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HOUSE BILL NO. 1092

Offered January 13, 2016

Prefiled January 13, 2016

A *BILL to amend and reenact §§ 2.2-2456, 18.2-340.15, 18.2-340.16, 18.2-340.18, 18.2-340.20, 18.2-340.23, 18.2-340.24, 18.2-340.25, 18.2-340.26:2, 18.2-340.27, 18.2-340.29, 18.2-340.30, 18.2-340.31, 18.2-340.33, 18.2-340.34, 18.2-340.35, 18.2-340.36, 18.2-340.37, and 58.1-3, as it is currently effective and as it shall become effective, of the Code of Virginia and to amend the Code of Virginia by adding in Article 19 of Chapter 24 of Title 2.2 sections numbered 2.2-2456.1 and 2.2-2456.2, relating to charitable gaming.*

Patron—Filler-Corn

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2456, 18.2-340.15, 18.2-340.16, 18.2-340.18, 18.2-340.20, 18.2-340.23, 18.2-340.24, 18.2-340.25, 18.2-340.26:2, 18.2-340.27, 18.2-340.29, 18.2-340.30, 18.2-340.31, 18.2-340.33, 18.2-340.34, 18.2-340.35, 18.2-340.36, 18.2-340.37, and 58.1-3, as it is currently effective and as it shall become effective, of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 19 of Chapter 24 of Title 2.2 sections numbered 2.2-2456.1 and 2.2-2456.2 as follows:

§ 2.2-2456. Duties of the Charitable Gaming Board.**A. The Board shall:**

1. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) not inconsistent with the laws of Virginia necessary to carry out the provisions of this chapter and the provisions of Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2. Such regulations may include penalties for violations;

2. Advise the Department of Agriculture and Consumer Services on the conduct of charitable gaming in Virginia and recommend changes to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2; and

3. Keep a complete and accurate record of its proceedings. A copy of such record and any other public records not exempt from disclosure under the Freedom of Information Act (§ 2.2-3700 et seq.) shall be available for public inspection and copying during regular office hours at the Department of Agriculture and Consumer Services;

3. Hold and conduct hearings; issue subpoenas requiring the attendance of witnesses and the production of records, memoranda, papers, and other documents before the Board or any agent of the Board; and administer oaths and take testimony thereunder;

4. Grant, suspend, and revoke permits for the conduct of charitable gaming in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2; and

5. Do all acts necessary or advisable to carry out the purposes of this article and Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2.

B. The Board may expend funds (i) to provide for educating charitable organizations and players; (ii) for programs of market development, education, publicity, research, and the promotion of charitable gaming in Virginia; and (iii) to contract for market development, publicity, research, advertising, and other promotional services.

§ 2.2-2456.1. Charitable Gaming Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Charitable Gaming Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. Moneys appropriated to the Fund by the General Assembly, all permit and registration fees, and all audit and administration fees collected by the Board in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 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 (i) administering and enforcing charitable gaming laws and Board regulations in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, (ii) educating charitable organizations and players, and (iii) promoting charitable gaming in Virginia. 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 chairman or vice-chairman of the Board.

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59 **§ 2.2-2456.2. Board to adjust fees.**

60 *Following the close of any biennium, when the account for the Board shows expenses allocated to it*
61 *for the past biennium to be more than 10 percent greater or less than moneys collected by the Board,*
62 *the Board shall revise the fees levied by it for issuing charitable gaming permits and supplier*
63 *registrations, or renewal thereof, so that the fees are sufficient but not excessive to cover expenses.*

64 **§ 18.2-340.15. State control of charitable gaming.**

65 A. Charitable gaming as authorized herein shall be permitted in the Commonwealth as a means of
66 funding qualified organizations but shall be conducted only in strict compliance with the provisions of
67 this article. The ~~Department of Agriculture and Consumer Services~~ *Charitable Gaming Board* is vested
68 with control of all charitable gaming in the Commonwealth. The Charitable Gaming Board shall have
69 the power to prescribe regulations and conditions under which such gaming shall be conducted to ensure
70 that it is conducted in a manner consistent with the purpose for which it is permitted.

71 B. The conduct of any charitable gaming is a privilege that may be granted or denied by the
72 ~~Department of Agriculture and Consumer Services~~ *Charitable Gaming Board* or its duly authorized
73 representatives in its discretion in order to effectuate the purposes set forth in this article.

74 **§ 18.2-340.16. Definitions.**

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

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

82 "Board" means the Charitable Gaming Board created pursuant to § 2.2-2455.

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

85 "Charitable gaming" or "charitable games" means those raffles and games of chance explicitly
86 authorized by this article.

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

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

93 "Conduct" means the actions associated with the provision of a gaming operation during and
94 immediately before or after the permitted activity, which may include, but not be limited to, (i) selling
95 bingo cards or packs, electronic devices, instant bingo or pull-tab cards, or raffle tickets, (ii) calling
96 bingo games, (iii) distributing prizes, and (iv) any other services provided by volunteer workers.

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

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

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

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

106 "Instant bingo," "pull tabs," or "seal cards" means specific games of chance played by the random
107 selection of one or more individually prepacked cards, including ~~Department-approved~~ *Board-approved*
108 electronic versions thereof, with winners being determined by the preprinted or predetermined
109 appearance of concealed letters, numbers or symbols that must be exposed by the player to determine
110 wins and losses and may include the use of a seal card which conceals one or more numbers or symbols
111 that have been designated in advance as prize winners. Such cards may be dispensed by electronic or
112 mechanical equipment.

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

115 "Landlord" means any person or his agent, firm, association, organization, partnership, or corporation,
116 employee, or immediate family member thereof, which owns and leases, or leases any premises devoted
117 in whole or in part to the conduct of bingo games, and any person residing in the same household as a
118 landlord.

119 "Management" means the provision of oversight of a gaming operation, which may include, but is
120 not limited to, the responsibilities of applying for and maintaining a permit or authorization, compiling,

submitting and maintaining required records and financial reports, and ensuring that all aspects of the operation are in compliance with all applicable statutes and regulations.

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

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

"Operation" means the activities associated with production of a charitable gaming activity, which may include, but not be limited to (i) the direct on-site supervision of the conduct of charitable gaming; (ii) coordination of volunteers; and (iii) all responsibilities of charitable gaming designated by the organization's management.

"Organization" means any one of the following:

1. A volunteer fire department or volunteer emergency medical services agency 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 volunteer emergency medical services agency is located as being a part of the safety program of such political subdivision;

2. An organization operated exclusively for religious, charitable, community or educational purposes;

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

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

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

6. A local chamber of commerce; or

7. Any other nonprofit organization that raises funds by conducting raffles that generate annual gross receipts of \$40,000 or less, provided such gross receipts from the raffle, less expenses and prizes, are used exclusively for charitable, educational, religious or community purposes.

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

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

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

"Reasonable and proper business expenses" means business expenses actually incurred by a qualified organization in the conduct of charitable gaming and not otherwise allowed under this article or under Board regulations on real estate and personal property tax payments, travel expenses, payments of utilities and trash collection services, legal and accounting fees, costs of business furniture, fixtures and office equipment and costs of acquisition, maintenance, repair or construction of an organization's real property. For the purpose of this definition, salaries and wages of employees whose primary responsibility is to provide services for the principal benefit of an organization's members shall not qualify as a business expense. However, payments made pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund shall be deemed a reasonable and proper business expense.

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

§ 18.2-340.18. Powers and duties of the Board.

The ~~Department~~ Board shall have all powers and duties necessary to carry out the provisions of this article and to exercise the control of charitable gaming as set forth in § 18.2-340.15. Such powers and duties shall include but not be limited to the following:

1. The ~~Department~~ Board is vested with jurisdiction and supervision over all charitable gaming authorized under the provisions of this article and including all persons that conduct or provide goods, services or premises used in the conduct of charitable gaming. It may employ such persons as are necessary to ensure that charitable gaming is conducted in conformity with the provisions of this article and the regulations of the Board regulations. The ~~Department~~ Board shall designate such agents and employees as it deems necessary and appropriate who shall be sworn to enforce the provisions of this article and the criminal laws of the Commonwealth and who shall be law-enforcement officers as defined in § 9.1-101.

2. The ~~Department~~ Board, its agents and employees and any law-enforcement officers charged with

the enforcement of charitable gaming laws shall have free access to the offices, facilities or any other place of business of any organization, including any premises devoted in whole or in part to the conduct of charitable gaming. These individuals may enter such places or premises for the purpose of *investigating any gaming activity not specifically authorized by this article or Board regulation*, carrying out any duty imposed by this article, securing records required to be maintained by an organization, investigating complaints, or conducting audits.

3. The ~~Department~~ Board may compel the production of any books, documents, records, or memoranda of any organizations or supplier involved in the conduct of charitable gaming for the purpose of satisfying itself that this article and its regulations are strictly complied with. In addition, the ~~Department~~ Board may require the production of an annual balance sheet and operating statement of any person granted a permit pursuant to the provisions of this article and may require the production of any contract to which such person is or may be a party.

4. The ~~Department~~ Board may issue subpoenas for the attendance of witnesses before it, administer oaths, and compel production of records or other documents and testimony of such witnesses whenever, in the judgment of the ~~Department~~ Board, it is necessary to do so for the effectual discharge of its duties.

5. The ~~Department~~ Board may compel any person conducting charitable gaming to file with the ~~Department~~ Board such documents, information or data as shall appear to the ~~Department~~ Board to be necessary for the performance of its duties.

6. The ~~Department~~ Board may enter into arrangements with any governmental agency of this or any other state or any locality in the Commonwealth or any agency of the federal government for the purposes of exchanging information or performing any other act to better ensure the proper conduct of charitable gaming.

7. The ~~Department~~ Board may issue a charitable gaming permit while the permittee's tax-exempt status is pending approval by the Internal Revenue Service.

8. The ~~Department~~ Board shall report annually to the Governor and the General Assembly, which report shall include a financial statement of the operation of the ~~Department~~ Board and any recommendations for legislation applicable to charitable gaming in the Commonwealth.

9. The ~~Department~~ Board, its agents and employees may conduct such audits, in addition to those required by § 18.2-340.31, as they deem necessary and desirable.

10. The ~~Department~~ Board may limit the number of organizations for which a person may manage, operate or conduct charitable games.

11. The ~~Department~~ Board may *investigate any gaming activity not specifically authorized by this article or Board regulation, including illegal gambling as defined in § 18.2-325, and may report any alleged criminal violation of this article* to the appropriate attorney for the Commonwealth for appropriate action.

§ 18.2-340.20. Denial, suspension or revocation of permit; hearings and appeals.

A. The ~~Department~~ Board may deny, suspend or revoke the permit of any organization found not to be in strict compliance with the provisions of this article and ~~the Board regulations of the Board only after the proposed action by the Department has been reviewed and approved by the Board~~. The action of the ~~Department~~ Board in denying, suspending or revoking any permit shall be subject to the Administrative Process Act (§ 2.2-4000 et seq.).

B. Except as provided in §§ 18.2-340.25, 18.2-340.30 and 18.2-340.36, no permit to conduct charitable gaming shall be denied, suspended or revoked except upon notice stating the proposed basis for such action and the time and place for the hearing. At the discretion of the ~~Department~~ Board, hearings may be conducted by hearing officers who shall be selected from the list prepared by the Executive Secretary of the Supreme Court. After a hearing on the issues, the ~~Department~~ Board may refuse to issue or may suspend or revoke any such permit if it determines that the organization has not complied with the provisions of this article or ~~the Board regulations of the Board~~.

C. Any person aggrieved by a refusal of the ~~Department~~ Board to issue any permit, the suspension or revocation of a permit, or any other action of the ~~Department~~ Board may seek review of such action in accordance with Article 4 (§ 2.2-4025 et seq.) of the Administrative Process Act.

§ 18.2-340.23. Organizations exempt from certain permits and fees.

A. No organization that reasonably expects, based on prior charitable gaming annual results or any other quantifiable method, to realize gross receipts of \$40,000 or less in any 12-month period shall be required to (i) notify the ~~Department~~ Board of its intention to conduct charitable gaming or (ii) comply with Board regulations. If any organization's actual gross receipts for the 12-month period exceed \$40,000, the ~~Department~~ Board may require the organization to file by a specified date the report required by § 18.2-340.30.

B. Any volunteer fire department or volunteer emergency medical services agency 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 volunteer emergency medical services

agency is located as being part of the safety program of such political subdivision shall be exempt from the payment of application fees required by § 18.2-340.25 and the payment of audit fees required by § 18.2-340.31. Nothing in this subsection shall be construed as exempting volunteer fire departments and volunteer emergency medical services agencies from any other provisions of this article or other Board regulations.

C. Nothing in this section shall prevent the ~~Department~~ Board from conducting any investigation or audit it deems appropriate to ensure an organization's compliance with the provisions of this article and, to the extent applicable, Board regulations.

§ 18.2-340.24. Eligibility for permit; exceptions; where valid.

A. To be eligible for a permit to conduct charitable gaming, an organization shall:

1. Have been in existence and met on a regular basis in the Commonwealth for a period of at least three years immediately prior to applying for a permit.

The three-year residency requirement shall not apply (i) to any lodge or chapter of a national or international fraternal order or of a national or international civic organization which is exempt under § 501(c) of the United States Internal Revenue Code and which has a lodge or chapter holding a charitable gaming permit issued under the provisions of this article anywhere within the Commonwealth; (ii) to booster clubs which have been operating for less than three years and which have been established solely to raise funds for school-sponsored activities in public schools or private schools accredited pursuant to § 22.1-19; (iii) to recently established volunteer fire and rescue companies or departments, after county, city or town approval; or (iv) to an organization which relocates its meeting place on a permanent basis from one jurisdiction to another, complies with the requirements of subdivision 2 of this section, and was the holder of a valid permit at the time of its relocation.

2. Be operating currently and have always been operated as a nonprofit organization.

3. Have at least 50 percent of its membership consist of residents of the Commonwealth; however, if an organization (i) does not consist of bona fide members and (ii) is exempt under § 501(c)(3) of the United States Internal Revenue Code, the Board shall exempt such organizations from the requirements of this subdivision.

B. Any organization whose gross receipts from all charitable gaming exceeds or can be expected to exceed \$40,000 in any calendar year shall have been granted tax-exempt status pursuant to § 501(c) of the United States Internal Revenue Code. At the same time tax-exempt status is sought from the Internal Revenue Service, the same documentation may be filed with the ~~Department~~ Board in conjunction with an application for a charitable gaming permit. If such documentation is filed, the ~~Department~~ Board may, after reviewing such documentation it deems necessary, issue a charitable gaming permit.

C. A permit shall be valid only for the locations, dates, and times designated in the permit.

§ 18.2-340.25. Permit required; application fee; form of application.

A. Except as provided for in § 18.2-340.23, prior to the commencement of any charitable game, an organization shall obtain a permit from the ~~Department~~ Board.

B. All complete applications for a permit shall be acted upon by the ~~Department~~ Board within 45 days from the filing thereof. Upon compliance by the applicant with the provisions of this article, and at the discretion of the ~~Department~~ Board, a permit may be issued. All permits when issued shall be valid for the period specified in the permit unless it is sooner suspended or revoked. No permit shall be valid for longer than two years. The application shall be a matter of public record.

All permits shall be subject to regulation by the ~~Department~~ Board to ensure the public safety and welfare in the operation of charitable games. The permit shall only be granted after a reasonable investigation has been conducted by the ~~Department~~ Board. The ~~Department~~ Board may require any prospective employee, permit holder or applicant to submit to fingerprinting and to provide personal descriptive information to be forwarded along with employee's, licensee's or applicant's fingerprints through the Central Criminal Records Exchange to the Federal Bureau of Investigation for the purposes of obtaining criminal history record information regarding such prospective employee, permit holder or applicant. The Central Criminal Records Exchange upon receipt of a prospective employee, licensee or applicant record or notification that no record exists, shall forward the report to the ~~Commissioner~~ of the ~~Department~~ Board or his its designee, who shall belong to a governmental entity. However, nothing in this subsection shall be construed to require the routine fingerprinting of volunteer bingo workers.

C. In no case shall an organization receive more than one permit allowing it to conduct charitable gaming; however, nothing in this section shall be construed to prohibit granting special permits pursuant to § 18.2-340.27.

D. Application for a charitable gaming permit shall be made on forms prescribed by the Department and shall be accompanied by payment of the fee for processing the application.

E. Applications for renewal of permits shall be made in accordance with Board ~~Regulations~~ regulations. If a complete renewal application is received 45 days or more prior to the expiration of the

305 permit, the permit shall continue to be effective until such time as the ~~Department~~ Board has taken final
306 action. Otherwise, the permit shall expire at the end of its term.

307 F. The failure to meet any of the requirements of § 18.2-340.24 shall cause the automatic denial of
308 the permit, and no organization shall conduct any charitable gaming until the requirements are met and a
309 permit is obtained.

310 **§ 18.2-340.26:2. Sale of instant bingo, pull tabs, or seal cards by certain booster clubs.**

311 As a part of its annual fund-raising event, any qualified organization that is an athletic association or
312 booster club or a band booster club may sell instant bingo, pull tabs, or seal cards provided that (i) the
313 sale is limited to a single event in a calendar year and (ii) the event is open to the public. The
314 ~~Department~~ Board may require organizations authorized under this section to make such financial
315 reporting as it deems necessary.

316 Nothing in this section shall be construed as exempting organizations authorized to sell instant bingo,
317 pull tabs, or seal cards under this section from any other provisions of this article or other Board
318 regulations.

319 **§ 18.2-340.27. Conduct of bingo games; special permits.**

320 A. A qualified organization shall accept only cash or, at its option, checks or debit cards in payment
321 of any charges or assessments for players to participate in bingo games. However, no such organization
322 shall accept postdated checks in payment of any charges or assessments for players to participate in
323 bingo games.

324 B. No qualified organization or any person on the premises shall extend lines of credit or accept any
325 credit or other electronic fund transfer other than debit cards in payment of any charges or assessments
326 for players to participate in bingo games.

327 C. Bingo games may be held by qualified organizations no more frequently than two calendar days
328 in any calendar week, except in accordance with subsection E.

329 D. No more than two sessions of bingo games may be held by qualified organizations in any
330 calendar day, nor shall there be more than 55 bingo games per session.

331 E. A special permit may be granted a qualified organization which entitles it to conduct more
332 frequent operations of bingo games during carnivals, fairs and state, federal or religious holidays, which
333 shall be designated in the permit.

334 F. Any organization may conduct bingo games only in the county, city or town or in any adjoining
335 county, city or town in which they regularly have been in existence or met. The ~~Department~~ Board may
336 approve exceptions to this requirement where there is a special circumstance or documented need.

337 **§ 18.2-340.29. Joint operation of bingo games; written reports; joint permit required.**

338 A. Any two or more qualified organizations may jointly organize and conduct bingo games provided
339 both have fully complied with all other provisions of this article.

340 B. Any two or more qualified organizations jointly conducting such games shall be (i) subject to the
341 same restrictions and prohibitions contained in this article that would apply to a single organization
342 conducting bingo games and (ii) required to furnish to the ~~Department~~ Board a written report setting
343 forth the location where such games will be held, the division of manpower, costs, and proceeds for
344 each game to be jointly conducted.

345 Upon a finding that the division of manpower and costs for each game bears a reasonable
346 relationship to the division of proceeds, the ~~Department~~ Board shall issue a joint permit.

347 C. No bingo game shall be jointly conducted until the joint permit issued pursuant to subsection B is
348 obtained by the organizations.

349 **§ 18.2-340.30. Reports of gross receipts and disbursements required; form of reports; failure to**
350 **file.**

351 A. Each qualified organization shall keep a complete record of all inventory of charitable gaming
352 supplies purchased, all receipts from its charitable gaming operation, and all disbursements related to
353 such operation. Except as provided in § 18.2-340.23, each qualified organization shall file at least
354 annually, on a form prescribed by the ~~Department~~ Board, a report of all such receipts and
355 disbursements, the amount of money on hand attributable to charitable gaming as of the end of the
356 period covered by the report and any other information related to its charitable gaming operation that the
357 ~~Department~~ Board may require. In addition, the Board, by regulation, may require any qualified
358 organization whose net receipts exceed a specified amount during any three-month period to file a report
359 of its receipts and disbursements for such period. All reports filed pursuant to this section shall be a
360 matter of public record.

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

364 C. Except as provided in § 18.2-340.23, each qualified organization shall designate or compensate an
365 outside individual or group who shall be responsible for filing an annual, and, if required, quarterly,
366 financial report if the organization goes out of business or otherwise ceases to conduct charitable gaming

activities. The ~~Department Board~~ 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 Board~~.

D. Each qualified organization shall maintain for three years a complete written record of (i) all charitable gaming sessions using ~~Department Board~~ prescribed forms or reasonable facsimiles thereof approved by the ~~Department Board~~; (ii) the name and address of each individual to whom is awarded any charitable gaming prize or jackpot that meets or exceeds the requirements of Internal Revenue Service Publication 3079, 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 Board~~ 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. The ~~Department Board~~ may engage the services of independent certified public accountants to perform any audits deemed necessary to fulfill the ~~Department's Board's~~ responsibilities under this article.

B. The ~~Department Board~~ shall prescribe a reasonable audit and administration fee to be paid by any organization conducting charitable gaming under a permit issued by the ~~Department Board~~ unless the organization is exempt from such fee pursuant to § 18.2-340.23. Such fee shall not exceed one and one-quarter percent of the gross receipts which an organization reports pursuant to § 18.2-340.30. The audit and administration fee shall accompany each report for each calendar quarter.

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

§ 18.2-340.33. Prohibited practices.

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

1. No part of the gross receipts derived by a qualified organization may be used for any purpose other than (i) reasonable and proper gaming expenses, (ii) reasonable and proper business expenses, (iii) those lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized, and (iv) expenses relating to the acquisition, construction, maintenance, or repair of any interest in the real property involved in the operation of the organization and used for lawful religious, charitable, community or educational purposes. For the purposes of clause (iv), such expenses may include the expenses of a corporation formed for the purpose of serving as the real estate holding entity of a qualified organization, provided (a) such holding entity is qualified as a tax exempt organization under § 501(c) of the Internal Revenue Code and (b) the membership of the qualified organization is identical to such holding entity.

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

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

3. No person shall pay or receive for use of any premises devoted, in whole or in part, to the conduct of any charitable games, any consideration in excess of the current fair market rental value of such property. Fair market rental value consideration shall not be based upon or determined by reference to a percentage of the proceeds derived from the operation of any charitable games or to the number of people in attendance at such charitable games.

4. No building or other premises shall be utilized in whole or in part for the purpose of conducting charitable gaming more frequently than two calendar days in any one calendar week. However, no building or other premises owned by (i) a qualified organization which is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code or (ii) any county, city or town shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than four calendar days in any one calendar week.

428 The provisions of this subdivision shall not apply to the playing of bingo games pursuant to a special
429 permit issued in accordance with § 18.2-340.27.

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

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

444 6. No person shall receive any remuneration for participating in the management, operation or
445 conduct of any charitable game, except that:

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

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

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

461 d. A member of a qualified organization lawfully participating in the management, operation or
462 conduct of a bingo game may be provided food and nonalcoholic beverages by such organization for
463 on-premises consumption during the bingo game provided the food and beverages are provided in
464 accordance with Board regulations; and

465 e. Remuneration may be paid to bingo managers or callers who have a current registration certificate
466 issued by the ~~Department~~ Board in accordance with § 18.2-340.34:1, or who are exempt from such
467 registration requirement. Such remuneration shall not exceed \$100 per session.

468 7. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the
469 conduct, management, or operation of any bingo games; (ii) sell, lease or otherwise provide for
470 consideration any bingo supplies, including, but not limited to, bingo cards, instant bingo cards, or other
471 game pieces; or (iii) require as a condition of the lease or by contract that a particular manufacturer,
472 distributor or supplier of bingo supplies or equipment be used by the organization.

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

475 8. No qualified organization shall enter into any contract with or otherwise employ or compensate
476 any member of the organization on account of the sale of bingo supplies or equipment.

477 9. No organization shall award any bingo prize money or any merchandise valued in excess of the
478 following amounts:

479 a. No bingo door prize shall exceed \$50 for a single door prize or \$250 in cumulative door prizes in
480 any one session;

481 b. No regular bingo or special bingo game prize shall exceed \$100;

482 c. No instant bingo, pull tab, or seal card prize for a single card shall exceed \$1,000;

483 d. Except as provided in subdivision 9, no bingo jackpot of any nature whatsoever shall exceed
484 \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one session exceed \$1,000.
485 Proceeds from the sale of bingo cards and the sheets used for bingo jackpot games shall be accounted
486 for separately from the bingo cards or sheets used for any other bingo games; and

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

489 10. The provisions of subdivision 9 shall not apply to:

Any progressive bingo game, in which (a) a regular or special prize, not to exceed \$100, is awarded on the basis of predetermined numbers or patterns selected at random and (b) a progressive prize, not to exceed \$500 for the initial progressive prize and \$5,000 for the maximum progressive prize, is awarded if the predetermined numbers or patterns are covered when a certain number of numbers is called, provided (i) there are no more than six such games per session per organization, (ii) the amount of increase of the progressive prize per session is no more than \$100, (iii) the bingo cards or sheets used in such games are sold separately from the bingo cards or sheets used for any other bingo games, (iv) the organization separately accounts for the proceeds from such sale, and (v) such games are otherwise operated in accordance with the ~~Department's~~ *Board's* rules of play.

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

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

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

13. No person shall participate in the management or operation of any charitable game if he has ever been convicted of any felony or if he has been convicted of any misdemeanor involving fraud, theft, or financial crimes within the preceding five years. No person shall participate in the conduct of any charitable game if, within the preceding 10 years, he has been convicted of any felony or if, within the preceding five years he has been convicted of any misdemeanor involving fraud, theft, or financial crimes. In addition, no person shall participate in the management, operation or conduct of any charitable game if that person, within the preceding five years, has participated in the management, operation, or conduct of any charitable game which was found by the ~~Department~~ *Board* or a court of competent jurisdiction to have been operated in violation of state law, local ordinance or Board regulation.

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

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

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

§ 18.2-340.34. Suppliers of charitable gaming supplies; manufacturers of electronic games of chance systems; permit; qualification; suspension, revocation or refusal to renew certificate; maintenance, production, and release of records.

A. No person shall offer to sell, sell or otherwise provide charitable gaming supplies to any qualified organization and no manufacturer shall distribute electronic games of chance systems for charitable gaming in the Commonwealth unless and until such person has made application for and has been issued a permit by the ~~Department~~ *Board*. An application for permit shall be made on forms prescribed by the ~~Department~~ *Board* and shall be accompanied by a fee in the amount of \$1,000. Each permit shall remain valid for a period of one year from the date of issuance. Application for renewal of a permit shall be accompanied by a fee in the amount of \$1,000 and shall be made on forms prescribed by the ~~Department~~ *Board*.

B. The Board shall have authority to prescribe by regulation reasonable criteria consistent with the provisions of this article for the registration of suppliers and manufacturers of electronic games of chance systems for charitable gaming. The ~~Department~~ *Board* may refuse to issue a permit to any supplier or manufacturer who has, or which has any officer, director, partner, or owner who has (i) been convicted of or pleaded nolo contendere to a felony in any state or federal court or has been convicted of any offense which, if committed in the Commonwealth, would be a felony; (ii) been convicted of or pleaded nolo contendere to a crime involving gambling; (iii) had any license, permit, certificate or other authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth or in any other jurisdiction; (iv) failed to file or has been delinquent in excess of

one year in the filing of any tax returns or the payment of any taxes due the Commonwealth; or (v) failed to establish a registered office or registered agent in the Commonwealth if so required by § 13.1-634 or 13.1-763.

C. The ~~Department~~ Board may suspend, revoke or refuse to renew the permit of any supplier or manufacturer for any conduct described in subsection B or for any violation of this article or regulation of the Board. Before taking any such action, the ~~Department~~ Board shall give the supplier or manufacturer a written statement of the grounds upon which it proposes to take such action and an opportunity to be heard. Every hearing in a contested case shall be conducted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.).

D. Each supplier shall document each sale of charitable gaming supplies, including electronic games of chance systems, and other items incidental to the conduct of charitable gaming, such as markers, wands or tape, to a qualified organization on an invoice which clearly shows (i) the name and address of the qualified organization to which such supplies or items were sold; (ii) the date of the sale; (iii) the name or form and serial number of each deal of instant bingo cards and pull-tab raffle cards, the quantity of deals sold and the price per deal paid by the qualified organization; (iv) the serial number of the top sheet in each packet of bingo paper, the serial number for each series of uncollated bingo paper, and the cut, color and quantity of bingo paper sold; and (v) any other information with respect to charitable gaming supplies, including electronic games of chance systems, or other items incidental to the conduct of charitable gaming as the Board may prescribe by regulation. A legible copy of the invoice shall accompany the charitable gaming supplies when delivered to the qualified organization.

Each manufacturer of electronic games of chance systems shall document each distribution of such systems to a qualified organization or supplier on an invoice which clearly shows (i) the name and address of the qualified organization or supplier to which such systems were distributed; (ii) the date of distribution; (iii) the serial number of each such system; and (iv) any other information with respect to electronic games of chance systems as the Board may prescribe by regulation. A legible copy of the invoice shall accompany the electronic games of chance systems when delivered to the qualified organization or supplier.

E. Each supplier and manufacturer shall maintain a legible copy of each invoice required by subsection D for a period of three years from the date of sale. Each supplier and manufacturer shall make such documents immediately available for inspection and copying to any agent or employee of the ~~Department~~ Board upon request made during normal business hours. This subsection shall not limit the right of the ~~Department~~ Board to require the production of any other documents in the possession of the supplier or manufacturer which relate to its transactions with qualified organizations. All documents and other information of a proprietary nature furnished to the ~~Department~~ Board in accordance with this subsection shall not be a matter of public record and shall be exempt from disclosure under the provisions of the Freedom of Information Act (§ 2.2-3700 et seq.).

§ 18.2-340.35. Assistance from Department of State Police and Attorney General.

A. The Department of the State Police, upon request of the ~~Department~~ Board, shall assist in the conduct of investigations by the ~~Department~~ Board. *The Board may enter into an agreement with the Department of State Police under the terms of which agreement law-enforcement officers employed by the Department of State Police may be assigned to investigate alleged violations of this article or, as authorized by subdivision 1 of § 18.2-340.18, to investigate illegal gambling as defined in § 18.2-325. The cost for any positions assigned pursuant to the agreement and any subsequent investigations shall be borne by the Board.*

B. *The Attorney General shall, upon request, bring an action for an injunction or other appropriate legal action on behalf of the Board to enforce the provisions of this article.*

§ 18.2-340.36. Suspension of permit.

A. When any officer charged with the enforcement of the charitable gaming laws of the Commonwealth has reasonable cause to believe that the conduct of charitable gaming is being conducted by an organization in violation of this article or the regulations of the Board, he may apply to any judge, magistrate, or other person having authority to issue criminal warrants for the immediate suspension of the permit of the organization conducting the bingo game or raffle. If the judge, magistrate, or person to whom such application is presented is satisfied that probable cause exists to suspend the permit, he shall suspend the permit. Immediately upon such suspension, the officer shall notify the organization in writing of such suspension.

B. Written notice specifying the particular basis for the immediate suspension shall be provided by the officer to the organization within one business day of the suspension and a hearing held thereon by the ~~Department~~ Board or its designated hearing officer within 10 days of the suspension unless the organization consents to a later date. No charitable gaming shall be conducted by the organization until the suspension has been lifted by the Department or a court of competent jurisdiction.

§ 18.2-340.37. Criminal penalties.

A. Any person who violates the provisions of this article or who willfully and knowingly files, or

causes to be filed, a false application, report or other document or who willfully and knowingly makes a false statement, or causes a false statement to be made, on any application, report or other document required to be filed with or made to the ~~Department~~ *Board* shall be guilty of a Class 1 misdemeanor.

B. Each day in violation shall constitute a separate offense.

C. Any person who converts funds derived from any charitable gaming to his own or another's use, when the amount of funds is less than \$200, shall be guilty of petit larceny and, when the amount of funds is \$200 or more, shall be guilty of grand larceny. The provisions of this section shall not preclude the applicability of any other provision of the criminal law of the Commonwealth that may apply to any course of conduct that violates this section.

§ 58.1-3. (Effective until July 1, 2018) Secrecy of information; penalties.

A. Except in accordance with a proper judicial order or as otherwise provided by law, the Tax Commissioner or agent, clerk, commissioner of the revenue, treasurer, or any other state or local tax or revenue officer or employee, or any person to whom tax information is divulged pursuant to § 58.1-512 or 58.1-2712.2, or any former officer or employee of any of the aforementioned offices shall not divulge any information acquired by him in the performance of his duties with respect to the transactions, property, including personal property, income or business of any person, firm or corporation. Such prohibition specifically includes any copy of a federal return or federal return information required by Virginia law to be attached to or included in the Virginia return. This prohibition shall apply to any reports, returns, financial documents or other information filed with the Attorney General pursuant to the provisions of Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2. Any person violating the provisions of this section is guilty of a Class 1 misdemeanor. The provisions of this subsection shall not be applicable, however, to:

1. Matters required by law to be entered on any public assessment roll or book;
2. Acts performed or words spoken, published, or shared with another agency or subdivision of the Commonwealth in the line of duty under state law;
3. Inquiries and investigations to obtain information as to the process of real estate assessments by a duly constituted committee of the General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such information obtained shall be privileged;
4. The sales price, date of construction, physical dimensions or characteristics of real property, or any information required for building permits;
5. Copies of or information contained in an estate's probate tax return, filed with the clerk of court pursuant to § 58.1-1714, when requested by a beneficiary of the estate or an heir at law of the decedent;
6. Information regarding nonprofit entities exempt from sales and use tax under § 58.1-609.11, when requested by the General Assembly or any duly constituted committee of the General Assembly;
7. Reports or information filed with the Attorney General by a Stamping Agent pursuant to the provisions of Article 3 (§ 3.2-4204 et seq.), when such reports or information are provided by the Attorney General to a tobacco products manufacturer who is required to establish a qualified escrow fund pursuant to § 3.2-4201 and are limited to the brand families of that manufacturer as listed in the Tobacco Directory established pursuant to § 3.2-4206 and are limited to the current or previous two calendar years or in any year in which the Attorney General receives Stamping Agent information that potentially alters the required escrow deposit of the manufacturer. The information shall only be provided in the following manner: the manufacturer may make a written request, on a quarterly or yearly basis or when the manufacturer is notified by the Attorney General of a potential change in the amount of a required escrow deposit, to the Attorney General for a list of the Stamping Agents who reported stamping or selling its products and the amount reported. The Attorney General shall provide the list within 15 days of receipt of the request. If the manufacturer wishes to obtain actual copies of the reports the Stamping Agents filed with the Attorney General, it must first request them from the Stamping Agents pursuant to subsection C of § 3.2-4209. If the manufacturer does not receive the reports pursuant to subsection C of § 3.2-4209, the manufacturer may make a written request to the Attorney General, including a copy of the prior written request to the Stamping Agent and any response received, for copies of any reports not received. The Attorney General shall provide copies of the reports within 45 days of receipt of the request.

B. 1. Nothing contained in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof or the publication of delinquent lists showing the names of taxpayers who are currently delinquent, together with any relevant information which in the opinion of the Department may assist in the collection of such delinquent taxes. Notwithstanding any other provision of this section or other law, the Department, upon request by the General Assembly or any duly constituted committee of the General Assembly, shall disclose the total aggregate amount of an income tax deduction or credit taken by all taxpayers, regardless of (i) how few taxpayers took the deduction or credit or (ii) any other circumstances. This section shall not be construed to prohibit a local tax official from disclosing whether a person, firm or

674 corporation is licensed to do business in that locality and divulging, upon written request, the name and
675 address of any person, firm or corporation transacting business under a fictitious name. Additionally,
676 notwithstanding any other provision of law, the commissioner of revenue is authorized to provide, upon
677 written request stating the reason for such request, the Tax Commissioner with information obtained
678 from local tax returns and other information pertaining to the income, sales and property of any person,
679 firm or corporation licensed to do business in that locality.

680 2. This section shall not prohibit the Department from disclosing whether a person, firm, or
681 corporation is registered as a retail sales and use tax dealer pursuant to Chapter 6 (§ 58.1-600 et seq.) or
682 whether a certificate of registration number relating to such tax is valid. Additionally, notwithstanding
683 any other provision of law, the Department is hereby authorized to make available the names and
684 certificate of registration numbers of dealers who are currently registered for retail sales and use tax.

685 3. This section shall not prohibit the Department from disclosing information to nongovernmental
686 entities with which the Department has entered into a contract to provide services that assist it in the
687 administration of refund processing or other services related to its administration of taxes.

688 C. Notwithstanding the provisions of subsection A or B or any other provision of this title, the Tax
689 Commissioner is authorized to: (i) divulge tax information to any commissioner of the revenue, director
690 of finance or other similar collector of county, city or town taxes who, for the performance of his
691 official duties, requests the same in writing setting forth the reasons for such request; (ii) provide to the
692 Commissioner of the Department of Social Services, upon written request, information on the amount of
693 income, filing status, number and type of dependents, and whether a federal earned income tax credit
694 has been claimed as reported by persons on their state income tax returns who have applied for public
695 assistance or social services benefits as defined in § 63.2-100; (iii) provide to the chief executive officer
696 of the designated student loan guarantor for the Commonwealth of Virginia, upon written request, the
697 names and home addresses of those persons identified by the designated guarantor as having delinquent
698 loans guaranteed by the designated guarantor; (iv) provide current address information upon request to
699 state agencies and institutions for their confidential use in facilitating the collection of accounts
700 receivable, and to the clerk of a circuit or district court for their confidential use in facilitating the
701 collection of fines, penalties and costs imposed in a proceeding in that court; (v) provide to the
702 Commissioner of the Virginia Employment Commission, after entering into a written agreement, such
703 tax information as may be necessary to facilitate the collection of unemployment taxes and overpaid
704 benefits; (vi) provide to the Alcoholic Beverage Control Board, upon entering into a written agreement,
705 such tax information as may be necessary to facilitate the collection of state and local taxes and the
706 administration of the alcoholic beverage control laws; (vii) provide to the Director of the Virginia
707 Lottery such tax information as may be necessary to identify those lottery ticket retailers who owe
708 delinquent taxes; (viii) provide to the Department of the Treasury for its confidential use such tax
709 information as may be necessary to facilitate the location of owners and holders of unclaimed property,
710 as defined in § 55-210.2; (ix) provide to the State Corporation Commission, upon entering into a written
711 agreement, such tax information as may be necessary to facilitate the collection of taxes and fees
712 administered by the Commission; (x) provide to the Executive Director of the Potomac and
713 Rappahannock Transportation Commission for his confidential use such tax information as may be
714 necessary to facilitate the collection of the motor vehicle fuel sales tax; (xi) provide to the
715 ~~Commissioner of the Department of Agriculture and Consumer Services~~ *Charitable Gaming Board* such
716 tax information as may be necessary to identify those applicants for registration as a supplier of
717 charitable gaming supplies who have not filed required returns or who owe delinquent taxes; (xii)
718 provide to the Department of Housing and Community Development for its confidential use such tax
719 information as may be necessary to facilitate the administration of the remaining effective provisions of
720 the Enterprise Zone Act (§ 59.1-270 et seq.), and the Enterprise Zone Grant Program (§ 59.1-538 et
721 seq.); (xiii) provide current name and address information to private collectors entering into a written
722 agreement with the Tax Commissioner, for their confidential use when acting on behalf of the
723 Commonwealth or any of its political subdivisions; however, the Tax Commissioner is not authorized to
724 provide such information to a private collector who has used or disseminated in an unauthorized or
725 prohibited manner any such information previously provided to such collector; (xiv) provide current
726 name and address information as to the identity of the wholesale or retail dealer that affixed a tax stamp
727 to a package of cigarettes to any person who manufactures or sells at retail or wholesale cigarettes and
728 who may bring an action for injunction or other equitable relief for violation of Chapter 10.1,
729 Enforcement of Illegal Sale or Distribution of Cigarettes Act; (xv) provide to the Commissioner of
730 Labor and Industry, upon entering into a written agreement, such tax information as may be necessary to
731 facilitate the collection of unpaid wages under § 40.1-29; (xvi) provide to the Director of the Department
732 of Human Resource Management, upon entering into a written agreement, such tax information as may
733 be necessary to identify persons receiving workers' compensation indemnity benefits who have failed to
734 report earnings as required by § 65.2-712; (xvii) provide to any commissioner of the revenue, director of
735 finance, or any other officer of any county, city, or town performing any or all of the duties of a

commissioner of the revenue and to any dealer registered for the collection of the Communications Sales and Use Tax, a list of the names, business addresses, and dates of registration of all dealers registered for such tax; (xviii) provide to the Executive Director of the Northern Virginia Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xix) provide to the Commissioner of Agriculture and Consumer Services the name and address of the taxpayer businesses licensed by the Commonwealth that identify themselves as subject to regulation by the Board of Agriculture and Consumer Services pursuant to § 3.2-5130; and (xx) provide to the developer or the economic development authority of a tourism project authorized by § 58.1-3851.1, upon entering into a written agreement, tax information facilitating the repayment of gap financing. The Tax Commissioner is further authorized to enter into written agreements with duly constituted tax officials of other states and of the United States for the inspection of tax returns, the making of audits, and the exchange of information relating to any tax administered by the Department of Taxation. Any person to whom tax information is divulged pursuant to this section shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

D. Notwithstanding the provisions of subsection A or B or any other provision of this title, the commissioner of revenue or other assessing official is authorized to (i) provide, upon written request stating the reason for such request, the chief executive officer of any county or city with information furnished to the commissioner of revenue by the Tax Commissioner relating to the name and address of any dealer located within the county or city who paid sales and use tax, for the purpose of verifying the local sales and use tax revenues payable to the county or city; (ii) provide to the Department of Professional and Occupational Regulation for its confidential use the name, address, and amount of gross receipts of any person, firm or entity subject to a criminal investigation of an unlawful practice of a profession or occupation administered by the Department of Professional and Occupational Regulation, only after the Department of Professional and Occupational Regulation exhausts all other means of obtaining such information; and (iii) provide to any representative of a condominium unit owners' association, property owners' association or real estate cooperative association, or to the owner of property governed by any such association, the names and addresses of parties having a security interest in real property governed by any such association; however, such information shall be released only upon written request stating the reason for such request, which reason shall be limited to proposing or opposing changes to the governing documents of the association, and any information received by any person under this subsection shall be used only for the reason stated in the written request. The treasurer or other local assessing official may require any person requesting information pursuant to clause (iii) of this subsection to pay the reasonable cost of providing such information. Any person to whom tax information is divulged pursuant to this subsection shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

Notwithstanding the provisions of subsection A or B or any other provisions of this title, the treasurer or other collector of taxes for a county, city or town is authorized to provide information relating to any motor vehicle, trailer or semitrailer obtained by such treasurer or collector in the course of performing his duties to the commissioner of the revenue or other assessing official for such jurisdiction for use by such commissioner or other official in performing assessments.

This section shall not be construed to prohibit a local tax official from imprinting or displaying on a motor vehicle local license decal the year, make, and model and any other legal identification information about the particular motor vehicle for which that local license decal is assigned.

E. Notwithstanding any other provisions of law, state agencies and any other administrative or regulatory unit of state government shall divulge to the Tax Commissioner or his authorized agent, upon written request, the name, address, and social security number of a taxpayer, necessary for the performance of the Commissioner's official duties regarding the administration and enforcement of laws within the jurisdiction of the Department of Taxation. The receipt of information by the Tax Commissioner or his agent which may be deemed taxpayer information shall not relieve the Commissioner of the obligations under this section.

F. Additionally, it shall be unlawful for any person to disseminate, publish, or cause to be published any confidential tax document which he knows or has reason to know is a confidential tax document. A confidential tax document is any correspondence, document, or tax return that is prohibited from being divulged by subsection A, B, C, or D and includes any document containing information on the transactions, property, income, or business of any person, firm, or corporation that is required to be filed with any state official by § 58.1-512. This prohibition shall not apply if such confidential tax document has been divulged or disseminated pursuant to a provision of law authorizing disclosure. Any person violating the provisions of this subsection is guilty of a Class 1 misdemeanor.

§ 58.1-3. (Effective July 1, 2018) Secrecy of information; penalties.

A. Except in accordance with a proper judicial order or as otherwise provided by law, the Tax Commissioner or agent, clerk, commissioner of the revenue, treasurer, or any other state or local tax or

revenue officer or employee, or any person to whom tax information is divulged pursuant to § 58.1-512 or 58.1-2712.2, or any former officer or employee of any of the aforementioned offices shall not divulge any information acquired by him in the performance of his duties with respect to the transactions, property, including personal property, income or business of any person, firm or corporation. Such prohibition specifically includes any copy of a federal return or federal return information required by Virginia law to be attached to or included in the Virginia return. This prohibition shall apply to any reports, returns, financial documents or other information filed with the Attorney General pursuant to the provisions of Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2. Any person violating the provisions of this section is guilty of a Class 1 misdemeanor. The provisions of this subsection shall not be applicable, however, to:

1. Matters required by law to be entered on any public assessment roll or book;
2. Acts performed or words spoken, published, or shared with another agency or subdivision of the Commonwealth in the line of duty under state law;
3. Inquiries and investigations to obtain information as to the process of real estate assessments by a duly constituted committee of the General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such information obtained shall be privileged;
4. The sales price, date of construction, physical dimensions or characteristics of real property, or any information required for building permits;
5. Copies of or information contained in an estate's probate tax return, filed with the clerk of court pursuant to § 58.1-1714, when requested by a beneficiary of the estate or an heir at law of the decedent;
6. Information regarding nonprofit entities exempt from sales and use tax under § 58.1-609.11, when requested by the General Assembly or any duly constituted committee of the General Assembly;
7. Reports or information filed with the Attorney General by a Stamping Agent pursuant to the provisions of Article 3 (§ 3.2-4204 et seq.), when such reports or information are provided by the Attorney General to a tobacco products manufacturer who is required to establish a qualified escrow fund pursuant to § 3.2-4201 and are limited to the brand families of that manufacturer as listed in the Tobacco Directory established pursuant to § 3.2-4206 and are limited to the current or previous two calendar years or in any year in which the Attorney General receives Stamping Agent information that potentially alters the required escrow deposit of the manufacturer. The information shall only be provided in the following manner: the manufacturer may make a written request, on a quarterly or yearly basis or when the manufacturer is notified by the Attorney General of a potential change in the amount of a required escrow deposit, to the Attorney General for a list of the Stamping Agents who reported stamping or selling its products and the amount reported. The Attorney General shall provide the list within 15 days of receipt of the request. If the manufacturer wishes to obtain actual copies of the reports the Stamping Agents filed with the Attorney General, it must first request them from the Stamping Agents pursuant to subsection C of § 3.2-4209. If the manufacturer does not receive the reports pursuant to subsection C of § 3.2-4209, the manufacturer may make a written request to the Attorney General, including a copy of the prior written request to the Stamping Agent and any response received, for copies of any reports not received. The Attorney General shall provide copies of the reports within 45 days of receipt of the request.

B. 1. Nothing contained in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof or the publication of delinquent lists showing the names of taxpayers who are currently delinquent, together with any relevant information which in the opinion of the Department may assist in the collection of such delinquent taxes. Notwithstanding any other provision of this section or other law, the Department, upon request by the General Assembly or any duly constituted committee of the General Assembly, shall disclose the total aggregate amount of an income tax deduction or credit taken by all taxpayers, regardless of (i) how few taxpayers took the deduction or credit or (ii) any other circumstances. This section shall not be construed to prohibit a local tax official from disclosing whether a person, firm or corporation is licensed to do business in that locality and divulging, upon written request, the name and address of any person, firm or corporation transacting business under a fictitious name. Additionally, notwithstanding any other provision of law, the commissioner of revenue is authorized to provide, upon written request stating the reason for such request, the Tax Commissioner with information obtained from local tax returns and other information pertaining to the income, sales and property of any person, firm or corporation licensed to do business in that locality.

2. This section shall not prohibit the Department from disclosing whether a person, firm, or corporation is registered as a retail sales and use tax dealer pursuant to Chapter 6 (§ 58.1-600 et seq.) or whether a certificate of registration number relating to such tax is valid. Additionally, notwithstanding any other provision of law, the Department is hereby authorized to make available the names and certificate of registration numbers of dealers who are currently registered for retail sales and use tax.

3. This section shall not prohibit the Department from disclosing information to nongovernmental entities with which the Department has entered into a contract to provide services that assist it in the

administration of refund processing or other services related to its administration of taxes.

C. Notwithstanding the provisions of subsection A or B or any other provision of this title, the Tax Commissioner is authorized to: (i) divulge tax information to any commissioner of the revenue, director of finance or other similar collector of county, city or town taxes who, for the performance of his official duties, requests the same in writing setting forth the reasons for such request; (ii) provide to the Commissioner of the Department of Social Services, upon written request, information on the amount of income, filing status, number and type of dependents, and whether a federal earned income tax credit has been claimed as reported by persons on their state income tax returns who have applied for public assistance or social services benefits as defined in § 63.2-100; (iii) provide to the chief executive officer of the designated student loan guarantor for the Commonwealth of Virginia, upon written request, the names and home addresses of those persons identified by the designated guarantor as having delinquent loans guaranteed by the designated guarantor; (iv) provide current address information upon request to state agencies and institutions for their confidential use in facilitating the collection of accounts receivable, and to the clerk of a circuit or district court for their confidential use in facilitating the collection of fines, penalties and costs imposed in a proceeding in that court; (v) provide to the Commissioner of the Virginia Employment Commission, after entering into a written agreement, such tax information as may be necessary to facilitate the collection of unemployment taxes and overpaid benefits; (vi) provide to the Virginia Alcoholic Beverage Control Authority, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of state and local taxes and the administration of the alcoholic beverage control laws; (vii) provide to the Director of the Virginia Lottery such tax information as may be necessary to identify those lottery ticket retailers who owe delinquent taxes; (viii) provide to the Department of the Treasury for its confidential use such tax information as may be necessary to facilitate the location of owners and holders of unclaimed property, as defined in § 55-210.2; (ix) provide to the State Corporation Commission, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of taxes and fees administered by the Commission; (x) provide to the Executive Director of the Potomac and Rappahannock Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xi) provide to the Commissioner of the Department of Agriculture and Consumer Services Charitable Gaming Board such tax information as may be necessary to identify those applicants for registration as a supplier of charitable gaming supplies who have not filed required returns or who owe delinquent taxes; (xii) provide to the Department of Housing and Community Development for its confidential use such tax information as may be necessary to facilitate the administration of the remaining effective provisions of the Enterprise Zone Act (§ 59.1-270 et seq.), and the Enterprise Zone Grant Program (§ 59.1-538 et seq.); (xiii) provide current name and address information to private collectors entering into a written agreement with the Tax Commissioner, for their confidential use when acting on behalf of the Commonwealth or any of its political subdivisions; however, the Tax Commissioner is not authorized to provide such information to a private collector who has used or disseminated in an unauthorized or prohibited manner any such information previously provided to such collector; (xiv) provide current name and address information as to the identity of the wholesale or retail dealer that affixed a tax stamp to a package of cigarettes to any person who manufactures or sells at retail or wholesale cigarettes and who may bring an action for injunction or other equitable relief for violation of Chapter 10.1, Enforcement of Illegal Sale or Distribution of Cigarettes Act; (xv) provide to the Commissioner of Labor and Industry, upon entering into a written agreement, such tax information as may be necessary to facilitate the collection of unpaid wages under § 40.1-29; (xvi) provide to the Director of the Department of Human Resource Management, upon entering into a written agreement, such tax information as may be necessary to identify persons receiving workers' compensation indemnity benefits who have failed to report earnings as required by § 65.2-712; (xvii) provide to any commissioner of the revenue, director of finance, or any other officer of any county, city, or town performing any or all of the duties of a commissioner of the revenue and to any dealer registered for the collection of the Communications Sales and Use Tax, a list of the names, business addresses, and dates of registration of all dealers registered for such tax; (xviii) provide to the Executive Director of the Northern Virginia Transportation Commission for his confidential use such tax information as may be necessary to facilitate the collection of the motor vehicle fuel sales tax; (xix) provide to the Commissioner of Agriculture and Consumer Services the name and address of the taxpayer businesses licensed by the Commonwealth that identify themselves as subject to regulation by the Board of Agriculture and Consumer Services pursuant to § 3.2-5130; and (xx) provide to the developer or the economic development authority of a tourism project authorized by § 58.1-3851.1, upon entering into a written agreement, tax information facilitating the repayment of gap financing. The Tax Commissioner is further authorized to enter into written agreements with duly constituted tax officials of other states and of the United States for the inspection of tax returns, the making of audits, and the exchange of information relating to any tax administered by

920 the Department of Taxation. Any person to whom tax information is divulged pursuant to this section
921 shall be subject to the prohibitions and penalties prescribed herein as though he were a tax official.

922 D. Notwithstanding the provisions of subsection A or B or any other provision of this title, the
923 commissioner of revenue or other assessing official is authorized to (i) provide, upon written request
924 stating the reason for such request, the chief executive officer of any county or city with information
925 furnished to the commissioner of revenue by the Tax Commissioner relating to the name and address of
926 any dealer located within the county or city who paid sales and use tax, for the purpose of verifying the
927 local sales and use tax revenues payable to the county or city; (ii) provide to the Department of
928 Professional and Occupational Regulation for its confidential use the name, address, and amount of gross
929 receipts of any person, firm or entity subject to a criminal investigation of an unlawful practice of a
930 profession or occupation administered by the Department of Professional and Occupational Regulation,
931 only after the Department of Professional and Occupational Regulation exhausts all other means of
932 obtaining such information; and (iii) provide to any representative of a condominium unit owners'
933 association, property owners' association or real estate cooperative association, or to the owner of
934 property governed by any such association, the names and addresses of parties having a security interest
935 in real property governed by any such association; however, such information shall be released only
936 upon written request stating the reason for such request, which reason shall be limited to proposing or
937 opposing changes to the governing documents of the association, and any information received by any
938 person under this subsection shall be used only for the reason stated in the written request. The treasurer
939 or other local assessing official may require any person requesting information pursuant to clause (iii) of
940 this subsection to pay the reasonable cost of providing such information. Any person to whom tax
941 information is divulged pursuant to this subsection shall be subject to the prohibitions and penalties
942 prescribed herein as though he were a tax official.

943 Notwithstanding the provisions of subsection A or B or any other provisions of this title, the
944 treasurer or other collector of taxes for a county, city or town is authorized to provide information
945 relating to any motor vehicle, trailer or semitrailer obtained by such treasurer or collector in the course
946 of performing his duties to the commissioner of the revenue or other assessing official for such
947 jurisdiction for use by such commissioner or other official in performing assessments.

948 This section shall not be construed to prohibit a local tax official from imprinting or displaying on a
949 motor vehicle local license decal the year, make, and model and any other legal identification
950 information about the particular motor vehicle for which that local license decal is assigned.

951 E. Notwithstanding any other provisions of law, state agencies and any other administrative or
952 regulatory unit of state government shall divulge to the Tax Commissioner or his authorized agent, upon
953 written request, the name, address, and social security number of a taxpayer, necessary for the
954 performance of the Commissioner's official duties regarding the administration and enforcement of laws
955 within the jurisdiction of the Department of Taxation. The receipt of information by the Tax
956 Commissioner or his agent which may be deemed taxpayer information shall not relieve the
957 Commissioner of the obligations under this section.

958 F. Additionally, it shall be unlawful for any person to disseminate, publish, or cause to be published
959 any confidential tax document which he knows or has reason to know is a confidential tax document. A
960 confidential tax document is any correspondence, document, or tax return that is prohibited from being
961 divulged by subsection A, B, C, or D and includes any document containing information on the
962 transactions, property, income, or business of any person, firm, or corporation that is required to be filed
963 with any state official by § 58.1-512. This prohibition shall not apply if such confidential tax document
964 has been divulged or disseminated pursuant to a provision of law authorizing disclosure. Any person
965 violating the provisions of this subsection is guilty of a Class 1 misdemeanor.