chapter 4 (§ 37.2-400 et seq.) of Title 37.2.

§ 2.2-3705.3. (Effective July 1, 2026) Exclusions to application of chapter; records relating to administrative investigations.

The following information contained in a public record is excluded from the mandatory disclosure provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law. Redaction of information excluded under this section from a public record

shall be conducted in accordance with § 2.2-3704.01.

1. Information relating to investigations of applicants for licenses and permits, and of all licensees and permittees, made by or submitted to the Virginia Alcoholic Beverage Control Authority, the Virginia Cannabis Control Authority, the Virginia Lottery pursuant to Chapter 40 (§ 58.1-4000 et seq.) ~~and~~, Chapter 41 (§ 58.1-4100 et seq.), *and Chapter 42 (§ 58.1-4200 et seq.)* of Title 58.1, the Virginia Racing Commission, the Department of Agriculture and Consumer Services relating to investigations and applications pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, or the Private Security Services Unit of the Department of Criminal Justice Services.

2. Records of active investigations being conducted by the Virginia Cannabis Control Authority or by the Department of Health Professions or any health regulatory board in the Commonwealth pursuant to § 54.1-108.

3. Investigator notes, and other correspondence and information, furnished in confidence with respect to an active investigation of individual employment discrimination complaints made to the Department of Human Resource Management, to such personnel of any local public body, including local school boards, as are responsible for conducting such investigations in confidence, or to any public institution of higher education. However, nothing in this subdivision shall prevent the disclosure of information taken from inactive reports in a form that does not reveal the identity of charging parties, persons supplying the information, or other individuals involved in the investigation.

4. Records of active investigations being conducted by the Department of Medical Assistance Services pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.

5. Investigative notes and other correspondence and information furnished in confidence with respect to an investigation or conciliation process involving an alleged unlawful discriminatory practice under the Virginia Human Rights Act (§ 2.2-3900 et seq.) or under any local ordinance adopted in accordance with the authority specified in § 2.2-524, or adopted pursuant to § 15.2-965, or adopted prior to July 1, 1987, in accordance with applicable law, relating to local human rights or human relations commissions. However, nothing in this subdivision shall prevent the distribution of information taken from inactive reports in a form that does not reveal the identity of the parties involved or other persons supplying information.

6. Information relating to studies and investigations by the Virginia Lottery of (i) lottery agents, (ii) lottery vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the law or regulations that cause abuses in the administration and operation of the lottery and any evasions of such provisions, or (v) the use of the lottery as a subterfuge for organized crime and illegal gambling where such information has not been publicly released, published or copyrighted. All studies and investigations referred to under clauses (iii), (iv), and (v) shall be open to inspection and copying upon completion of the study or investigation.

7. Investigative notes, correspondence and information furnished in confidence, and records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for (i) the Auditor of Public Accounts; (ii) the Joint Legislative Audit and Review Commission; (iii) an appropriate authority as defined in § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act (§ 2.2-3009 et seq.); (iv) the Office of the State Inspector General with respect to an investigation initiated through the Fraud, Waste and Abuse Hotline or an investigation initiated pursuant to Chapter 3.2 (§ 2.2-307 et seq.); (v) internal auditors appointed by the head of a state agency or by any public institution of higher education; (vi) the committee or the auditor with respect to an investigation or audit conducted pursuant to § 15.2-825; (vii) the auditors, appointed by the local governing body of any county, city, or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an investigation of any officer, department, or program of such body; or (viii) the Behavioral Health Commission. Information contained in completed investigations shall be disclosed in a form that does not reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is excluded by this subdivision, the information disclosed shall include the agency involved, the identity of the person who is the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject of the complaint may be released only with the consent of the subject person. Local governing bodies shall adopt guidelines to govern the disclosure required by this subdivision.

8. The names and personal contact information of complainants furnished in confidence with respect to an investigation of individual zoning enforcement complaints or complaints relating to the Uniform Statewide Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et seq.) made to a local governing body. As used in this subdivision, "personal contact information" includes the complainant's home or business (i) address, (ii) email address, or (iii) telephone number or comparable number assigned to any other electronic communication device.

9. Records of active investigations being conducted by the Department of Criminal Justice Services pursuant to Article 4 (§ 9.1-138 et seq.), Article 4.1 (§ 9.1-150.1 et seq.), Article 11 (§ 9.1-185 et seq.), and Article 12 (§ 9.1-186 et seq.) of Chapter 1 of Title 9.1.

10. Information furnished to or prepared by the Board of Education pursuant to subsection F of § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security, unauthorized

alteration, or improper administration of tests by local school board employees responsible for the distribution or administration of the tests. However, this section shall not prohibit the disclosure of such information to (i) a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee or (ii) any requester, after the conclusion of a review or investigation, in a form that (a) does not reveal the identity of any person making a complaint or supplying information to the Board on a confidential basis and (b) does not compromise the security of any test mandated by the Board.

11. Information contained in (i) an application for licensure or renewal of a license for teachers and other school personnel, including transcripts or other documents submitted in support of an application, and (ii) an active investigation conducted by or for the Board of Education related to the denial, suspension, cancellation, revocation, or reinstatement of teacher and other school personnel licenses including investigator notes and other correspondence and information, furnished in confidence with respect to such investigation. However, this subdivision shall not prohibit the disclosure of such (a) application information to the applicant at his own expense or (b) investigation information to a local school board or division superintendent for the purpose of permitting such board or superintendent to consider or to take personnel action with regard to an employee. Information contained in completed investigations shall be disclosed in a form that does not reveal the identity of any complainant or person supplying information to investigators. The completed investigation information disclosed shall include information regarding the school or facility involved, the identity of the person who was the subject of the complaint, the nature of the complaint, and the actions taken to resolve the complaint. If an investigation fails to support a complaint or does not lead to corrective action, the identity of the person who was the subject of the complaint may be released only with the consent of the subject person. No personally identifiable information regarding a current or former student shall be released except as permitted by state or federal law.

12. Information provided in confidence and related to an investigation by the Attorney General under Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2, Article 10 (§ 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2, or Article 1 (§ 58.1-1000) of Chapter 10 of Title 58.1. However, information related to an investigation that has been inactive for more than six months shall, upon request, be disclosed provided such disclosure is not otherwise prohibited by law and does not reveal the identity of charging parties, complainants, persons supplying information, witnesses, or other individuals involved in the investigation.

13. Records of active investigations being conducted by the Department of Behavioral Health and Developmental Services pursuant to Chapter 4 (§ 37.2-400 et seq.) of Title 37.2.

§ 11-16.3. Exemption; authorized fantasy contests.

This chapter shall not apply to any fantasy contests or related activity that is lawful under Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

§ 37.2-314.2. Problem Gambling Treatment and Support Fund.

A. As used in this section:

"Compulsive gambling" means persistent and recurrent problem gambling behavior leading to clinically significant impairment or distress, as indicated by an individual exhibiting four or more of the criteria as defined by the Diagnostic Statistical Manual of Mental Disorders in a 12-month period and where the behavior is not better explained by a manic episode.

"Problem gambling" means a gambling behavior that causes disruptions in any major area of life, including the psychological, social, or vocational areas of life, but does not fulfill the criteria for diagnosis as a gambling disorder.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Problem Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of § 58.1-4038 and moneys required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, *subsection C of § 58.1-4202, and § 58.1-4208* shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing counseling and other support services for compulsive and problem gamblers, (ii) developing and implementing compulsive and problem gambling treatment and prevention programs, and (iii) providing grants to support organizations that provide assistance to compulsive and problem gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.

§ 52-53. Definitions.

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

"Coordinator" means the position of the Gaming Enforcement Coordinator established pursuant to § 52-54.

"Department" means the Department of State Police.

"Gaming laws" means the laws regulating gambling under Article 1 (§ 18.2-325 et seq.) of Chapter 8 of Title 18.2, charitable gaming under Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, lottery games under Article 1 (§ 58.1-4000 et seq.) of Chapter 40 of Title 58.1, sports betting under Article 2 (§ 58.1-4030 et seq.) of Chapter 40 of Title 58.1, casino gaming under Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, fantasy contests under Chapter 42 (§ 59.1-556 58.1-4200 et seq.) of Title 59.1, horse racing and pari-mutuel wagering under Chapter 29 (§ 59.1-364 et seq.) of Title 59.1, any regulations promulgated pursuant to such laws, and any other federal, state, or local laws the Gaming Enforcement Coordinator deems relevant.

"Superintendent" means the Superintendent of State Police.

§ 58.1-4015.1. Voluntary exclusion program.

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

B. The regulations shall include the following provisions:

1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of this article; (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino gaming that may be allowed under the laws of the Commonwealth; (iv) participating in charitable gaming, as defined in § 18.2-340.16; (v) participating in fantasy contests, as defined in § 59.1-556 58.1-4200; or (vi) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in administering the voluntary exclusion program pursuant to the provisions of this section.

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

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

4. The name of a person participating in the program shall be included on a list of excluded persons. The list of persons entering the voluntary exclusion program and the personal information of the participants shall be confidential, with dissemination by the Department limited to sales agents and permit holders, as defined in § 58.1-4030, and any other parties the Department deems necessary for purposes of enforcement. The list and the personal information of participants in the voluntary exclusion program shall not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to other parties upon request by the participant and agreement by the Board.

5. Sales agents and permit holders shall make all reasonable attempts as determined by the Board to cease all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall not preclude sales agents and permit holders from seeking the payment of a debt incurred by a person before entering the program. In addition, a permit holder may share the names of individuals who self-exclude across its corporate enterprise, including sharing such information with any of its affiliates.

§ 58.1-4030. Definitions.

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

"Adjusted gross revenue" means gross revenue minus:

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

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

3. If the permit holder is a significant infrastructure limited licensee, as defined in § 59.1-365, any funds paid into the horsemen's purse account pursuant to the provisions of subdivision 14 of § 59.1-369; and

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

"Amateur sports" means any sports or athletic event that is not professional sports, college sports, Virginia college sports, or youth sports. "Amateur sports" includes domestic, international, and Olympic sports or athletic events. "Amateur sports" does not include charitable gaming, as defined in § 18.2-340.16; fantasy contests, as defined in § 59.1-556; or horse racing, as defined in § 59.1-365.

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

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

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

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

"Motor sports facility" means an outdoor motor sports facility that hosts a National Association for Stock

308 Car Auto Racing (NASCAR) national touring race.

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

312 "Permit holder" means a person to which the Director issues a permit pursuant to §§ 58.1-4032 and
313 58.1-4033.

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

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

323 "Professional sports" means an athletic event involving at least two human competitors who receive
324 compensation, in excess of their expenses, for participating in such event. "Professional sports" does not
325 include charitable gaming, as defined in § 18.2-340.16; fantasy contests, as defined in § 59.1-556 58.1-4200;
326 or horse racing, as defined in § 59.1-365.

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

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

336 "Sports betting" means placing wagers on professional sports, college sports, amateur sports, sporting
337 events, or any other event approved by the Director, and any portion thereof, and includes placing wagers
338 related to the individual performance statistics of athletes in such sports and events. "Sports betting" includes
339 any system or method of wagering approved by the Director, including single-game bets, teaser bets, parlays,
340 over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and
341 straight bets. "Sports betting" does not include participating in charitable gaming authorized by Article 1.1:1
342 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2; participating in any lottery game authorized under Article 1
343 (§ 58.1-4000 et seq.); *participating in fantasy contests authorized by Chapter 42 (§ 58.1-4200 et seq.) of Title*
344 *58.1; or wagering on horse racing authorized by Chapter 29 (§ 59.1-364 et seq.) of Title 59.1; or participating*
345 *in fantasy contests authorized by Chapter 51 (§ 59.1-556 et seq.) of Title 59.1.* "Sports betting" does not
346 include placing a wager on a college sports event in which a Virginia public or private institution of higher
347 education is a participant.

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

350 "Sports betting permit" means a permit to operate a sports betting platform or sports betting facility issued
351 pursuant to the provisions of §§ 58.1-4032, 58.1-4033, and 58.1-4034.

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

354 "Sports betting program" means the program established by the Board to allow sports betting as described
355 in this article.

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

357 "Sports event" or "sporting event" means professional sports, college sports, amateur sports, and any
358 athletic event, motor race event, electronic sports event, competitive video game event, or any other event
359 approved by the Director.

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

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

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

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

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

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

§ 58.1-4103. Voluntary exclusion program.

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

B. The regulations shall include the following provisions:

1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of this chapter or Chapter 40 (§ 58.1-4000 et seq.); (ii) participating in sports betting as such activity is regulated by the Board; (iii) engaging in any form of casino gaming authorized under the provisions of this chapter; (iv) participating in charitable gaming, as defined in § 18.2-340.16; (v) participating in fantasy contests, as defined in § ~~59.1-556~~ 58.1-4200; or (vi) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in administering the voluntary exclusion program pursuant to the provisions of this section.

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

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

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

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

**CHAPTER 42.
FANTASY CONTESTS.**

§ 58.1-4200. Definitions.

As used in this chapter, unless the context requires otherwise:

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

"Confidential information" means information related to the play of a fantasy contest by fantasy contest players obtained as a result of or by virtue of a person's employment.

"Department" means the independent agency responsible for the administration of the Virginia Lottery pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40 and the regulation of sports betting pursuant to Article 2 (§ 58.1-4030 et seq.) of Chapter 40, casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.), and fantasy contests pursuant to this chapter.

"Entry fee" means cash or cash equivalent that is required to be paid by a fantasy contest player to a fantasy contest operator in order to compete in a fantasy contest.

"Fantasy contest" includes any online fantasy or simulated game or contest with an entry fee in which (i) two or more fantasy contest players compete against each other; (ii) the value of all prizes and awards offered to winning players is established and made known to the players in advance of the contest; (iii) all winning outcomes reflect the relative knowledge and skill of the players and shall be determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events; (iv) no winning outcome is based on the score, point spread, or any performance of any single actual team or combination of teams or solely on any single performance of an individual athlete or player in any single actual event; and (v) no player competes against the fantasy contest operator.

"Fantasy contest operator" or "operator" means a person or entity to which the Department issues a fantasy contest permit pursuant to § 58.1-4203.

"Fantasy contest permit" means a permit to operate fantasy contests issued pursuant to the provisions of this chapter.

"Fantasy contest player" or "player" means a person who competes in a fantasy contest offered by a

fantasy contest operator. "Fantasy contest player" does not include a fantasy contest operator.

"Fantasy contest revenue" means the amount equal to the total of all entry fees that a fantasy contest operator collects from all fantasy contest players, less the total of all sums paid out to all fantasy contest players, multiplied by the location percentage.

"Location percentage" means the percentage of the amount equal to the total of all entry fees, rounded to the nearest tenth of a percent, collected by a fantasy contest operator from fantasy contest players located in the Commonwealth, divided by the amount equal to the total of all entry fees collected by a fantasy contest operator from all fantasy contest players in fantasy contests.

"Principal stockholder" means any person who individually or in concert with his spouse and immediate family members beneficially owns or controls, directly or indirectly, 15 percent or more of the equity ownership of a fantasy contest operator or who in concert with his spouse and immediate family members has the power to vote or cause the vote of 15 percent or more of the equity ownership of any such operator.

§ 58.1-4201. Powers and duties of the Board.

A. The Board shall have all powers and duties necessary to carry out the provisions of this chapter. The Board may establish procedures deemed necessary to carry out the provisions of this chapter.

B. Whenever it appears to the Board that any person has violated any provision of this chapter, it may apply to the appropriate circuit court for an injunction against such person. The order granting or refusing such injunction shall be subject to appeal as in other cases in equity.

C. Whenever the Board has reasonable cause to believe that a violation of this chapter may have occurred, the Board, upon its own motion or upon complaint of any person, may investigate any fantasy contest operator to determine whether such operator has violated the provisions of this chapter. In the conduct of such investigation, the Board may:

1. Require or permit any person to file a statement in writing, under oath or otherwise as the Board determines, as to all facts and circumstances concerning the matter to be investigated; and

2. Administer oaths or affirmations and, upon its own motion or upon request of any party, subpoena witnesses and compel their attendance, take evidence, and require the production of any matter that is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangibles and the identity and location of persons having knowledge of relevant facts or any other matter reasonably calculated to lead to the discovery of material evidence.

D. Any proceedings or hearings by the Board under this chapter, where witnesses are subpoenaed and their attendance is required for evidence to be taken or any matter is to be produced to ascertain material evidence, shall take place within the City of Richmond.

E. Upon failure to obey a subpoena and upon reasonable notice to all persons affected thereby, the Board may apply to the Circuit Court of the City of Richmond for an order imposing punishment for contempt of the subpoena or compelling compliance.

§ 58.1-4202. Application for a fantasy contest permit; penalty.

A. No fantasy contest operator shall offer any fantasy contest in the Commonwealth without first receiving a permit issued by the Department. Applications for a permit shall be on forms prescribed by the Board. Any permit issued by the Department shall be valid for three years from the date of issuance.

B. The application for a permit submitted by a fantasy contest operator shall contain the following information:

1. The name and principal address of the applicant; if a corporation, the state of its incorporation, the full name and address of each officer and director thereof, and, if a foreign corporation, whether it is qualified to do business in the Commonwealth; if a partnership or joint venture, the name and address of each officer thereof;

2. The address of any offices of the applicant in the Commonwealth and its designated agent for process within the Commonwealth. If no such agent is designated, the applicant shall be deemed to have designated the Director of the Department. If the operator does not maintain an office, the name and address of the person having custody of its financial records;

3. The place where and the date when the applicant was legally established and the form of its organization;

4. The names and addresses of the officers, directors, trustees, and principal salaried executive staff officer;

5. The name and address of each principal stockholder or member of such corporation;

6. The applicant's experience in operating fantasy contests in any other state or country, including the operator's history and reputation of integrity, financial viability, and compliance with applicable laws and regulations;

7. The applicant's proposed internal controls, including controls to ensure that no prohibited or voluntarily excluded person will be able to compete in fantasy contests;

8. The applicant's history of working to prevent problem gambling, including instituting applicable training programs for its employees; and

9. Such information as the Department and the Board deems necessary to ensure compliance with the

provisions of this chapter.

C. Every permit issued pursuant to this chapter shall be accompanied by a nonrefundable, initial application fee of \$50,000, which shall be deposited by the Department into the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2.

D. As a condition of being issued a permit, a fantasy contest operator shall submit evidence satisfactory to the Department that the operator has established and will implement procedures for fantasy contests that:

1. Prevent him or his employees and relatives living in the same household as the operator from competing in any fantasy contest offered by such operator in which the operator offers a cash prize;

2. Prevent the sharing of confidential information that could affect fantasy contest play with third parties until such information is made publicly available;

3. Verify that any fantasy contest player is 21 years of age or older;

4. Ensure that players who are the subject of a fantasy contest are restricted from entering a fantasy contest that is determined, in whole or part, on the accumulated statistical results of a team of individuals in which such players are fantasy contest players;

5. Allow individuals to restrict themselves from entering a fantasy contest upon request and take reasonable steps to prevent those individuals from entering the operator's fantasy contests;

6. Disclose the number of entries a single fantasy contest player may submit to each fantasy contest and take reasonable steps to prevent such players from submitting more than the allowable number; and

7. Segregate player funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, irrevocable letter of credit, bond, or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning players.

E. If permit application forms are filed online using a website approved by the Director of the Department, the operator shall follow the procedures on such website for signing the application forms.

F. Any operator that allows its permit to lapse, without requesting an extension of time to file, shall be required to resubmit an initial permit application. An extension may be granted by the Department upon receipt of a written request.

G. Any person who 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 permit application submitted pursuant to this chapter is guilty of a Class 1 misdemeanor.

§ 58.1-4203. Issuance of permit; denial of same.

A. The Department shall consider all applications for a permit and shall issue a valid permit to an applicant that meets the criteria set forth in this chapter.

B. The Department shall deny a permit to any applicant unless it finds that:

1. If the corporation is a stock corporation, such stock is fully paid and nonassessable and has been subscribed and paid for only in cash or property to the exclusion of past services and, if the corporation is a nonstock corporation, that there are at least five members;

2. All principal stockholders or members have submitted to the jurisdiction of the courts of the Commonwealth for the purposes of this chapter, and all nonresident principal stockholders or members have designated the Director of the Department as their agent for receipt of process;

3. The applicant's articles of incorporation provide that the corporation may, on vote of a majority of the stockholders or members, purchase at fair market value the entire membership interest of any stockholder or require the resignation of any member who is or becomes unqualified for such position under subsection C; and

4. The applicant meets the criteria established by the Department for the granting of a permit.

C. The Department may deny a permit to an applicant if it finds that the applicant, or any officer, partner, principal stockholder, or director of the applicant:

1. Has knowingly made a false statement of material fact or has deliberately failed to disclose any information requested;

2. Is or has been found guilty of any illegal, corrupt, or fraudulent act, practice, or conduct in connection with any fantasy contest in the Commonwealth or any other state or has been convicted of a felony, a crime of moral turpitude, or any criminal offense involving dishonesty or breach of trust within the 10 years prior to the date of application for a permit;

3. Has at any time knowingly failed to comply with the provisions of this chapter or of any requirements of the Board;

4. Has had a registration or permit to hold or conduct fantasy contests denied for just cause, suspended, or revoked in any other state or country;

5. Has legally defaulted in the payment of any obligation or debt due to the Commonwealth; or

6. Is not qualified to do business in the Commonwealth or is not subject to the jurisdiction of the courts of the Commonwealth.

D. Any operator applying for a permit or renewal of a permit may operate during the application period unless the Department has reasonable cause to believe that such operator is or may be in violation of the provisions of this chapter and the Department requires such operator to suspend the operation of any fantasy

556 contest until a permit or renewal of a permit is issued.

557 E. The Department shall issue such permit within 60 days of receipt of the application for a permit. If a
558 permit is not issued, the Department shall provide the operator with a specific justification for not issuing
559 such permit.

560 F. At least 60 days before the expiration of a permit, an operator shall submit a renewal application, on
561 forms prescribed by the Department, accompanied by a nonrefundable fee of \$25,000. The Department shall
562 make a determination on an application for a renewal of a fantasy contest permit within 30 days of receipt.
563 Any fees collected pursuant to this subsection shall be payable to the State Treasurer. All such fees received
564 by the State Treasurer shall be remitted to the Department for the administration of this chapter.

565 **§ 58.1-4204. Independent audit required; submission to Department.**

566 An operator that has been issued a permit shall annually (i) contract with a certified public accountant to
567 conduct an independent audit, consistent with the standards accepted by the Board of Accountancy; (ii)
568 contract with a testing laboratory recognized by the Department to verify compliance with the provisions of
569 subsection D of § 58.1-4202; and (iii) submit to the Department a copy of such reports required by clauses (i)
570 and (ii).

571 **§ 58.1-4205. Suspension or revocation of a permit.**

572 A. If the Department determines that a fantasy contest operator has violated any of the provisions of this
573 chapter, the Department may, with at least 15 days' notice and a hearing, (i) suspend or revoke the operator's
574 permit or (ii) impose on such operator a monetary penalty of not more than \$1,000 per day for each violation
575 of this chapter, not to exceed \$50,000, in any case where a violation of this chapter has been shown by a
576 preponderance of the evidence. The Department may revoke a permit if it finds that facts not known by it at
577 the time it considered the permit application indicate that such permit should not have been issued.

578 B. The Department may summarily suspend any permit for a period of not more than seven days pending
579 a hearing and final determination by the Department if the Department determines that a violation of this
580 chapter has occurred and emergency action is required to protect the public health, safety, and welfare. The
581 Department shall (i) schedule a hearing within seven business days after the permit is summarily suspended
582 and (ii) notify the operator not less than five business days before the hearing of the date, time, and place of
583 the hearing.

584 C. If any such permit is suspended or revoked, the Department shall state its reasons for doing so, which
585 shall be entered of record. Such action shall be final unless appealed in accordance with § 58.1-4206.
586 Suspension or revocation of a permit issued by the Department for any violation shall not preclude civil
587 liability for such violation.

588 **§ 58.1-4206. Hearing and appeal.**

589 Any person aggrieved by a denial of the Department to issue a permit, the suspension or revocation of a
590 permit, the imposition of a fine, or any other action of the Department may seek review of such action in
591 accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act in the Circuit Court of the
592 City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the
593 Administrative Process Act.

594 **§ 58.1-4207. Fees and charges.**

595 Except as provided in subsection C of § 58.1-4202 and § 58.1-4212, all fees, charges, and monetary
596 penalties collected by the Department as provided in this chapter shall be paid into a special fund of the state
597 treasury. Such funds shall be used to finance the administration and operation of this chapter.

598 **§ 58.1-4208. Taxation on fantasy contest revenue; allocation of tax revenue; additional fee.**

599 A. There shall be imposed a tax of 10 percent on an operator's fantasy contest revenue.

600 B. The tax imposed pursuant to this section is due monthly to the Department, and the fantasy contest
601 operator shall remit it on or before the twentieth day of the next succeeding calendar month. If the operator's
602 accounting necessitates corrections to a previously remitted tax, the operator shall document such
603 corrections when it remits the following month's taxes.

604 C. The Department shall allocate the tax revenue as follows:

605 1. Two and one-half percent to the Problem Gambling Treatment and Support Fund established pursuant
606 to § 37.2-314.2; and

607 2. Ninety-seven and one-half percent to the general fund.

608 D. There shall be imposed an additional fee of 2.6 percent on an operator's fantasy contest revenue. Such
609 fee is due monthly to the Department, and the fantasy contest operator shall remit it on or before the
610 twentieth day of the next succeeding calendar month. The revenue from the fee imposed pursuant to this
611 subsection shall be utilized by the Department to cover the costs of the administration and regulation of this
612 chapter. Any revenue remaining after the Department has covered such costs shall be remitted to the general
613 fund.

614 **§ 58.1-4209. Public inspection of information filed with the Department; charges for production.**

615 A. Except as provided in subsection B, permits issued pursuant to this chapter shall be open to the public
616 for inspection at such time and under such conditions as the Board may prescribe. A charge not exceeding \$1
617 per page may be made for any copy of such documents as may be furnished to any person by the Department.

B. Reports, data, or documents submitted to the Department pursuant to the audit requirements of § 58.1-4204 and records submitted to the Department as part of an application for a permit or renewal of a permit that contain information about the character or financial responsibility of the operator or its principal stockholders shall be deemed confidential and shall be exempt from disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

§ 58.1-4210. Permit not endorsement.

No fantasy contest operator shall use or exploit the fact of being issued a permit pursuant to this chapter so as to lead the public to believe that such permit in any manner constitutes an endorsement or approval by the Commonwealth.

§ 58.1-4211. Acquisition of interest in fantasy contest operator.

A. If any person acquires actual control of a fantasy contest operator that has been issued a permit pursuant to the provisions of this chapter, such person shall submit an application for a permit with the Department in accordance with § 58.1-4202.

B. Where any such acquisition of control is without prior approval of the Department, the Department may suspend any permit it has issued to such operator, order compliance with this section, or take such other action as may be appropriate within the authority of the Department.

§ 58.1-4212. Civil penalty.

In addition to the provisions of § 58.1-4205, any person, firm, corporation, association, agent, or employee who knowingly violates any procedure implemented under subsection D of § 58.1-4202 or any other provision of this chapter shall be liable for a civil penalty of not more than \$1,000 for each such violation. Such amount shall be recovered in a civil action brought by the Department and be paid into the Literary Fund.

§ 58.1-4213. Fantasy contests conducted under this chapter not illegal gambling.

A. Nothing contained in Article 1 (§ 18.2-325 et seq.) of Chapter 8 of Title 18.2 shall be applicable to a fantasy contest conducted in accordance with this chapter. The award of any prize money for any fantasy contest shall not be deemed to be part of any gaming contract within the purview of § 11-14.

B. This section shall not apply to any sports betting or related activity that is lawful under Article 2 (§ 58.1-4030 et seq.) of Chapter 40, which shall be regulated pursuant to such chapter.

§ 58.1-4214. Liability imposed by other laws not decreased.

Except as provided in § 58.1-4213, nothing contained in this chapter shall be construed as making lawful any act or omission that is now unlawful, or as decreasing the liability, civil or criminal, of any person, imposed by existing laws.

2. That by January 1, 2029, the Virginia Lottery Board (the Board) shall adopt regulations necessary to implement the provisions of this act. The Board's initial adoption of such regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), provided that, prior to the final adoption of such regulations, the Board publishes in the Virginia Register of Regulations and posts on the Virginia Regulatory Town Hall an action that provides (i) a 30-day comment period; (ii) a summary of the proposed regulations, the text of the proposed regulations, and the name, address, email address, and telephone number of the agency contact person responsible for receiving public comments; and (iii) the statutory authority to promulgate the regulations.

3. That the regulations of the Department of Agriculture and Consumer Services (the Department) promulgated pursuant to Chapter 51 (§ 59.1-556 et seq.) of Title 59.1 of the Code of Virginia, as repealed by this act, shall remain in full force and effect to be administered by the Department until the Virginia Lottery Board promulgates regulations pursuant to this act.

4. That the Virginia Lottery shall begin accepting applications pursuant to § 58.1-4202 of the Code of Virginia, as created by this act, upon successful adoption of regulations in accordance with the second enactment of this act and Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

5. That any fantasy contest operator offering fantasy contests pursuant to a valid registration issued by the Department of Agriculture and Consumer Services to fantasy contest players in the Commonwealth prior to the effective date of this act may continue to offer fantasy contests in the Commonwealth until the fantasy contest operator's permit application submitted pursuant to § 58.1-4202 of the Code of Virginia, as created by this act, has been approved or denied by the Virginia Lottery (the Department) pursuant to the fourth enactment of this act and § 58.1-4203 of the Code of Virginia, as created by this act.

6. That Chapter 51 (§§ 59.1-556 through 59.1-570) of Title 59.1 of the Code of Virginia is repealed.