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HOUSE BILL NO. 1998

Offered January 10, 2007

Prefiled January 8, 2007

A *BILL to amend and reenact § 18.2-340.16 of the Code of Virginia, relating to charitable gaming; definition of instant bingo, pull tabs, and seal cards.*

 Patron—Suit

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That § 18.2-340.16 of the Code of Virginia is amended and reenacted as follows:**

§ 18.2-340.16. Definitions.

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

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

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

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

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

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

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

"Department" means the Department of Charitable Gaming created in accordance with Chapter 9.1 (§ 2.2-905 et seq.) of Title 2.2.

"Director" means the Director of the Department of Charitable Gaming.

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

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

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

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

"Jackpot" means a bingo game that the organization has designated on its game program as a jackpot game, exclusive of a "winner-take-all" bingo game, in which the prize amount is greater than \$100.

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

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

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

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

65 "Organization" means any one of the following:

66 1. A volunteer fire department or rescue squad or auxiliary unit thereof which has been recognized in
67 accordance with § 15.2-955 by an ordinance or resolution of the political subdivision where the
68 volunteer fire department or rescue squad is located as being a part of the safety program of such
69 political subdivision;

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

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

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

73 5. A local chamber of commerce; or

74 6. Any other nonprofit organization that raises funds by conducting raffles that generate annual gross
75 receipts of \$25,000 or less, provided such gross receipts from the raffle, less expenses and prizes, are
76 used exclusively for charitable, educational, religious or community purposes.

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

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

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

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