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SENATE BILL NO. 799

Offered January 10, 2018

A *BILL to amend and reenact §§ 18.2-340.15 through 18.2-340.25, 18.2-340.26:2, 18.2-340.29 through 18.2-340.34, 18.2-340.35, 18.2-340.36, 18.2-340.37, 58.1-3, 59.1-556 through 59.1-565, 59.1-567, and 59.1-568 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 25 of Title 2.2 an article numbered 10, consisting of sections numbered 2.2-5237 through 2.2-5240; and to repeal Article 19 (§ 2.2-2455 et seq.) of Chapter 24 of Title 2.2 of the Code of Virginia, relating to the Virginia Gaming Commission; regulation of charitable gaming and fantasy contests.*

Patron—Cosgrove

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-340.15 through 18.2-340.25, 18.2-340.26:2, 18.2-340.29 through 18.2-340.34, 18.2-340.35, 18.2-340.36, 18.2-340.37, 58.1-3, 59.1-556 through 59.1-565, 59.1-567, and 59.1-568 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 25 of Title 2.2 an article numbered 10, consisting of sections numbered 2.2-5237 through 2.2-5240, as follows:

*Article 10.**Virginia Gaming Commission.***§ 2.2-2537. Virginia Gaming Commission; membership; terms; quorum; compensation; staff.**

A. The Virginia Gaming Commission (the Commission) is hereby established as a policy commission within the meaning of § 2.2-2100 in the executive branch of state government. The Commission is vested with jurisdiction and supervision over all charitable gaming as set forth in Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 and the administration of fantasy contests as set forth in Chapter 51 (§ 59.1-556 et seq.) of Title 59.1.

B. The Commission shall consist of 11 nonlegislative citizen members who shall be appointed as follows:

1. Six nonlegislative citizen members appointed by the Governor subject to confirmation by the General Assembly as follows: four members who are members of a charitable organization subject to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 in good standing with the Commission, one member who is a charitable gaming supplier registered and in good standing with the Commission, and one member who is or has been a law-enforcement officer in Virginia but who is not a charitable gaming supplier registered with the Commission;

2. Three nonlegislative citizen members appointed by the Speaker of the House of Delegates as follows: two members who are members of a charitable organization subject to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 in good standing with the Commission and one member who does not have an interest in or is not affiliated with a charitable organization, charitable gaming supplier, or owner, lessor, or lessee of premises where charitable gaming is conducted; and

3. Two nonlegislative citizen members appointed by the Senate Committee on Rules who are members of a charitable organization subject to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 in good standing with the Commission.

To the extent practicable, the Commission shall consist of individuals from different geographic regions of the Commonwealth. Each member of the Commission shall have been a resident of the Commonwealth for a period of at least three years next preceding his appointment, and his continued residency shall be a condition of his tenure in office. Members shall be appointed for four-year terms. Vacancies shall be filled by the appointing authority in the same manner as the original appointment for the unexpired portion of the term. Each Commission member shall be eligible for reappointment for a second consecutive term at the discretion of the appointing authority. Persons who are first appointed to initial terms of less than four years shall thereafter be eligible for reappointment to two consecutive terms of four years each. The members of the Commission shall serve at the pleasure of the appointing authority.

C. The Commission shall elect from among its members a chairman who is a member of a charitable organization subject to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2. The Commission shall elect a vice-chairman from among its members.

D. A quorum shall consist of six members. The decision of a majority of those members present and voting shall constitute a decision of the Commission.

E. For each day or part thereof spent in the performance of his duties, each member of the

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59 Commission shall receive such compensation and reimbursement for his reasonable expenses as
60 provided in § 2.2-2104.

61 F. The Commission shall adopt rules and procedures for the conduct of its business, including a
62 provision that Commission members shall abstain or otherwise recuse themselves from voting on any
63 matter in which they or a member of their immediate family have a personal interest in a transaction as
64 defined in § 2.2-3101. The Commission shall meet at least four times a year, and other meetings may be
65 held at any time or place determined by the Commission or upon call of the chairman or upon a written
66 request to the chairman by any two members. Except for emergency meetings and meetings governed by
67 § 2.2-3708 requiring a longer notice, all members shall be duly notified of the time and place of any
68 regular or other meeting at least 10 days in advance of such meeting.

69 **§ 2.2-2538. Duties of the Commission.**

70 The Commission shall have the power and duty to:

71 1. Promulgate regulations in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) not
72 inconsistent with the laws of Virginia necessary to carry out the provisions of this article, the provisions
73 of Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, and the provisions of Chapter 51
74 (§ 59.1-556 et seq.) of Title 59.1. Such regulations may include penalties for violations;

75 2. Appoint every agent and employee required for its operations, including the appointment of any
76 marketing or business development staff as the Commission deems necessary to promote and expand
77 charitable gaming in Virginia; require any or all of them to give bonds payable to the Commonwealth
78 in such penalty as shall be fixed by the Commission; and engage the services of experts and
79 professionals;

80 3. Hold and conduct hearings, issue subpoenas requiring the attendance of witnesses and the
81 production of records, memoranda, papers, and other documents before the Commission or any agent of
82 the Commission, and administer oaths and take testimony thereunder. The Commission may authorize
83 any Commission member or agent of the Commission to hold and conduct hearings, issue subpoenas,
84 administer oaths and take testimony thereunder, and make summary decisions, subject to final decision
85 by the Commission, on application of any party aggrieved;

86 4. Make a reasonable charge for preparing and furnishing statistical information and compilations to
87 persons other than (i) officials, including court and police officials, of the Commonwealth and of its
88 subdivisions if the information requested is for official use and (ii) persons who have a personal or
89 legal interest in obtaining the information requested if such information is not to be used for
90 commercial or trade purposes;

91 5. Grant, suspend, and revoke permits for the conduct of charitable gaming in accordance with
92 Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 and registrations in accordance with
93 Chapter 51 (§ 59.1-556 et seq.) of Title 59.1;

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

97 7. Do all acts necessary or advisable to carry out the purposes of this article, Article 1.1:1
98 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, and Chapter 51 (§ 59.1-556 et seq.) of Title 59.1.

99 **§ 2.2-2539. Virginia Gaming Fund.**

100 There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia
101 Gaming Fund, referred to in this section as "the Fund." The Fund shall be established on the books of
102 the Comptroller. Moneys appropriated to the Fund by the General Assembly, all permit and registration
103 fees, and all audit and administration fees collected by the Commission in accordance with Article 1.1:1
104 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 and Chapter 51 (§ 59.1-556 et seq.) of Title 59.1 shall
105 be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall
106 remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon,
107 at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys
108 in the Fund shall be used solely for (i) administering and enforcing charitable gaming laws and
109 Commission regulations in accordance with Article 1.1:1 of Chapter 8 of Title 18.2 and Chapter 51 of
110 Title 59.1, (ii) educating charitable organizations and players, and (iii) promoting charitable gaming in
111 Virginia. Expenditures and disbursements from the Fund shall be made by the State Treasurer on
112 warrants issued by the Comptroller upon written request signed by the chairman or vice-chairman of the
113 Commission.

114 **§ 2.2-2540. Commission to adjust fees.**

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

120 **§ 18.2-340.15. State control of charitable gaming.**

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

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

§ 18.2-340.16. Definitions.

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

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

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

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

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

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

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

~~"Commission"~~ means the *Virginia Gaming Commission*.

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

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

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

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

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

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

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

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

"Management" means the provision of oversight of a gaming operation, which may include, but is 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.

182 "Network bingo provider" means a person licensed by the ~~Department~~ *Commission* to operate
183 network bingo.

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

188 "Organization" means any one of the following:

189 1. A volunteer fire department or volunteer emergency medical services agency or auxiliary unit
190 thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the
191 political subdivision where the volunteer fire department or volunteer emergency medical services
192 agency is located as being a part of the safety program of such political subdivision;

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

194 3. An athletic association or booster club or a band booster club established solely to raise funds for
195 school-sponsored athletic or band activities for a public school or private school accredited pursuant to
196 § 22.1-19 or to provide scholarships to students attending such school;

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

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

199 6. A local chamber of commerce; or

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

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

208 "Qualified organization" means any organization to which a valid permit has been issued by the
209 ~~Department~~ *Commission* to conduct charitable gaming or any organization that is exempt pursuant to
210 § 18.2-340.23.

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

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

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

227 **§ 18.2-340.18. Powers and duties of the Commission.**

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

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

239 2. The ~~Department~~ *Commission*, its agents and employees and any law-enforcement officers charged
240 with the enforcement of charitable gaming laws shall have free access to the offices, facilities or any
241 other place of business of any organization, including any premises devoted in whole or in part to the
242 conduct of charitable gaming. These individuals may enter such places or premises for the purpose of
243 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~~ *Commission* 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~~ *Commission* 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~~ *Commission* 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~~ *Commission*, it is necessary to do so for the effectual discharge of its duties.

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

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

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

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

11. The ~~Department~~ *Commission* may report any alleged criminal violation of this article to the appropriate attorney for the Commonwealth for appropriate action. *In addition, the Commission may request the Attorney General to investigate alleged criminal violations of this article.*

§ 18.2-340.19. Regulations of the Commission.

A. The ~~Board~~ *Commission* shall adopt regulations that:

1. Require, as a condition of receiving a permit, that the applicant use a predetermined percentage of its gross receipts for (i) those lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized or (ii) those expenses relating to the acquisition, construction, maintenance or repair of any interest in real property involved in the operation of the organization and used for lawful religious, charitable, community or educational purposes. ~~The regulation may provide for a graduated scale of percentages of gross receipts to be used in the foregoing manner based upon factors the Board finds appropriate to and consistent with the purpose of charitable gaming.~~

2. Specify the conditions under which a complete list of the organization's members who participate in the management, operation or conduct of charitable gaming may be required in order for the ~~Board~~ *Commission* to ascertain the percentage of Virginia residents in accordance with subdivision A 3 of § 18.2-340.24.

Membership lists furnished to the ~~Board or Department~~ *Commission* in accordance with this subdivision 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.).

3. Prescribe fees for processing applications for charitable gaming permits. Such fees may reflect the nature and extent of the charitable gaming activity proposed to be conducted.

4. Establish requirements for the audit of all reports required in accordance with § 18.2-340.30.

5. Define electronic and mechanical equipment used in the conduct of charitable gaming. ~~Board~~ *Commission* regulations shall include capacity for such equipment to provide full automatic daubing as numbers are called. For the purposes of this subdivision, electronic or mechanical equipment for instant bingo, pull tabs, or seal cards shall include such equipment that displays facsimiles of instant bingo, pull tabs, or seal cards and are used solely for the purpose of dispensing or opening such paper or electronic cards, or both; but shall not include (i) devices operated by dropping one or more coins or tokens into a slot and pulling a handle or pushing a button or touchpoint on a touchscreen to activate one to three or more reels marked into horizontal segments by varying symbols, where the predetermined prize amount depends on how and how many of the symbols line up when the rotating reels come to rest, or (ii) other similar devices that display flashing lights or illuminations, or bells, whistles, or other sounds, solely intended to entice players to play.

6. Prescribe the conditions under which a qualified organization may (i) provide food and nonalcoholic beverages to its members who participate in the management, operation or conduct of bingo; (ii) permit members who participate in the management, operation or conduct of bingo to play bingo; and (iii) subject to the provisions of subdivision 13 of § 18.2-340.33, permit nonmembers to participate in the conduct of bingo so long as the nonmembers are under the direct supervision of a bona fide member of the organization during the bingo game.

7. Prescribe the conditions under which a qualified organization may sell raffle tickets for a raffle drawing that will be held outside the Commonwealth pursuant to subsection B of § 18.2-340.26.

8. Prescribe the conditions under which persons who are bona fide members of a qualified organization or a child, above the age of 13 years, of a bona fide member of such organization may participate in the conduct or operation of bingo games.

9. Prescribe the conditions under which a person below the age of 18 years may play bingo, provided such person is accompanied by his parent or legal guardian.

10. Require all qualified organizations that are subject to ~~Board~~ *Commission* regulations to post in a conspicuous place in every place where charitable gaming is conducted a sign which bears a toll-free telephone number for "Gamblers Anonymous" or other organization which provides assistance to compulsive gamblers.

11. Prescribe the conditions under which a qualified organization may sell network bingo cards in accordance with § 18.2-340.28:1 and establish a percentage of proceeds derived from network bingo sales to be allocated to (i) prize pools, (ii) the organization conducting the network bingo, and (iii) the network bingo provider. The regulations shall also establish procedures for the retainage and ultimate distribution of any unclaimed prize.

B. In addition to the powers and duties granted pursuant to ~~§ 2.2-2456~~ § 2.2-2538 and this article, the ~~Board~~ *Commission* may, by regulation, approve variations to the card formats for bingo games, provided that such variations result in bingo games that are conducted in a manner consistent with the provisions of this article. ~~Board-approved~~ *Commission-approved* variations may include, but are not limited to, bingo games commonly referred to as player selection games and 90-number bingo.

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

A. The ~~Department~~ *Commission* 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 regulations of the ~~Board~~ *only after the proposed action by the Department has been reviewed and approved by the Board Commission*. The action of the ~~Department~~ *Commission* 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~~ *Commission*, 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~~ *Commission* 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 regulations of the ~~Board~~ *Commission*.

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

§ 18.2-340.22. Only raffles, bingo, network bingo, and instant bingo games permitted; prizes not gaming contracts.

A. This article permits qualified organizations to conduct raffles, bingo, network bingo, and instant bingo games. All games not explicitly authorized by this article or ~~Board~~ *Commission* regulations adopted in accordance with § 18.2-340.18 are prohibited.

B. The award of any prize money for any charitable game shall not be deemed to be part of any gaming contract within the purview of § 11-14.

C. Nothing in this article shall prohibit an organization from using the Virginia Lottery's Pick-3 number or any number or other designation selected by the Virginia Lottery in connection with any lottery, as the basis for determining the winner of a raffle.

§ 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~~ *Commission* of its intention to conduct charitable gaming or (ii) comply with ~~Board~~ *Commission* regulations. If any organization's actual gross receipts for the 12-month period exceed \$40,000, the ~~Department~~ *Commission* 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~~ *Commission* regulations.

C. Nothing in this section shall prevent the ~~Department~~ *Commission* 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~~ *Commission* 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~~ *Commission* 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~~ *Commission* in conjunction with an application for a charitable gaming permit. If such documentation is filed, the ~~Department~~ *Commission* 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~~ *Commission*.

B. All complete applications for a permit shall be acted upon by the ~~Department~~ *Commission* 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~~ *Commission*, 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~~ *Commission* 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~~ *Commission*. The ~~Department~~ *Commission* 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 or his designee, who shall belong to a governmental entity~~ *Commission*. 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 § 18.2-340.27:1.

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

428 E. Applications for renewal of permits shall be made in accordance with ~~Board~~ *Commission*
429 Regulations. If a complete renewal application is received 45 days or more prior to the expiration of the
430 permit, the permit shall continue to be effective until such time as the ~~Department~~ *Commission* has taken
431 final action. Otherwise, the permit shall expire at the end of its term.

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

435 **§ 18.2-340.26:2. Sale of instant bingo, pull tabs, or seal cards by certain booster clubs.**

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

441 Nothing in this section shall be construed as exempting organizations authorized to sell instant bingo,
442 pull tabs, or seal cards under this section from any other provisions of this article or other ~~Board~~
443 *Commission* regulations.

444 **§ 18.2-340.29. Joint operation of bingo games; written reports; joint permit required.**

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

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

452 Upon a finding that the division of manpower and costs for each game bears a reasonable
453 relationship to the division of proceeds, the ~~Department~~ *Commission* shall issue a joint permit.

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

456 **§ 18.2-340.30. Reports of gross receipts and disbursements required; form of reports; failure to**
457 **file.**

458 A. Each qualified organization shall keep a complete record of all inventory of charitable gaming
459 supplies purchased, all receipts from its charitable gaming operation, and all disbursements related to
460 such operation. Except as provided in § 18.2-340.23, each qualified organization shall file at least
461 annually, on a form prescribed by the ~~Department~~ *Commission*, a report of all such receipts and
462 disbursements, the amount of money on hand attributable to charitable gaming as of the end of the
463 period covered by the report and any other information related to its charitable gaming operation that the
464 ~~Department~~ *Commission* may require. In addition, the ~~Board~~ *Commission*, by regulation, may require
465 any qualified organization whose net receipts exceed a specified amount during any three-month period
466 to file a report of its receipts and disbursements for such period. All reports filed pursuant to this section
467 shall be a matter of public record.

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

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

477 D. Each qualified organization shall maintain for three years a complete written record of (i) all
478 charitable gaming sessions using ~~Department~~ *Commission* prescribed forms or reasonable facsimiles
479 thereof approved by the ~~Department~~ *Commission*; (ii) the name and address of each individual to whom
480 is awarded any charitable gaming prize or jackpot that meets or exceeds the requirements of Internal
481 Revenue Service Publication 3079, as well as the amount of the award; and (iii) an itemized record of
482 all receipts and disbursements, including operating costs and use of proceeds incurred in operating bingo
483 games.

484 E. The failure to file reports within 30 days of the time such reports are due shall cause the
485 automatic revocation of the permit, and no organization shall conduct any bingo game or raffle
486 thereafter until the report is properly filed and a new permit is obtained. However, the ~~Department~~
487 *Commission* may grant an extension of time for filing such reports for a period not to exceed 45 days if
488 requested by an organization, provided the organization requests an extension within 15 days of the time
489 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~~ *Commission* in accordance with ~~Board~~ *Commission* regulations. The ~~Department~~ *Commission* may engage the services of independent certified public accountants to perform any audits deemed necessary to fulfill the ~~Department's~~ *Commission's* responsibilities under this article.

B. The ~~Department~~ *Commission* shall prescribe a reasonable audit and administration fee to be paid by any organization conducting charitable gaming under a permit issued by the ~~Department~~ *Commission* 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~~ *Commission* 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.

The provisions of this subdivision shall not apply to the playing of bingo games pursuant to a special permit issued in accordance with § 18.2-340.27:1.

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

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

551 such sales are conducted in the private social quarters of the organization.

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

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

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

560 c. Remuneration may be paid to off-duty law-enforcement officers from the jurisdiction in which
561 such bingo games are played for providing uniformed security for such bingo games even if such officer
562 is a member of the sponsoring organization, provided the remuneration paid to such member is in
563 accordance with off-duty law-enforcement personnel work policies approved by the local
564 law-enforcement official and further provided that such member is not otherwise engaged in the
565 management, operation or conduct of the bingo games of that organization, or to private security
566 services businesses licensed pursuant to § 9.1-139 providing uniformed security for such bingo games,
567 provided that employees of such businesses shall not otherwise be involved in the management,
568 operation, or conduct of the bingo games of that organization;

569 d. A member of a qualified organization lawfully participating in the management, operation or
570 conduct of a bingo game may be provided food and nonalcoholic beverages by such organization for
571 on-premises consumption during the bingo game provided the food and beverages are provided in
572 accordance with ~~Board~~ *Commission* regulations;

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

576 f. Volunteers of a qualified organization may be reimbursed for their reasonable and necessary travel
577 expenses, not to exceed \$50 per session.

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

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

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

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

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

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

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

593 d. Except as provided in subdivision 9, no bingo jackpot of any nature whatsoever shall exceed
594 \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one session exceed \$1,000.
595 Proceeds from the sale of bingo cards and the sheets used for bingo jackpot games shall be accounted
596 for separately from the bingo cards or sheets used for any other bingo games; and

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

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

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

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

610 The provisions of this subdivision shall not apply to a raffle conducted no more than three times per
611 calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501(c) of
612 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. No more than one such raffle shall be conducted in any one geographical region of the Commonwealth.

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~~ *Commission* or a court of competent jurisdiction to have been operated in violation of state law, local ordinance or ~~Board~~ *Commission* 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~~ *Commission* 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~~ *Commission*. An application for permit shall be made on forms prescribed by the ~~Department~~ *Commission* 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~~ *Commission*.

B. The ~~Board~~ *Commission* 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~~ *Commission* 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~~ *Commission* 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~~ *Commission*. Before taking any such action, the ~~Department~~ *Commission* 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

674 of the qualified organization to which such supplies or items were sold; (ii) the date of the sale; (iii) the
675 name or form and serial number of each deal of instant bingo cards and pull-tab raffle cards, the
676 quantity of deals sold and the price per deal paid by the qualified organization; (iv) the serial number of
677 the top sheet in each packet of bingo paper, the serial number for each series of uncollated bingo paper,
678 and the cut, color and quantity of bingo paper sold; and (v) any other information with respect to
679 charitable gaming supplies, including electronic games of chance systems, or other items incidental to
680 the conduct of charitable gaming as the ~~Board~~ *Commission* may prescribe by regulation. A legible copy
681 of the invoice shall accompany the charitable gaming supplies when delivered to the qualified
682 organization.

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

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

699 **§ 18.2-340.35. Assistance from Department of State Police; memorandum of understanding to**
700 **provide for investigation of illegal gaming.**

701 A. The Department of the State Police, upon request of the ~~Department~~ *Commission*, shall assist in
702 the conduct of investigations by the ~~Department~~ *Commission* under this article.

703 B. *The Commission and the Department of State Police shall enter into a memorandum of*
704 *understanding providing for the investigation by the Department of State Police of any illegal gaming or*
705 *gambling activity prohibited by Article 1 (§ 18.2-325 et seq.). All costs of such investigation conducted*
706 *by the Department of State Police pursuant to the memorandum of understanding shall be borne by the*
707 *Commission.*

708 **§ 18.2-340.36. Suspension of permit.**

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

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

722 **§ 18.2-340.37. Criminal penalties.**

723 A. Any person who violates the provisions of this article or who willfully and knowingly files, or
724 causes to be filed, a false application, report or other document or who willfully and knowingly makes a
725 false statement, or causes a false statement to be made, on any application, report or other document
726 required to be filed with or made to the ~~Department~~ *Commission* shall be guilty of a Class 1
727 misdemeanor.

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

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

734 **§ 58.1-3. Secrecy of information; penalties.**

735 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.

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

800 4. This section shall not prohibit the Department from disclosing information to taxpayers regarding
801 whether the taxpayer's employer or another person or entity required to withhold on behalf of such
802 taxpayer submitted withholding records to the Department for a specific taxable year as required
803 pursuant to subdivision C 1 of § 58.1-478.

804 C. Notwithstanding the provisions of subsection A or B or any other provision of this title, the Tax
805 Commissioner is authorized to (i) divulge tax information to any commissioner of the revenue, director
806 of finance or other similar collector of county, city or town taxes who, for the performance of his
807 official duties, requests the same in writing setting forth the reasons for such request; (ii) provide to the
808 Commissioner of the Department of Social Services, upon written request, information on the amount of
809 income, filing status, number and type of dependents, and whether a federal earned income tax credit
810 has been claimed as reported by persons on their state income tax returns who have applied for public
811 assistance or social services benefits as defined in § 63.2-100; (iii) provide to the chief executive officer
812 of the designated student loan guarantor for the Commonwealth of Virginia, upon written request, the
813 names and home addresses of those persons identified by the designated guarantor as having delinquent
814 loans guaranteed by the designated guarantor; (iv) provide current address information upon request to
815 state agencies and institutions for their confidential use in facilitating the collection of accounts
816 receivable, and to the clerk of a circuit or district court for their confidential use in facilitating the
817 collection of fines, penalties and costs imposed in a proceeding in that court; (v) provide to the
818 Commissioner of the Virginia Employment Commission, after entering into a written agreement, such
819 tax information as may be necessary to facilitate the collection of unemployment taxes and overpaid
820 benefits; (vi) provide to the Virginia Alcoholic Beverage Control Authority, upon entering into a written
821 agreement, such tax information as may be necessary to facilitate the collection of state and local taxes
822 and the administration of the alcoholic beverage control laws; (vii) provide to the Director of the
823 Virginia Lottery such tax information as may be necessary to identify those lottery ticket retailers who
824 owe delinquent taxes; (viii) provide to the Department of the Treasury for its confidential use such tax
825 information as may be necessary to facilitate the location of owners and holders of unclaimed property,
826 as defined in § 55-210.2; (ix) provide to the State Corporation Commission, upon entering into a written
827 agreement, such tax information as may be necessary to facilitate the collection of taxes and fees
828 administered by the Commission; (x) provide to the Executive Director of the Potomac and
829 Rappahannock Transportation Commission for his confidential use such tax information as may be
830 necessary to facilitate the collection of the motor vehicle fuel sales tax; (xi) provide to the
831 ~~Commissioner of the Department of Agriculture and Consumer Services~~ *Virginia Gaming Commission*
832 such tax information as may be necessary to identify those applicants for registration as a supplier of
833 charitable gaming supplies who have not filed required returns or who owe delinquent taxes; (xii)
834 provide to the Department of Housing and Community Development for its confidential use such tax
835 information as may be necessary to facilitate the administration of the remaining effective provisions of
836 the Enterprise Zone Act (§ 59.1-270 et seq.), and the Enterprise Zone Grant Program (§ 59.1-538 et
837 seq.); (xiii) provide current name and address information to private collectors entering into a written
838 agreement with the Tax Commissioner, for their confidential use when acting on behalf of the
839 Commonwealth or any of its political subdivisions; however, the Tax Commissioner is not authorized to
840 provide such information to a private collector who has used or disseminated in an unauthorized or
841 prohibited manner any such information previously provided to such collector; (xiv) provide current
842 name and address information as to the identity of the wholesale or retail dealer that affixed a tax stamp
843 to a package of cigarettes to any person who manufactures or sells at retail or wholesale cigarettes and
844 who may bring an action for injunction or other equitable relief for violation of Chapter 10.1,
845 Enforcement of Illegal Sale or Distribution of Cigarettes Act; (xv) provide to the Commissioner of
846 Labor and Industry, upon entering into a written agreement, such tax information as may be necessary to
847 facilitate the collection of unpaid wages under § 40.1-29; (xvi) provide to the Director of the Department
848 of Human Resource Management, upon entering into a written agreement, such tax information as may
849 be necessary to identify persons receiving workers' compensation indemnity benefits who have failed to
850 report earnings as required by § 65.2-712; (xvii) provide to any commissioner of the revenue, director of
851 finance, or any other officer of any county, city, or town performing any or all of the duties of a
852 commissioner of the revenue and to any dealer registered for the collection of the Communications Sales
853 and Use Tax, a list of the names, business addresses, and dates of registration of all dealers registered
854 for such tax; (xviii) provide to the Executive Director of the Northern Virginia Transportation
855 Commission for his confidential use such tax information as may be necessary to facilitate the collection
856 of the motor vehicle fuel sales tax; (xix) provide to the Commissioner of Agriculture and Consumer
857 Services the name and address of the taxpayer businesses licensed by the Commonwealth that identify
858 themselves as subject to regulation by the Board of Agriculture and Consumer Services pursuant to

§ 3.2-5130; (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; and (xxi) provide to the Virginia Retirement System and the Department of Human Resource Management, after entering into a written agreement, such tax information as may be necessary to facilitate the enforcement of subdivision C 4 of § 9.1-401. 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.

§ 59.1-556. Definitions.

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

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

"Commission" means the Virginia Gaming Commission.

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

"Entry fee" means cash or cash equivalent that is required to be paid by a fantasy contest participant

920 to a fantasy contest operator in order to participate in a fantasy contest.

921 "Fantasy contest" includes any online fantasy or simulated game or contest with an entry fee in
922 which (i) the value of all prizes and awards offered to winning participants is established and made
923 known to the participants in advance of the contest; (ii) all winning outcomes reflect the relative
924 knowledge and skill of the participants and shall be determined by accumulated statistical results of the
925 performance of individuals, including athletes in the case of sports events; and (iii) no winning outcome
926 is based on the score, point spread, or any performance of any single actual team or combination of
927 teams or solely on any single performance of an individual athlete or player in any single actual event.

928 "Fantasy contest operator" or "operator" means a person or entity that offers fantasy contests for a
929 cash prize to members of the public.

930 "Fantasy contest player" or "player" means a person who participates in a fantasy contest offered by
931 a fantasy contest operator.

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

937 **§ 59.1-557. Registration of fantasy contest operators required; application for registration;**
938 **issuance of registration certificate; penalty.**

939 A. No fantasy contest operator shall offer any fantasy contest in the Commonwealth without first
940 being registered with the ~~Department~~ *Commission*. Applications for registration shall be on forms
941 prescribed by the ~~Department~~ *Commission*. Any registration issued by the ~~Department~~ *Commission* shall
942 be valid for one year from the date of issuance.

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

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

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

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

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

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

958 6. Such information as the ~~Department~~ *Commission* deems necessary to ensure compliance with the
959 provisions of this chapter.

960 C. Every registration filed under this chapter shall be accompanied by a nonrefundable, initial
961 application fee set by the ~~Department~~ *Commission*.

962 D. As a condition of registration, a fantasy contest operator shall submit evidence satisfactory to the
963 ~~Department~~ *Commission* that the operator has established and will implement procedures for fantasy
964 contests that:

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

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

970 3. Verify that any fantasy contest player is 18 years of age or older;

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

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

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

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

981 E. If the registration forms are filed online using a website approved by the ~~Commissioner of the~~

~~Department Commission~~, the operator shall follow the procedures on that website for signing the forms. F. Any operator that allows its registration to lapse, without requesting an extension of time to file, shall be required to resubmit an initial registration. An extension may be granted by the ~~Department Commission~~ upon receipt of a written request.

§ 59.1-558. Issuance of registration; denial of same.

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

B. The ~~Department Commission~~ shall deny registration to any applicant unless it finds that:

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

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

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

4. The applicant meets the criteria established by the ~~Department Commission~~ for the granting of registration.

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

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

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

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

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

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

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

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

E. The ~~Department Commission~~ shall issue such registration within 60 days of receipt of the application for registration. If the registration is not issued, the ~~Department Commission~~ shall provide the operator with the justification for not issuing such registration with specificity.

§ 59.1-559. Independent audit required; submission to Commission.

A registered operator shall (i) annually contract with a certified public accountant to conduct an independent audit, consistent with the standards accepted by the Board of Accountancy; (ii) annually contract with a testing laboratory recognized by the ~~Department Commission~~ to verify compliance with the provisions of subsection D of § 59.1-557; and (iii) submit to the ~~Department Commission~~ a copy of the (a) audit report and (b) report of the testing laboratory as required by clause (ii).

§ 59.1-560. Powers and duties of Commission.

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

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

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

1. Require or permit any person to file a statement in writing, under oath or otherwise as the

1043 ~~Department~~ *Commission* determines, as to all facts and circumstances concerning the matter to be
1044 investigated; and

1045 2. Administer oaths or affirmations and, upon its own motion or upon request of any party, subpoena
1046 witnesses and compel their attendance, take evidence, and require the production of any matter that is
1047 relevant to the investigation, including the existence, description, nature, custody, condition, and location
1048 of any books, documents, or other tangibles and the identity and location of persons having knowledge
1049 of relevant facts or any other matter reasonably calculated to lead to the discovery of material evidence.

1050 D. Any proceedings or hearings by the ~~Department~~ *Commission* under this chapter, where witnesses
1051 are subpoenaed and their attendance is required for evidence to be taken or any matter is to be produced
1052 to ascertain material evidence, shall take place within the City of Richmond.

1053 E. Upon failure to obey a subpoena and upon reasonable notice to all persons affected thereby, the
1054 ~~Department~~ *Commission* may apply to the Circuit Court of the City of Richmond for an order imposing
1055 punishment for contempt of the subpoena or compelling compliance.

1056 **§ 59.1-561. Suspension or revocation of registration.**

1057 A. After a hearing with 15 days' notice, the ~~Department~~ *Commission* may suspend or revoke any
1058 registration or impose on such operator a monetary penalty of not more than \$1,000 for each violation
1059 of this chapter, not to exceed \$50,000, in any case where a violation of this chapter has been shown by
1060 a preponderance of the evidence. The ~~Department~~ *Commission* may revoke a registration if it finds that
1061 facts not known by it at the time it considered the application indicate that such registration should not
1062 have been issued.

1063 B. The ~~Department~~ *Commission* may summarily suspend any registration for a period of not more
1064 than seven days pending a hearing and final determination by the ~~Department~~ *Commission* if the
1065 ~~Department~~ *Commission* determines that a violation of this chapter has occurred and emergency action is
1066 required to protect the public health, safety, and welfare. The ~~Department~~ *Commission* shall (i) schedule
1067 a hearing within seven business days after the registration is summarily suspended and (ii) notify the
1068 registered operator not less than five business days before the hearing of the date, time, and place of the
1069 hearing.

1070 C. If any such registration is suspended or revoked, the ~~Department~~ *Commission* shall state its
1071 reasons for doing so, which shall be entered of record. Such action shall be final unless appealed in
1072 accordance with § 59.1-562. Suspension or revocation of a registration issued by the ~~Department~~
1073 *Commission* for any violation shall not preclude civil liability for such violation.

1074 **§ 59.1-562. Hearing and appeal.**

1075 Any person aggrieved by a denial of the ~~Department~~ *Commission* to issue a registration, the
1076 suspension or revocation of a registration, the imposition of a fine, or any other action of the
1077 ~~Department~~ *Commission* may seek review of such action in accordance with Article 5 (§ 2.2-4025 et
1078 seq.) of the Administrative Process Act in the Circuit Court of the City of Richmond. Further appeals
1079 shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act.

1080 **§ 59.1-563. Fees and charges.**

1081 All fees, charges, and monetary penalties collected by the ~~Department~~ *Commission* as provided in
1082 this chapter shall be paid into a special fund of the state treasury. Such funds shall be used to finance
1083 the administration and operation of this chapter.

1084 **§ 59.1-564. Department to adjust fees; certain transfer of money collected prohibited.**

1085 A. Nongeneral funds generated by fees collected in accordance with this chapter on behalf of the
1086 ~~Department~~ *Commission* and accounted for and deposited into a special fund by the ~~Commissioner~~ of
1087 the ~~Department~~ shall to be held exclusively to cover the expenses of the ~~Department~~ *Commission* in
1088 administering this chapter and shall not be transferred to any other agency.

1089 B. Following the close of any biennium, when the account for the ~~Department~~ *Commission*
1090 maintained under this chapter shows expenses allocated to it for the past biennium to be more than 10
1091 percent greater or less than moneys collected on behalf of the ~~Department~~ *Commission*, it shall revise
1092 the fees levied by it for registration and renewal thereof so that the fees are sufficient but not excessive
1093 to cover expenses.

1094 **§ 59.1-565. Public inspection of information filed with Commission; charges for production.**

1095 A. Except as provided in subsection B, registrations required to be filed under this chapter shall be
1096 open to the public for inspection at such time and under such conditions as the ~~Department~~ *Commission*
1097 may prescribe. A charge not exceeding \$1 per page may be made for any copy of such documents as
1098 may be furnished to any person by the ~~Department~~ *Commission*.

1099 B. Reports, data, or documents submitted to the ~~Department~~ *Commission* pursuant to the audit
1100 requirements of § 59.1-559 and records submitted to the ~~Department~~ *Commission* as part of an
1101 application for registration or renewal that contain information about the character or financial
1102 responsibility of the operator or its principal stockholders shall be deemed confidential and shall be
1103 exempt from disclosure under the Freedom of Information Act (§ 2.2-3700 et seq.).

1104 **§ 59.1-567. Acquisition of interest in fantasy contest operator.**

A. If any person acquires actual control of a registered operator, such person shall register with the ~~Department~~ *Commission* in accordance with § 59.1-557.

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

§ 59.1-568. Civil penalty.

In addition to the provisions of § 59.1-561, any person, firm, corporation, association, agent, or employee who knowingly violates any procedure implemented under subsection D of § 59.1-557 or any other provision of this chapter shall be liable for a civil penalty of not more than \$1,000 for each such violation. Such amount shall be recovered in a civil action brought by the ~~Department~~ *Commission* and be paid into the State Literary Fund.

2. That Article 19 (§ 2.2-2455 et seq.) of Chapter 24 of Title 2.2 of the Code of Virginia is repealed.

3. That the members of the Charitable Gaming Board prior to the effective date of this act shall continue to serve as the Virginia Gaming Commission for existing terms of appointment with the exception of the following: (i) the term of the member of the Charitable Gaming Board appointed by the Governor who is a charitable gaming supplier shall expire on July 1, 2018; (ii) the term of the member of the Charitable Gaming Board appointed by the Governor who is an owner, lessor, or lessee of premises where charitable gaming is conducted shall expire on July 1, 2018; (iii) as determined by the Governor, the term of one of the two members of the Charitable Gaming Board appointed by the Governor who does not have an interest in or is not affiliated with a supplier or charitable organization or owner, lessor, or lessee of premises where charitable gaming is conducted shall expire on July 1, 2018; and (iv) the term of the member of the Charitable Gaming Board appointed by the Senate Committee on Rules who does not have an interest in or is not affiliated with a supplier or charitable organization or owner, lessor, or lessee of premises where charitable gaming is conducted shall expire on July 1, 2018. Appointments by the Governor and the Senate Committee on Rules to fill the expired positions shall be made in compliance with the provisions of this act.

4. That any regulations adopted by the Department of Agriculture and Consumer Services that are in effect as of July 1, 2018, and that pertain to the subject of this act shall remain in full force and effect until altered, amended, or rescinded by the Virginia Gaming Commission as established by this act.

5. That as of the effective date of this act, the Virginia Gaming Commission shall be deemed the successor in interest to the former Charitable Gaming Board and the Department of Agriculture and Consumer Services to the extent that this act transfers powers and duties. All right, title, and interest in and to any real or tangible personal property vested in the former Charitable Gaming Board or the Department of Agriculture and Consumer Services to the extent that this act transfers powers and duties related to the regulation of charitable gaming as set forth in Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 of the Code of Virginia and the administration of fantasy contests as set forth in Chapter 51 (§ 59.1-556 et seq.) of Title 59.1 of the Code of Virginia as of the effective date of this act shall be transferred to and taken as standing in the name of the Virginia Gaming Commission.

6. That the Governor may transfer an appropriation or any portion thereof within the Department of Agriculture and Consumer Services to the Virginia Gaming Commission to support the changes in organization or responsibility resulting from or required by the provisions of this act.