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**SENATE BILL NO. 1238**

Offered January 9, 2019

Prefiled January 5, 2019

*A BILL to amend and reenact §§ 2.2-3705.3, 2.2-3711, 18.2-334.3, 37.2-304, 59.1-364, and 59.1-569 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 3 of Title 11 a section numbered 11-16.1, by adding in Article 1 of Chapter 3 of Title 37.2 a section numbered 37.2-314.1, and by adding in Title 58.1 a chapter numbered 41, consisting of sections numbered 58.1-4100 through 58.1-4124, relating to sports betting; Virginia Sports Betting Department created; Problem Gambling Treatment and Support Fund; Sports Betting Operations Fund; penalties.*

Patrons—Petersen and Surovell

Referred to Committee on General Laws and Technology

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

**1. That §§ 2.2-3705.3, 2.2-3711, 18.2-334.3, 37.2-304, 59.1-364, and 59.1-569 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 3 of Title 11 a section numbered 11-16.1, by adding in Article 1 of Chapter 3 of Title 37.2 a section numbered 37.2-314.1, and by adding in Title 58.1 a chapter numbered 41, consisting of sections numbered 58.1-4100 through 58.1-4124, as follows:**

**§ 2.2-3705.3. Exclusions to application of chapter; records relating to administrative investigations.**

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

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

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

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

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

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

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

7. Investigative notes, correspondence and information furnished in confidence, and records otherwise

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

76 8. The names, addresses, and telephone numbers of complainants furnished in confidence with  
77 respect to an investigation of individual zoning enforcement complaints or complaints relating to the  
78 Uniform Statewide Building Code (§ 36-97 et seq.) or the Statewide Fire Prevention Code (§ 27-94 et  
79 seq.) made to a local governing body.

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

83 10. Information furnished to or prepared by the Board of Education pursuant to subsection D of  
84 § 22.1-253.13:3 in connection with the review or investigation of any alleged breach in security,  
85 unauthorized alteration, or improper administration of tests by local school board employees responsible  
86 for the distribution or administration of the tests. However, this section shall not prohibit the disclosure  
87 of such information to (i) a local school board or division superintendent for the purpose of permitting  
88 such board or superintendent to consider or to take personnel action with regard to an employee or (ii)  
89 any requester, after the conclusion of a review or investigation, in a form that (a) does not reveal the  
90 identity of any person making a complaint or supplying information to the Board on a confidential basis  
91 and (b) does not compromise the security of any test mandated by the Board.

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

109 12. Information provided in confidence and related to an investigation by the Attorney General under  
110 Article 1 (§ 3.2-4200 et seq.) or Article 3 (§ 3.2-4204 et seq.) of Chapter 42 of Title 3.2, Article 10 (§  
111 18.2-246.6 et seq.) of Chapter 6 or Chapter 13 (§ 18.2-512 et seq.) of Title 18.2, or Article 1  
112 (§ 58.1-1000) of Chapter 10 of Title 58.1. However, information related to an investigation that has been  
113 inactive for more than six months shall, upon request, be disclosed provided such disclosure is not  
114 otherwise prohibited by law and does not reveal the identity of charging parties, complainants, persons  
115 supplying information, witnesses, or other individuals involved in the investigation.

116 **§ 2.2-3711. Closed meetings authorized for certain limited purposes.**

117 A. Public bodies may hold closed meetings only for the following purposes:

118 1. Discussion, consideration, or interviews of prospective candidates for employment; assignment,  
119 appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public  
120 officers, appointees, or employees of any public body; and evaluation of performance of departments or

schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

9. Discussion or consideration by governing boards of public institutions of higher education of matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in the Commonwealth shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

13. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided the member may request in writing that the committee meeting not be conducted in a closed meeting.

14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing

body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic activity and estimating general and nongeneral fund revenues.

16. Discussion or consideration of medical and mental health records subject to the exclusion in subdivision 1 of § 2.2-3705.5.

17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

18. Those portions of meetings in which the Board of Corrections discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Virginia College Savings Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Virginia College Savings Plan or provided to the retirement system, a local finance board or board of trustees, or the Virginia College Savings Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, and those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7.

22. Those portions of meetings of the board of visitors of the University of Virginia or the Eastern Virginia Medical School Board of Visitors, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or Eastern Virginia Medical School, as the case

may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the Medical Center or Eastern Virginia Medical School, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's medical and teaching staffs and qualifications for appointments thereto.

24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee within the Department of Health Professions to the extent such discussions identify any practitioner who may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

25. Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by or on behalf of individuals who have requested information about, applied for, or entered into prepaid tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title 23.1 is discussed.

26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery Subcommittee created pursuant to former § 56-484.15, of trade secrets, as defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.), submitted by CMRS providers as defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information subject to the exclusion in subdivision 17 of § 2.2-3705.6 by (i) the Commonwealth Health Research Board or (ii) the Innovation and Entrepreneurship Investment Authority or the Research and Technology Investment Advisory Committee appointed to advise the Innovation and Entrepreneurship Investment Authority.

31. Discussion or consideration by the Commitment Review Committee of information subject to the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

32. Discussion or consideration of confidential proprietary information and trade secrets developed and held by a local public body providing certain telecommunication services or cable television services and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

33. Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

34. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-625.1.

35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative files subject to the exclusion in subdivision B 1 of § 2.2-3706.

36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and

305 consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or  
306 recover scholarship awards.

307 37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion  
308 in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia  
309 Port Authority.

310 38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting  
311 pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26,  
312 by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Virginia College  
313 Savings Plan acting pursuant to § 23.1-706, or by the Virginia College Savings Plan's Investment  
314 Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in  
315 subdivision 24 of § 2.2-3705.7.

316 39. Discussion or consideration of information subject to the exclusion in subdivision 3 of  
317 § 2.2-3705.6 related to economic development.

318 40. Discussion or consideration by the Board of Education of information relating to the denial,  
319 suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

320 41. Those portions of meetings of the Virginia Military Advisory Council or any commission created  
321 by executive order for the purpose of studying and making recommendations regarding preventing  
322 closure or realignment of federal military and national security installations and facilities located in  
323 Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization  
324 appointed by a local governing body, during which there is discussion of information subject to the  
325 exclusion in subdivision 8 of § 2.2-3705.2.

326 42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of  
327 information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable  
328 information of donors.

329 43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of  
330 information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information  
331 contained in grant applications.

332 44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority  
333 of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or  
334 charges for the use of projects of, the sale of products of, or services rendered by the Authority and  
335 certain proprietary information of a private entity provided to the Authority.

336 45. Discussion or consideration of personal and proprietary information related to the resource  
337 management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii)  
338 subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of  
339 records that contain information that has been certified for release by the person who is the subject of  
340 the information or transformed into a statistical or aggregate form that does not allow identification of  
341 the person who supplied, or is the subject of, the information.

342 46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control  
343 Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to  
344 investigations of applicants for licenses and permits and of licensees and permittees.

345 47. Discussion or consideration of grant or loan application records subject to the exclusion in  
346 subdivision 28 of § 2.2-3705.6 related to the submission of an application for an award from the  
347 Virginia Research Investment Fund pursuant to Article 8 (§ 23.1-3130 et seq.) of Chapter 31 of Title  
348 23.1 or interviews of parties to an application by a reviewing entity pursuant to subsection D of  
349 § 23.1-3133 or by the Virginia Research Investment Committee.

350 48. Discussion or development of grant proposals by a regional council established pursuant to  
351 Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth  
352 and Opportunity Board.

353 49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault team  
354 established pursuant to § 15.2-1627.4 or (ii) individual child abuse or neglect cases or sex offenses  
355 involving a child by a child abuse team established pursuant to § 15.2-1627.5.

356 50. Discussion or consideration by the Board of the Virginia Economic Development Partnership  
357 Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the  
358 portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to  
359 subdivision 33 of § 2.2-3705.7.

360 51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic  
361 Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and  
362 discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of  
363 § 60.2-114.

364 52. *Deliberations of the Virginia Sports Betting Board in an appeal conducted pursuant to §*  
365 *58.1-4105 regarding the denial of, revocation of, suspension of, or refusal to renew a license related to*  
366 *sports betting, and any discussion, consideration, or review of matters related to investigations excluded*

from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

B. No resolution, ordinance, rule, contract, regulation or motion adopted, passed or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

**§ 11-16.1. Exemption; authorized sports betting.**

*This chapter shall not apply to any sports betting or related activity that is lawful under Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1.*

**§ 18.2-334.3. Exemptions to article; state lottery.**

Nothing in this article shall apply to any:

1. Any lottery conducted by the Commonwealth of Virginia pursuant to Chapter 40 (§ 58.1-4000 et seq.) of Title 58.1; or

2. Any sports betting or related activity that is lawful under Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1.

**§ 37.2-304. Duties of Commissioner.**

The Commissioner shall be the chief executive officer of the Department and shall have the following duties and powers:

1. To supervise and manage the Department and its state facilities.

2. To employ the personnel required to carry out the purposes of this title.

3. To make and enter into all contracts and agreements necessary or incidental to the performance of the Department's duties and the execution of its powers under this title, including contracts with the United States, other states, and agencies and governmental subdivisions of the Commonwealth, consistent with policies and regulations of the Board and applicable federal and state statutes and regulations.

4. To accept, hold, and enjoy gifts, donations, and bequests on behalf of the Department from the United States government, agencies and instrumentalities thereof, and any other source, subject to the approval of the Governor. To these ends, the Commissioner shall have the power to comply with conditions and execute agreements that may be necessary, convenient, or desirable, consistent with policies and regulations of the Board.

5. To accept, execute, and administer any trust in which the Department may have an interest, under the terms of the instruments creating the trust, subject to the approval of the Governor.

6. To transfer between state hospitals and training centers school-age individuals who have been identified as appropriate to be placed in public school programs and to negotiate with other school divisions for placements in order to ameliorate the impact on those school divisions located in a jurisdiction in which a state hospital or training center is located.

7. To provide to the Director of the Commonwealth's designated protection and advocacy system, established pursuant to § 51.5-39.13, a written report setting forth the known facts of (i) critical incidents, as that term is defined in § 37.2-709.1, or deaths of individuals receiving services in facilities and (ii) serious injuries, as that term is defined in regulations adopted by the Board pursuant to § 37.2-400, or deaths of individuals receiving services in programs operated or licensed by the Department within 15 working days of the critical incident, serious injury, or death.

8. To work with the appropriate state and federal entities to ensure that any individual who has received services in a state facility for more than one year has possession of or receives prior to discharge any of the following documents, when they are needed to obtain the services contained in his discharge plan: a Department of Motor Vehicles approved identification card that will expire 90 days from issuance, a copy of his birth certificate if the individual was born in the Commonwealth, or a social security card from the Social Security Administration. State facility directors, as part of their

responsibilities pursuant to § 37.2-837, shall implement this provision when discharging individuals.

9. To work with the Department of Veterans Services and the Department for Aging and Rehabilitative Services to establish a program for mental health and rehabilitative services for Virginia veterans and members of the Virginia National Guard and Virginia residents in the Armed Forces Reserves not in active federal service and their family members pursuant to § 2.2-2001.1.

10. To establish and maintain a pharmaceutical and therapeutics committee composed of representatives of the Department of Medical Assistance Services, state facilities operated by the Department, community services boards, at least one health insurance plan, and at least one individual receiving services to develop a drug formulary for use at all community services boards, state facilities operated by the Department, and providers licensed by the Department.

11. To establish and maintain the Commonwealth Mental Health First Aid Program pursuant to § 37.2-312.2.

12. To submit a report for the preceding fiscal year by December 1 of each year to the Governor and the Chairmen of the House Appropriations and Senate Finances Committees that provides information on the operation of Virginia's publicly funded behavioral health and developmental services system. The report shall include a brief narrative and data on the number of individuals receiving state facility services or community services board services, including purchased inpatient psychiatric services; the types and amounts of services received by these individuals; and state facility and community services board service capacities, staffing, revenues, and expenditures. The annual report shall describe major new initiatives implemented during the past year and shall provide information on the accomplishment of systemic outcome and performance measures during the year.

13. *To administer the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.1.*

Unless specifically authorized by the Governor to accept or undertake activities for compensation, the Commissioner shall devote his entire time to his duties.

**§ 37.2-314.1. Problem Gambling Treatment and Support Fund.**

*There is hereby created in the state treasury a special nonreverting fund to be known as the Problem Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All moneys required to be deposited into the Fund pursuant to subsection C of § 58.1-4113 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing counseling and other support services for compulsive and problem gamblers, (ii) developing and implementing problem gambling treatment and prevention programs, and (iii) providing grants to supporting organizations that provide assistance to compulsive gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.*

**CHAPTER 41.**

**VIRGINIA SPORTS BETTING LAW.**

**§ 58.1-4100. Virginia Sports Betting Board and Virginia Sports Betting Department established.**

*Notwithstanding the provisions of Article 1 (§ 18.2-325 et seq.) of Chapter 8 of Title 18.2 or any other provision of law, there is hereby established as an independent agency of the Commonwealth, exclusive of the legislative, executive, or judicial branches of government, the Virginia Sports Betting Department, which shall include a Director, and a Virginia Sports Betting Board for the purpose of regulating sports betting.*

**§ 58.1-4101. Definitions.**

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

*"Adjusted gross revenue" means gross revenue minus:*

*1. All cash and the cash value of merchandise, including bonuses or promotions, paid out as winnings to sports bettors; and*

*2. Uncollectible gaming receivables. Uncollectible gaming receivables shall not exceed two percent of gross revenue minus all cash paid out as winnings to bettors.*

*"Board" means the Virginia Sports Betting Board established by this chapter.*

*"College sports" means an athletic event in which at least one participant is a team from a public or private institute of higher education, regardless of whether such institute of higher education is located in another state.*

*"Department" means the Virginia Sports Betting Department, the independent state agency responsible for regulating sports betting pursuant to this chapter.*

*"Director" means the Director of the Virginia Sports Betting Department.*

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



"Licensed vendor" means a person to which the Director issues a license pursuant to §§ 58.1-4108 and 58.1-4109.

"Prequalified locality" means a locality that as of January 1, 2019, voted to approve the licensing of a racetrack or satellite facility pursuant to the provisions of § 59.1-391.

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

"Qualified locality" means a locality that approves sports betting at referendum pursuant to § 58.1-4124.

"Sports betting" means placing wagers on professional sports. "Sports betting" does not include participating in charitable gaming authorized by Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, participating in fantasy contests authorized by Chapter 51 (§ 59.1-556 et seq.) of Title 59.1, or wagering on horse racing authorized by Chapter 29 (§ 59.1-364 et seq.) of Title 59.1.

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

"Sports betting program" means the program established by the Board to allow sports betting as provided in this chapter.

"Sports bettor" means a person physically located in the Commonwealth who participates in sports betting.

"Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4106 that allows individuals to voluntarily exclude themselves from participating in sports betting by placing their name on a voluntary exclusion list and following the procedures set forth by the Board.

"Youth sports" means an athletic event (i) involving a participant under age 18 or (ii) in which at least one participant is a team from a public or private elementary, middle, or secondary school, regardless of where such school is located.

**§ 58.1-4102. Membership of Board; appointment; terms; vacancies; removal; expenses.**

A. The Board shall consist of five members, all of whom shall be citizens and residents of the Commonwealth and all of whom shall be appointed by and serve at the pleasure of the Governor, subject to confirmation by a majority of the members elected to each house of the General Assembly if in session when the appointment is made, and if not in session, then at its next succeeding session. Prior to the appointment of any Board member, the Governor shall consider the political affiliation and the geographic residence of the Board members. The members shall be appointed for terms of five years. The members shall annually elect one member as chairman of the Board.

B. Any vacancy on the Board occurring for any reason other than the expiration of a term shall be filled for the unexpired term in the same manner as the original term.

C. The members of the Board shall receive such compensation as provided in § 2.2-2813, shall be subject to the requirements of such section, and shall be allowed reasonable expenses incurred in the performance of their official duties.

D. Before entering upon the discharge of their duties, the members of the Board shall take an oath that they will faithfully and honestly execute the duties of the office during their continuance therein and they shall give bond in such amount as may be fixed by the Governor, conditioned upon the faithful discharge of their duties. The premium on such bond shall be paid out of the Virginia Sports Betting Operations Fund.

**§ 58.1-4103. Appointment, qualifications, and salary of Director.**

A. The Department shall be under the immediate supervision and direction of a Director, who shall be a person of good reputation, particularly as to honesty and integrity, and shall be subject to a thorough background investigation conducted by the Department of State Police prior to appointment. The Director shall be appointed by and serve at the pleasure of the Governor, subject to confirmation by a majority of the members elected to each house of the General Assembly if in session when the appointment is made, and if not in session, then at its next succeeding session. The Director shall receive a salary as provided in the general appropriations act.

B. The Director shall devote his full time to the performance of his official duties and shall not be engaged in any other profession or occupation.

C. Before entering upon the discharge of his duties, the Director shall take an oath that he will faithfully and honestly execute the duties of his office during his continuance therein and shall give bond in such amount as may be fixed by the Governor, conditioned upon the faithful discharge of his duties. The premium on such bond shall be paid out of the Virginia Sports Betting Operations Fund.

**§ 58.1-4104. Powers of the Director.**

A. 1. The Director shall supervise and administer the regulation of sports betting in accordance with the provisions of this chapter and with the rules and regulations promulgated hereunder.

2. *Operation of a sports betting platform is prohibited.*

B. *The Director shall also:*

1. *Employ such deputy directors, professional, technical, and clerical assistants, and other employees as may be required to carry out the functions and duties of the Department;*

2. *Act as secretary and executive officer of the Board;*

3. *Require bond or other surety satisfactory to the Director from licensed vendors as provided in subsection F of § 58.1-4108 in such amount as provided in the rules and regulations of the Board. The Director may also require bond from employees as he deems necessary;*

4. *Confer regularly, but not less than four times each year, with the Board on the regulation of sports betting; make available for inspection by the Board, upon request, all books, records, files, and other information and documents of the Department; and advise the Board and recommend such matters as he deems necessary and advisable to improve the regulation of sports betting;*

5. *Suspend, revoke, or refuse to renew any license issued pursuant to this chapter or the rules and regulations adopted hereunder;*

6. *Enter into contracts for the operation or promotion of the sports betting program, and enter into contracts with other states related to sports betting, provided that a contract awarded or entered into by the Director shall not be assigned by the holder thereof except by specific approval of the Director;*

7. *Certify monthly to the State Comptroller and the Board a full and complete statement of sports betting revenues and expenses for the preceding month;*

8. *Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate Finance Committee, House Finance Committee, and House Appropriations Committee the total sports betting revenues and expenses for the preceding month, and make an annual report, which shall include a full and complete statement of sports betting revenues and expenses, to the Governor and the General Assembly, including recommendations for changes in this chapter as the Director and Board deem necessary or desirable;*

9. *Report immediately to the Governor and the General Assembly any matters that require changes in the laws of the Commonwealth in order to prevent abuses and evasions of this chapter or the rules and regulations adopted hereunder or to rectify undesirable conditions in connection with the administration or operation of the sports betting program; and*

10. *Provide for the withholding of the applicable amount of state and federal income tax of persons who receive income from sports betting.*

C. *The Director and the director of security or investigators appointed by the Director shall be vested with the powers of sheriff and sworn to enforce the statutes and regulations pertaining to the Department and to investigate violations of the statutes and regulations that the Director is required to enforce.*

**§ 58.1-4105. Powers of the Board.**

A. *The Board shall have the power to adopt regulations governing the establishment and operation of a sports betting program. The regulations governing the establishment and operation of the sports betting program shall be promulgated by the Board after consultation with the Director. Such regulations shall be in accordance with the Administrative Process Act (§ 2.2-4000 et seq.). The regulations shall provide for all matters necessary or desirable for the efficient, honest, and economical operation and administration of a sports betting program for the convenience of sports bettors. The regulations, which may be amended, repealed, or supplemented as necessary, shall include, but not be limited to, the following:*

1. *Administration of the sports betting program pursuant to the provisions of this chapter;*

2. *Apportionment of the total revenues accruing from the administration of a sports betting program as provided in § 58.1-4113; and*

3. *Such other matters necessary or desirable for the efficient and economical operation and administration of the sports betting program.*

B. *The Department shall not be subject to the provisions of the Virginia Public Procurement Act (§ 2.2-4300 et seq.); however, the Board shall promulgate regulations, after consultation with the Director, relative to departmental procurement that include standards of ethics for procurement consistent with the provisions of Article 6 (§ 2.2-4367 et seq.) of the Virginia Public Procurement Act (§ 2.2-4300 et seq.) and that ensure that departmental procurement will be based on competitive principles.*

C. *The Board shall have the power to advise and recommend, but shall have no power to veto or modify, administrative decisions of the Director. However, the Board shall have the power to accept, modify, or reject any revenue projections before such projections are forwarded to the Governor.*

D. *The Board shall carry on a continuous study and investigation of the sports betting program throughout the Commonwealth to:*

1. *Ascertain any defects of this chapter or the regulations issued hereunder which cause abuses in the administration and operation of the sports betting program and any evasions of such provisions;*

2. Formulate, with the Director, recommendations for changes in this chapter and the regulations promulgated hereunder to prevent such abuses and evasions;

3. Guard against the use of this chapter and the regulations promulgated hereunder as a subterfuge for organized crime and illegal gambling; and

4. Ensure that this law and the regulations of the Board are in such form and are so administered as to serve the true purpose of this chapter.

E. The Board shall make a continuous study and investigation of (i) the operation and the administration of similar laws that may be in effect in other states or countries, (ii) any literature on the subject that may be published or available, (iii) any federal laws that may affect the operation of the sports betting program, and (iv) the reaction of Virginia citizens to the potential features of the sports betting program with a view to recommending or effecting changes that will serve the purpose of this chapter.

F. The Board shall hear and decide an appeal of any penalty, denial of a license or renewal, or suspension or revocation of a license imposed by the Director pursuant to this chapter.

G. The Board shall have the authority to initiate procedures for the planning, acquisition, and construction of capital projects as set forth in Article 4 (§ 2.2-1129 et seq.) of Chapter 11 and Article 3 (§ 2.2-1819 et seq.) of Chapter 18 of Title 2.2.

**§ 58.1-4106. Voluntary exclusion program.**

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

B. The regulations shall include the following provisions:

1. Except as provided by regulation of the Board, an individual who participates in the voluntary exclusion program agrees to refrain from participating in sports betting;

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

3. The name of a person participating in the program shall be included on a list of excluded persons. The list of persons entering the voluntary exclusion program and the personal information of the participants shall be confidential with dissemination by the Board limited to licensed vendors for purposes of enforcement. The Board shall disseminate the list to other parties upon request by the participant and agreement by the Board; and

4. Licensed vendors shall make all reasonable attempts as determined by the Board to cease all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall not preclude licensed vendors from seeking the payment of a debt accrued by a person before entering the program.

**§ 58.1-4107. Employees of the Department; background investigations of employees.**

All persons employed by the Department shall be fingerprinted before, and as a condition of, employment. These fingerprints shall be submitted to the Federal Bureau of Investigation for a National Criminal Records search and to the Department of State Police for a Virginia Criminal History Records search. All board members, officers, and employees of any business working directly on a contract with the Department for goods or services shall be fingerprinted, and such fingerprints shall be submitted to the Federal Bureau of Investigation for a National Criminal Records search conducted by the chief security officer of the Department. A background investigation shall be conducted by the chief security officer of the Department on every applicant prior to employment by the Department. No person who has been convicted of a felony, or bookmaking or other forms of illegal gambling, or of a crime involving moral turpitude shall be employed by or contracted with by the Department.

**§ 58.1-4108. Applications for sports betting licenses; penalty.**

A. Any business may apply for a sports betting license to operate as a licensed vendor (i) at a racetrack or satellite facility in a prequalified locality or (ii) in a qualified locality. An applicant for a sports betting license shall:

1. Submit an application to the Director, on forms prescribed by the Director, containing the information prescribed in subsection B; and

2. Pay to the Department a fee of \$5,000.

B. An application for a sports betting license shall include the following information:

1. The applicant's background in sports betting;

2. The applicant's experience in wagering activities in other jurisdictions, including the applicant's history and reputation of integrity and compliance;

3. The applicant's proposed internal controls, including controls to ensure that no excluded or prohibited person will be able to participate in sports betting;

4. The applicant's history of working to prevent compulsive gambling, including training programs for its employees; and

5. Any other information the director deems necessary.

C. The chief security officer of the Department shall conduct a background investigation on the

674 applicant. The background investigation shall include a credit history check, a tax record check, and a  
675 criminal history check.

676 D. The Director shall approve an application and grant a license within 60 days of receipt; however,  
677 the Director may deny an application if he finds grounds for denial as described in subsection E. The  
678 Director's action shall be final unless appealed in accordance with § 58.1-4105.

679 E. The following shall be grounds for denial of a license:

680 1. The Director reasonably believes the applicant will be unable to satisfy the duties of a licensed  
681 vendor described in § 58.1-4110;

682 2. The Director reasonably believes the applicant or its directors lack good character, honesty, or  
683 integrity;

684 3. The Director reasonably believes that the applicant's prior activities, criminal record, reputation,  
685 or associations are likely to (i) pose a threat to the public interest, (ii) impede the regulation of sports  
686 betting, or (iii) promote unfair or illegal activities in the conduct of sports betting;

687 4. The applicant or its directors knowingly make a false statement of material fact or deliberately  
688 fails to disclose information requested by the Director;

689 5. The applicant or its directors knowingly fail to comply with the provisions of this chapter or any  
690 requirements of the Director;

691 6. The applicant or its directors were convicted of a felony, a crime of moral turpitude, or any  
692 criminal offense involving dishonesty or breach of trust within the 10 years prior to the submission date  
693 of the registration application;

694 7. The applicant's license, registration, or license to conduct a sports betting operation issued by any  
695 other jurisdiction has been suspended or revoked;

696 8. The applicant defaults in payment of any obligation or debt due to the Commonwealth; or

697 9. The applicant's application is incomplete.

698 F. Prior to issuance of a license, every licensed vendor shall either (i) be bonded by a surety  
699 company entitled to do business in the Commonwealth in such amount and penalty as may be prescribed  
700 by the regulations of the Board or (ii) provide other surety as may be satisfactory to the Director,  
701 payable to the Department, and conditioned on performance of its duties under this chapter. Such surety  
702 shall be prescribed by Board regulations and shall not exceed a reasonable amount.

703 G. Whoever knowingly and willfully falsifies, conceals, or misrepresents a material fact or knowingly  
704 and willfully makes a false, fictitious, or fraudulent statement or representation in any application  
705 pursuant to this article is guilty of a Class 1 misdemeanor.

706 **§ 58.1-4109. Renewals of licenses.**

707 A. A license issued pursuant to § 58.1-4108 shall be valid for one year after the date it issued.

708 B. At least 60 days before the expiration of a license, the licensed vendor shall submit a renewal  
709 application, on forms prescribed by the Director, including a renewal fee of \$1,000.

710 C. The Director may deny a renewal application if he finds grounds for denial as described in  
711 subsection E of § 58.1-4108. The Director's action shall be final unless appealed in accordance with §  
712 58.1-4105.

713 **§ 58.1-4110. Duties of licensed vendors.**

714 A. A licensed vendor shall ensure that his sports betting operation takes reasonable measures to:

715 1. Ensure that only people physically located in the Commonwealth are able to place bets;

716 2. Protect the confidential information of bettors;

717 3. Prevent betting on events that is prohibited by § 58.1-4114, underage betting as prohibited by  
718 § 58.1-4115, and bets by people who are prohibited from sports betting by § 58.1-4116;

719 4. Allow persons to restrict themselves from placing bets with the licensed vendor, including sharing,  
720 at the person's request, his request for self-exclusion with the Department for the sole purpose of  
721 disseminating the request to other licensed vendors;

722 5. Establish procedures to detect suspicious or illegal betting activity, including measures to  
723 immediately report such activity to the Department; and

724 6. Provide for the withholding of the applicable amount of state and federal income tax of persons  
725 who receive income from sports betting.

726 B. A licensed vendor shall maintain records on:

727 1. All bets, including the bettor's personal information, the amount and type of bet, the time and  
728 location of the bet, and the outcome of the bet; and

729 2. Suspicious or illegal betting activity.

730 C. A licensed vendor shall disclose the records described in subsection B to the Department upon  
731 request and shall maintain such records for at least three years after the related college sport or  
732 professional sport occurs.

733 D. In advertising its sports betting operations, a licensed vendor shall ensure that its advertisements:

734 1. Do not target persons under the age of 18;

735 2. Disclose the identity of the licensed vendor;

3. Provide information about or links to resources related to gambling addiction; and  
 4. Are not misleading to a reasonable person.

**§ 58.1-4111. Civil penalties; suspension, and revocation of licenses.**

If the Director determines that a licensed vendor has violated this chapter, he may, with at least 15 days' notice and a hearing, (i) suspend or revoke the licensed vendor's license and (ii) impose a monetary penalty of not more than \$1,000 for each such violation. The Director's action shall be final unless appealed in accordance with § 58.1-4105.

**§ 58.1-4112. Tax.**

A. There shall be imposed a tax of 10 percent on a licensed vendor's adjusted gross revenue.

B. The tax imposed pursuant to this section is due monthly to the Department and the licensed vendor shall remit it on or before the twentieth day of the next succeeding calendar month. If the licensed vendor's accounting necessitates corrections to a previously remitted tax, it shall document such corrections when it pays the following month's taxes.

**§ 58.1-4113. Distribution of tax revenue.**

A. The Department shall allocate 50 percent of the tax revenue collected pursuant to § 58.1-4112 to the locality in which the revenue was generated. For purposes of this section, the "locality in which the revenue was generated" means the location of the facility at which the revenue subject to tax pursuant to the provisions of this chapter was generated.

B. The Department shall allocate 2.5 percent of the tax revenue collected pursuant to § 58.1-4112 to the Sports Betting Operations Fund established pursuant to § 58.1-4118.

C. The Department shall allocate 2.5 percent of the tax revenue collected pursuant to § 58.1-4112 to the Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.1.

D. The Department shall allocate the remaining 45 percent of the tax revenue collected pursuant to § 58.1-4112 to the Virginia Foundation for Community College Education Fund established pursuant to subdivision B 30 of § 58.1-344.3.

**§ 58.1-4114. Events on which betting is prohibited; penalty.**

A. No person shall place or accept a bet on:

1. College sports; or
2. Youth sports.

B. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

**§ 58.1-4115. Prohibition of underage betting; penalty.**

A. No person shall knowingly accept or redeem a sports bet, or knowingly offer to accept or redeem a sports bet on behalf of, a person under 18 years of age.

B. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

**§ 58.1-4116. Persons who are prohibited from sports betting; penalty.**

A. The following people shall be prohibited from sports betting:

1. Any Board member or officer or employee of the Department; and
2. Any officer or employee of any entity working directly on a contract with the Department related to sports betting.

B. Any competitor, coach, trainer, or owner of a team in a professional sports event, and a referee for a professional sports event, shall be prohibited from placing a bet on such event.

C. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

**§ 58.1-4117. Certain provisions in Chapter 40 to apply, mutatis mutandis.**

Except as provided in this chapter, the provisions of Chapter 40 (§ 58.1-4000 et seq.) shall apply to sports betting under this chapter. The Board shall promulgate regulations to interpret and clarify the applicability of Chapter 40 to this chapter.

**§ 58.1-4118. Sports Betting Operations Fund.**

There is hereby created in the state treasury a special nonreverting fund to be known as the Sports Betting Operations Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenues allocated by the Department under § 58.1-4112 for deposit into the Fund shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used by the Department to fund its operations as it relates to the administration and regulation of sports betting pursuant to this article. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the chairman of the Board.

**§ 58.1-4119. Post-audit of accounts and transactions of Department; post-compliance audits.**

A regular post-audit shall be conducted of all accounts and transactions of the Department. An annual audit of a fiscal and compliance nature of the accounts and transactions of the Department shall be conducted by the Auditor of Public Accounts on or before August 15 of each year. The cost of the

797 annual audit and post-audit examinations shall be borne by the Department. The Board may order such  
798 other audits as it deems necessary and desirable.

799 **§ 58.1-4120. Employees of the Department.**

800 Employees of the Department shall be exempt from the provisions of the Virginia Personnel Act (§  
801 2.2-2900 et seq.). Personnel actions shall be taken without regard to race, sex, color, national origin,  
802 religion, age, handicap, or political affiliation.

803 **§ 58.1-4121. Exemption of lottery prizes and sales of tickets from state and local taxation.**

804 Except as provided in this chapter and Chapter 3 (§ 58.1-300 et seq.), no state or local taxes of any  
805 type whatsoever shall be imposed upon any prize awarded to a sports bettor pursuant to the sports  
806 betting program.

807 **§ 58.1-4122. Setoff of debts to the Commonwealth from prizes.**

808 The Director shall establish by rule and regulation a set-off debt collection program in accordance  
809 with the provisions of the Setoff Debt Collection Act (§ 58.1-520 et seq.) wherein certain prizes shall be  
810 subject to delinquent debts of agencies and institutions of the Commonwealth. The Director shall be  
811 responsible for the administration of the program and shall ensure by rule and regulation of the  
812 Department that any agency eligible to participate in the Setoff Debt Collection Act (§ 58.1-520 et seq.)  
813 shall be eligible to participate in the prize setoff. The Tax Commissioner shall transmit to the Director,  
814 at such intervals as requested by the Director, a listing of claimant agencies and delinquent debts owed  
815 thereto.

816 **§ 58.1-4123. Judicial review.**

817 The action of the Board in hearing and deciding an appeal of any penalty, denying a license or  
818 renewal, or suspending or revoking a license under the provisions of this chapter shall be subject to  
819 review in accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq.). Such  
820 review shall be limited to the evidential record of the proceedings provided by the Board. Both the  
821 petitioner and the Board shall have the right to appeal to the Court of Appeals from any order of the  
822 court.

823 **§ 58.1-4124. Local referendum.**

824 A locality may authorize sports betting if a referendum approving the question is held in the  
825 following manner:

826 1. A petition signed by five percent of the qualified voters of such locality shall be filed with the  
827 circuit court of such locality asking that a referendum be held on the question, "Shall sports betting by  
828 a licensed vendor be permitted in (name of such locality) pursuant to Virginia law?"

829 2. Following the filing of such petition, the court shall, by order of record entered in accordance  
830 with § 24.2-684.1, require the regular election officers of such locality to cause a special election to be  
831 held to take the sense of the qualified voters on the question. Such election shall be on a day designated  
832 by order of such court, but shall not be later than the next general election unless such general election  
833 is within 60 days of the date of the entry of such order, nor shall it be held on a date designated as a  
834 primary election.

835 3. The clerk of such court of record of such locality shall publish notice of such election in a  
836 newspaper of general circulation in such locality once a week for three consecutive weeks prior to such  
837 election.

838 4. The regular election officers of such locality shall open the polls at the various voting places in  
839 such locality on the date specified in such order and conduct such election in the manner provided by  
840 law. The election shall be by ballot which shall be prepared by the electoral board of the locality and  
841 on which shall be printed the following question:

842 "Shall sports betting by a licensed vendor be permitted in \_\_\_\_\_ pursuant to Virginia  
843 law?

844 [ ] Yes

845 [ ] No"

846 In the blank shall be inserted the name of the locality in which such election is held. Any voter  
847 desiring to vote "Yes" shall mark a check ( ) mark or a cross ( or +) mark or a line (-) in the square  
848 provided for such purpose immediately preceding the word "Yes," leaving the square immediately  
849 preceding the word "No" unmarked. Any voter desiring to vote "No" shall mark a check ( ) mark or a  
850 cross ( or +) mark or a line (-) in the square provided for such purpose immediately preceding the  
851 word "No," leaving the square immediately preceding the word "Yes" unmarked.

852 The ballots shall be counted, returns made and canvassed as in other elections, and the results  
853 certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an  
854 order proclaiming the results of such election and a duly certified copy of such order shall be  
855 transmitted to the Department and to the governing body of such locality.

856 No such referendum as described above shall be held more often than every three years in the same  
857 locality.

858 **§ 59.1-364. Control of racing with pari-mutuel wagering.**

A. Horse racing with pari-mutuel wagering as licensed herein shall be permitted in the Commonwealth for the promotion, sustenance and growth of a native industry, in a manner consistent with the health, safety and welfare of the people. The Virginia Racing Commission is vested with control of all horse racing with pari-mutuel wagering in the Commonwealth, with plenary power to prescribe regulations and conditions under which such racing and wagering shall be conducted, so as to maintain horse racing in the Commonwealth of the highest quality and free of any corrupt, incompetent, dishonest or unprincipled practices and to maintain in such racing complete honesty and integrity. The Virginia Racing Commission shall encourage participation by local individuals and businesses in those activities associated with horse racing.

B. The conduct of any horse racing with pari-mutuel wagering participation in such racing or wagering and entrance to any place where such racing or wagering is conducted is a privilege which may be granted or denied by the Commission or its duly authorized representatives in its discretion in order to effectuate the purposes set forth in this chapter.

C. The award of any prize money for any pari-mutuel wager placed at a racetrack or satellite facility licensed by the Commission shall not be deemed to be a part of any gaming contract within the purview of § 11-14.

D. *This chapter shall not apply to any sports betting or related activity that is lawful and regulated pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1.*

**§ 59.1-569. Fantasy contests conducted under this chapter not illegal gambling.**

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

B. *This chapter shall not apply to any sports betting or related activity that is lawful and regulated pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1.*