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SENATE BILL NO. 579

Offered January 14, 2026

A BILL to amend and reenact §§ 18.2-325 and 18.2-334 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 18.2-326.1, relating to illegal gambling; online sweepstakes games; civil penalty.

Patron—Reeves

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-325 and 18.2-334 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 18.2-326.1 as follows:

§ 18.2-325. Definitions.

~~1.~~ As used in this article, unless the context requires a different meaning:

"Gambling device" means (i) any device, machine, paraphernalia, equipment, or other thing, including books, records, and other papers, that is actually used in an illegal gambling operation or activity; (ii) any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or video version thereof, including those dependent upon the insertion of a coin or other object for their operation, that operates, either completely automatically or with the aid of some physical act by the player or operator, in such a manner that, depending upon elements of chance, it may eject something of value or determine the prize or other thing of value to which the player is entitled, provided, however, that the return to the user of nothing more than additional chances or the right to use such machine is not deemed something of value within the meaning of this definition, and provided further that machines that only sell, or entitle the user to obtain, items of merchandise of equivalent value that may differ from each other in composition, size, shape, or color shall not be deemed gambling devices within the meaning of this definition; and (iii) skill games.

Such devices are no less gambling devices if they indicate beforehand the definite result of one or more operations but not all the operations, nor are they any less a gambling device because, apart from their use or adaptability as such, they may also sell or deliver something of value on a basis other than chance.

"Illegal gambling" means the making, placing, or receipt of any bet or wager in the Commonwealth of money or other consideration or thing of value, made in exchange for a chance to win a prize, stake, or other consideration or thing of value, dependent upon the result of any game, contest, or any other event the outcome of which is uncertain or a matter of chance, whether such game, contest, or event occurs or is to occur inside or outside the limits of the Commonwealth.

For the purposes of this subdivision definition and notwithstanding any provision in this section to the contrary, the making, placing, or receipt of any bet or wager of money or other consideration or thing of value ~~shall include~~ includes the purchase of a product, ~~Internet~~ internet access, or other thing made in exchange for a chance to win a prize, stake, or other consideration or thing of value by means of the operation of a gambling device as described in ~~subdivision 3 b~~, clause (ii) of the definition of "gambling device," regardless of whether the chance to win such prize, stake, or other consideration or thing of value may be offered in the absence of a purchase.

"Illegal gambling" also means the (i) playing or offering for play of any skill game; (ii) operating, conducting, or promoting of any online sweepstakes game; and (iii) supporting or assisting in the operating, conducting, or promoting of any online sweepstakes game.

~~2.~~ "Interstate gambling" means the conduct of an enterprise for profit that engages in the purchase or sale within the Commonwealth of any interest in a lottery of another state or country whether or not such interest is an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of such interest.

3. "Gambling device" includes:

a. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other papers, which are actually used in an illegal gambling operation or activity;

b. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or video versions thereof, including but not limited to those dependent upon the insertion of a coin or other object for their operation, which operates, either completely automatically or with the aid of some physical act by the player or operator, in such a manner that, depending upon elements of chance, it may eject something of value or determine the prize or other thing of value to which the player is entitled, provided, however, that the return to the user of nothing more than additional chances or the right to use such machine is not deemed something of value within the meaning of this subsection; and provided further, that machines that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other

in composition, size, shape, or color, shall not be deemed gambling devices within the meaning of this subsection; and

e. Skill games.

Such devices are no less gambling devices if they indicate beforehand the definite result of one or more operations but not all the operations. Nor are they any less a gambling device because, apart from their use or adaptability as such, they may also sell or deliver something of value on a basis other than chance.

4. "Online sweepstakes game" means any game, contest, or promotion in which a prize is awarded based on chance that (i) is available on the internet and accessible on a mobile phone, computer, or similar device; (ii) utilizes a dual currency system of payment allowing the player to exchange the currency for any prize, award, cash, or cash equivalent; and (iii) simulates casino-style gaming, including slot machines, video poker, table games, lottery games, and sports betting.

"Operator" includes any person, firm, or association of persons, who conducts, finances, manages, supervises, directs, or owns all or part of an illegal gambling enterprise, activity, or operation.

5. "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural person.

6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or other device that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate, or play a game, the outcome of which is determined by any element of skill of the player and that may deliver or entitle the person playing or operating the device to receive cash or cash equivalents, gift cards, vouchers, billets, tickets, tokens, or electronic credits to be exchanged for cash or cash equivalents whether the payoff is made automatically from the device or manually. "Skill game" includes (i) a device that contains a meter or measurement device that records the number of free games or portions of games that are rewarded and (ii) a device designed or adapted to enable a person using the device to increase the chances of winning free games or portions of games by paying more than the amount that is ordinarily required to play the game. "Skill game" does not include any amusement device, as defined in § 18.2-334.6.

7. "Unregulated location" means any location that is not regulated or operated by the Virginia Lottery or the Virginia Lottery Board, the Department of Agriculture and Consumer Services, the Virginia Alcoholic Beverage Control Authority, or the Virginia Racing Commission.

§ 18.2-326.1. Penalty for online sweepstakes games.

Any person who operates, conducts, or promotes online sweepstakes games in the Commonwealth or takes any action to support or assist in the operation, conduct, or promotion of online sweepstakes games in the Commonwealth shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 per violation. Any civil penalties collected pursuant to this section shall be paid into the Literary Fund.

§ 18.2-334. Exception to article; private residences.

Nothing in this article shall be construed to make it illegal to participate in a game of chance conducted in a private residence, provided such private residence is not commonly used for such games of chance and there is no operator as defined in subsection 4 of § 18.2-325.