

20103554D

SENATE BILL NO. 533

Offered January 8, 2020

Prefiled January 7, 2020

A BILL to amend and reenact §§ 37.2-304 and 59.1-392 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 37.2-314.1, relating to pari-mutuel wagering; breakage; distribution for problem gambling treatment and support; creation of Problem Gambling Treatment and Support Fund.

Patron—Reeves

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That §§ 37.2-304 and 59.1-392 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 37.2-314.1 as follows:

§ 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

INTRODUCED

SB533

59 § 37.2-312.2.

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

69 13. *To administer the Problem Gambling Treatment and Support Fund established pursuant to §*
70 *37.2-314.1.*

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

73 **§ 37.2-314.1. Problem Gambling Treatment and Support Fund.**

74 *There is hereby created in the state treasury a special nonreverting fund to be known as the Problem*
75 *Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be*
76 *established on the books of the Comptroller. All moneys required to be deposited into the Fund pursuant*
77 *to subsection T of § 59.1-392 shall be paid into the state treasury and credited to the Fund. Interest*
78 *earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in*
79 *the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund*
80 *but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing*
81 *counseling and other support services for compulsive and problem gamblers, (ii) developing and*
82 *implementing problem gambling treatment and prevention programs, and (iii) providing grants to*
83 *supporting organizations that provide assistance to compulsive gamblers. Expenditures and*
84 *disbursements from the Fund shall be made by the State Treasurer on warrants issued by the*
85 *Comptroller upon written request signed by the Commissioner.*

86 **§ 59.1-392. Percentage retained; tax.**

87 A. Any person holding an operator's license to operate a horse racetrack or satellite facility in the
88 Commonwealth pursuant to this chapter shall be authorized to conduct pari-mutuel wagering on horse
89 racing subject to the provisions of this chapter and the conditions and regulations of the Commission.

90 B. On pari-mutuel pools generated by wagering at the racetrack on live horse racing conducted
91 within the Commonwealth, involving win, place and show wagering, the licensee shall retain a
92 percentage amount approved by the Commission as jointly requested by a recognized majority
93 horsemen's group and a licensee and the legitimate breakage, out of which shall be paid one and
94 one-quarter percent to be distributed as follows: one percent to the Commonwealth as a license tax and
95 one-quarter percent to the locality in which the racetrack is located. The remainder of the retainage shall
96 be paid as provided in subsection D, provided, however, that if the percentage amount approved by the
97 Commission is other than 18 percent, the amounts provided in subdivisions D 1, 2 and 3 shall be
98 adjusted by the proportion that the approved percentage amount bears to 18 percent.

99 C. On pari-mutuel pools generated by wagering at each Virginia satellite facility on live horse racing
100 conducted within the Commonwealth, involving win, place and show wagering, the licensee shall retain
101 a percentage amount approved by the Commission as jointly requested by a recognized majority
102 horsemen's group and a licensee and the legitimate breakage, out of which shall be paid one and
103 one-quarter percent to be distributed as follows: three-quarters percent to the Commonwealth as a license
104 tax, one-quarter percent to the locality in which the satellite facility is located, and one-quarter percent
105 to the locality in which the racetrack is located. The remainder of the retainage shall be paid as provided
106 in subsection D; provided, however, that if the percentage amount approved by the Commission is other
107 than 18 percent, the amounts provided in subdivisions D 1, 2 and 3 shall be adjusted by the proportion
108 that the approved percentage amount bears to 18 percent.

109 D. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on
110 live horse racing conducted within the Commonwealth, involving win, place and show wagering, the
111 licensee shall retain a percentage amount approved by the Commission as jointly requested by a
112 recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be
113 paid:

- 114 1. Eight percent as purses or prizes to the participants in such race meeting;
- 115 2. Seven and one-half percent, and all of the breakage and the proceeds of pari-mutuel tickets
116 unredeemed 180 days from the date on which the race was conducted, to the operator;
- 117 3. One percent to the Virginia Breeders Fund;
- 118 4. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;
- 119 5. Five one-hundredths percent to the Virginia Horse Center Foundation;
- 120 6. Five one-hundredths percent to the Virginia Horse Industry Board; and

7. The remainder of the retainage shall be paid as appropriate under subsection B or C.

E. On pari-mutuel pools generated by wagering at the racetrack on live horse racing conducted within the Commonwealth involving wagering other than win, place and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid two and three-quarters percent to be distributed as follows: two and one-quarter percent to the Commonwealth as a license tax, and one-half percent to the locality in which the racetrack is located. The remainder of the retainage shall be paid as provided in subsection G; provided, however, that if the percentage amount approved by the Commission is other than 22 percent, the amounts provided in subdivisions G 1, 2 and 3 shall be adjusted by the proportion that the approved percentage amount bears to 22 percent.

F. On pari-mutuel pools generated by wagering at each Virginia satellite facility on live horse racing conducted within the Commonwealth involving wagering other than win, place and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid two and three-quarters percent to be distributed as follows: one and three-quarters percent to the Commonwealth as a license tax, one-half percent to the locality in which the satellite facility is located, and one-half percent to the locality in which the racetrack is located. The remainder of the retainage shall be paid as provided in subsection G; provided, however, that if the percentage amount approved by the Commission is other than 22 percent, the amounts provided in subdivisions G 1, 2 and 3 shall be adjusted by the proportion that the approved percentage amount bears to 22 percent.

G. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on live horse racing conducted within the Commonwealth involving wagering other than win, place and show wagering, the licensee shall retain a percentage amount approved by the Commission as jointly requested by a recognized majority horsemen's group and a licensee and the legitimate breakage, out of which shall be paid:

1. Nine percent as purses or prizes to the participants in such race meeting;
2. Nine percent, and the proceeds of the pari-mutuel tickets unredeemed 180 days from the date on which the race was conducted, to the operator;
3. One percent to the Virginia Breeders Fund;
4. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;
5. Five one-hundredths percent to the Virginia Horse Center Foundation;
6. Five one-hundredths percent to the Virginia Horse Industry Board; and
7. The remainder of the retainage shall be paid as appropriate under subsection E or F.

H. On pari-mutuel wagering generated by simulcast horse racing transmitted from jurisdictions outside the Commonwealth, the licensee may, with the approval of the Commission, commingle pools with the racetrack where the transmission emanates or establish separate pools for wagering within the Commonwealth. All simulcast horse racing in this subsection must comply with the Interstate Horse Racing Act of 1978 (15 U.S.C. § 3001 et seq.).

I. On pari-mutuel pools generated by wagering at the racetrack on simulcast horse racing transmitted from jurisdictions outside the Commonwealth, involving win, place and show wagering, the licensee shall retain one and one-quarter percent of such pool to be distributed as follows: three-quarters percent to the Commonwealth as a license tax, and one-half percent to the Virginia locality in which the racetrack is located.

J. On pari-mutuel pools generated by wagering at each Virginia satellite facility on simulcast horse racing transmitted from jurisdictions outside the Commonwealth, involving win, place and show wagering, the licensee shall retain one and one-quarter percent of such pool to be distributed as follows: three-quarters percent to the Commonwealth as a license tax, one-quarter percent to the locality in which the satellite facility is located, and one-quarter percent to the Virginia locality in which the racetrack is located.

K. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on simulcast horse racing transmitted from jurisdictions outside the Commonwealth, involving win, place and show wagering, the licensee shall retain one and thirty one-hundredths percent of such pool to be distributed as follows:

1. One percent of the pool to the Virginia Breeders Fund;
2. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;
3. Five one-hundredths percent to the Virginia Horse Center Foundation;
4. Five one-hundredths percent to the Virginia Horse Industry Board; and
5. Five one-hundredths percent to the Virginia Thoroughbred Association for the promotion of breeding in the Commonwealth.

L. On pari-mutuel pools generated by wagering at the racetrack on simulcast horse racing transmitted

182 from jurisdictions outside the Commonwealth, involving wagering other than win, place and show
183 wagering, the licensee shall retain two and three-quarters percent of such pool to be distributed as
184 follows: one and three-quarters percent to the Commonwealth as a license tax, and one percent to the
185 Virginia locality in which the racetrack is located.

186 M. On pari-mutuel pools generated by wagering at each Virginia satellite facility on simulcast horse
187 racing transmitted from jurisdictions outside the Commonwealth, involving wagering other than win,
188 place and show wagering, the licensee shall retain two and three-quarters percent of such pool to be
189 distributed as follows: one and three-quarters percent to the Commonwealth as a license tax, one-half
190 percent to the locality in which the satellite facility is located, and one-half percent to the Virginia
191 locality in which the racetrack is located.

192 N. On pari-mutuel pools generated by wagering at the racetrack and each Virginia satellite facility on
193 simulcast horse racing transmitted from jurisdictions outside the Commonwealth, involving wagering
194 other than win, place and show wagering, the licensee shall retain one and thirty one-hundredths percent
195 of such pool to be distributed as follows:

- 196 1. One percent of the pool to the Virginia Breeders Fund;
- 197 2. Fifteen one-hundredths percent to the Virginia-Maryland Regional College of Veterinary Medicine;
- 198 3. Five one-hundredths percent to the Virginia Horse Center Foundation;
- 199 4. Five one-hundredths percent to the Virginia Horse Industry Board; and
- 200 5. Five one-hundredths percent to the Virginia Thoroughbred Association for the promotion of
201 breeding in the Commonwealth.

202 O. Moneys payable to the Commonwealth shall be deposited in the general fund. Gross receipts for
203 license tax purposes under Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1 shall not include pari-mutuel
204 wagering pools and license taxes authorized by this section.

205 P. All payments by the licensee to the Commonwealth or any locality shall be made within five days
206 from the date on which such wagers are received by the licensee. All payments by the licensee to the
207 Virginia Breeders Fund shall be made to the Commission within five days from the date on which such
208 wagers are received by the licensee. All payments by the licensee to the Virginia-Maryland Regional
209 College of Veterinary Medicine, the Virginia Horse Center Foundation, the Virginia Horse Industry
210 Board, and the Virginia Thoroughbred Association shall be made by the first day of each quarter of the
211 calendar year. All payments made under this section shall be used in support of the policy of the
212 Commonwealth to sustain and promote the growth of a native industry.

213 Q. If a satellite facility is located in more than one locality, any amount a licensee is required to pay
214 under this section to the locality in which the satellite facility is located shall be prorated in equal shares
215 among those localities.

216 R. Any contractual agreement between a licensee and other entities concerning the distribution of the
217 remaining portion of the retainage under subsections I through N and subsection U shall be subject to
218 the approval of the Commission.

219 S. The recognized majority horsemen's group racing at a licensed race meeting may, subject to the
220 approval of the Commission, withdraw for administrative costs associated with serving the interests of
221 the horsemen an amount not to exceed two percent of the amount in the horsemen's account.

222 T. The legitimate breakage from each pari-mutuel pool for live, historical, and simulcast horse racing
223 shall be distributed as follows:

- 224 1. ~~Seventy percent to be retained by the licensee to be used for capital improvements that are subject~~
225 ~~to approval of the Commission~~ *Eighty percent to be deposited in the Problem Gambling Treatment and*
226 *Support Fund established pursuant to § 37.2-314.1; and*

- 227 2. ~~Thirty~~ *Twenty* percent to be deposited in the Racing Benevolence Fund, administered jointly by
228 the licensee and the recognized majority horsemen's group racing at a licensed race meeting, to be
229 disbursed with the approval of the Commission for gambling addiction and substance abuse counseling,
230 recreational, educational, *nutritional*, or other related programs.

231 U. On pari-mutuel pools generated by wagering on historical horse racing, the licensee shall retain
232 one and one-quarter percent of such pool to be distributed as follows:

- 233 1. Three-quarters percent to the Commonwealth as a license tax; and
- 234 2. a. If generated at a racetrack, one-half percent to the locality in which the racetrack is located; or
235 b. If generated at a satellite facility, one-quarter percent to the locality in which the satellite facility
236 is located and one-quarter percent to the Virginia locality in which the racetrack is located.