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HOUSE BILL NO. 2089

Offered January 20, 1999

A BILL to amend and reenact § 58.1-4007 of the Code of Virginia, relating to the lottery.

Patrons—Clement and Ruff; Senators: Hawkins and Reynolds

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:**1. That § 58.1-4007 of the Code of Virginia is amended and reenacted as follows:**

§ 58.1-4007. Powers of the Board.

A. The Board shall have the power to adopt regulations governing the establishment and operation of a lottery. The regulations governing the establishment and operation of the lottery shall be promulgated by the Board after consultation with the Director. Except as provided in § 58.1-4028, such regulations shall be in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.). The regulations shall provide for all matters necessary or desirable for the efficient, honest and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares, and the holders of winning tickets or shares. The regulations, which may be amended, repealed or supplemented as necessary, shall include, but not be limited to, the following:

1. The type or types of lottery to be conducted.
2. The price or prices of tickets or shares in the lottery; however, all such sales shall be for cash.
3. The numbers and sizes of the prizes on the winning tickets or shares, including informing the public of the approximate odds of winning and the proportion of lottery revenues (i) disbursed as prizes and (ii) returned to the Commonwealth as net revenues.
4. The manner of selecting the winning tickets or shares.
5. The manner of payment of prizes to the holders of winning tickets or shares.
6. The frequency of the drawings or selections of winning tickets or shares without limitation.
7. Without limitation as to number, the type or types of locations at which tickets or shares may be sold.
8. The method to be used in selling tickets or shares.

9. The advertisement of the lottery in accordance with the provisions of subsection E of § 58.1-4022.

10. The licensing of agents to sell tickets or shares who will best serve the public convenience and promote the sale of tickets or shares. No person under the age of eighteen shall be licensed as an agent. A licensed agent may employ a person who is sixteen years of age or older to sell or otherwise vend tickets at the agent's place of business so long as the employee is supervised in the selling or vending of tickets by the manager or supervisor in charge at the location where the tickets are being sold. Employment of such person shall be in compliance with Chapter 5 (§ 40.1-78 et seq.) of Title 40.1.

11. The manner ~~and compensation, if any,~~ *in which compensation is* to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

12. Apportionment of the total revenues accruing from the sale of tickets or shares and from all other sources and establishment of the amount of the special reserve fund as provided in § 58.1-4022 of this chapter.

13. Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery.

The Board shall also promulgate regulations, after consultation with the Director, relative to departmental procurement which include standards of ethics for procurement consistent with the provisions of Article 4 (§ 11-72 et seq.) of Chapter 7 of Title 11 and which ensure that departmental procurement will be based on competitive principles.

The Board shall have the power to advise and recommend, but shall have no power to veto or modify administrative decisions of the Director.

B. The Board shall carry on a continuous study and investigation of the lottery 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 lottery 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.

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

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

67 D. The Board shall hear and decide an appeal of any denial by the Director of the licensing or
68 revocation of a license of a lottery agent pursuant to subdivision 10 of subsection A of this section and
69 subdivision 5 of subsection B of § 58.1-4006 of this chapter.

70 E. The Board shall have the authority to initiate procedures for *the* planning, acquisition, and
71 construction of capital projects as set forth in Article 6 (§ 2.1-224 et seq.) of Chapter 14 and Article 5
72 (§ 2.1-480 et seq.) of Chapter 32 of Title 2.1.

73 *F. The Board shall provide compensation to licensed sales agents in the amount of seven percent of*
74 *the sales price for each ticket sold.*