

10103766D

**HOUSE BILL NO. 1078**

Offered January 13, 2010

Prefiled January 13, 2010

A *BILL to amend and reenact §§ 18.2-340.30 and 18.2-340.31 of the Code of Virginia, relating to charitable gaming; reports and audits; exceptions.*

Patrons—Lewis and Pollard

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 18.2-340.30 and 18.2-340.31 of the Code of Virginia are amended and reenacted as follows:**

§ 18.2-340.30. Reports of gross receipts and disbursements required; form of reports; failure to file.

A. Each qualified organization shall keep a complete record of all inventory of charitable gaming supplies purchased, all receipts from its charitable gaming operation, and all disbursements related to such operation. Except as provided in § 18.2-340.23, each qualified organization shall file at least annually, on a form prescribed by the Department, a report of all such receipts and disbursements, the amount of money on hand attributable to charitable gaming as of the end of the period covered by the report and any other information related to its charitable gaming operation that the Department may require. In addition, the Board, by regulation, may require any qualified organization, *other than a volunteer fire department or rescue squad or auxiliary unit thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political subdivision where the volunteer fire department or rescue squad is located as being part of the safety program of such political subdivision*, whose net receipts exceed a specified amount during any three-month period to file a report of its receipts and disbursements for such period. All reports filed pursuant to this section shall be a matter of public record.

B. All reports required by this section shall be filed on or before the date prescribed by the Department. The Board, by regulation, shall establish a schedule of late fees to be assessed for any organization that fails to submit required reports by the due date.

C. Except as provided in § 18.2-340.23, each qualified organization shall designate or compensate an outside individual or group who shall be responsible for filing an annual, and, if required, quarterly, financial report if the organization goes out of business or otherwise ceases to conduct charitable gaming activities. The Department shall require such reports as it deems necessary until all proceeds of any charitable gaming have been used for the purposes specified in § 18.2-340.19 or have been disbursed in a manner approved by the Department.

D. Each qualified organization shall maintain for three years a complete written record of (i) all charitable gaming sessions using Department prescribed forms or reasonable facsimiles thereof approved by the Department; (ii) the name and address of each individual to whom any prize or jackpot in excess of \$599 from any charitable gaming is awarded, as well as the amount of the award; and (iii) an itemized record of all receipts and disbursements, including operating costs and use of proceeds incurred in operating bingo games.

E. The failure to file reports within 30 days of the time such reports are due shall cause the automatic revocation of the permit, and no organization shall conduct any bingo game or raffle thereafter until the report is properly filed and a new permit is obtained. However, the Department may grant an extension of time for filing such reports for a period not to exceed 45 days if requested by an organization, provided the organization requests an extension within 15 days of the time such reports are due and all projected fees are paid. For the term of any such extension, the organization's permit shall not be automatically revoked, such organization may continue to conduct charitable gaming, and no new permit shall be required.

§ 18.2-340.31. Audit of reports; exemption; audit and administration fee.

A. All reports filed pursuant to § 18.2-340.30 shall be subject to audit by the Department in accordance with Board regulations, *except volunteer fire departments or rescue squads or auxiliary units thereof that have been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political subdivision where the volunteer fire department or rescue squad is located as being part of the safety program of such political subdivision*. The Department may engage the services of independent certified public accountants to perform any audits deemed necessary to fulfill the Department's responsibilities under this article.

B. The Department shall prescribe a reasonable audit and administration fee to be paid by any

59 organization conducting charitable gaming under a permit issued by the Department unless the  
60 organization is exempt from such fee pursuant to § 18.2-340.23. Such fee shall not exceed one and  
61 one-quarter percent of the gross receipts which an organization reports pursuant to § 18.2-340.30. The  
62 audit and administration fee shall accompany each report for each calendar quarter.

63 C. The audit and administration fee shall be payable to the Treasurer of Virginia. All such fees  
64 received by the Treasurer of Virginia shall be separately accounted for and shall be used only by the  
65 Department for the purposes of auditing and regulating charitable gaming.