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SENATE BILL NO. 1574

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance
on January 31, 2019)

(Patron Prior to Substitute—Senator Norment)

A BILL to share revenues generated by gaming authorized in the Commonwealth.

Be it enacted by the General Assembly of Virginia:

1. § 1. *For purposes of this act, unless the context requires a different meaning:*

"Adjusted gross receipts" means the gross receipts from gaming less winnings paid to winners.

"Fund" means the Gaming Proceeds Fund.

"Gaming" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines, sports betting, roulette wheels, Klondike tables, punchboards, faro layouts, keno layouts, numbers tickets, push cards, jar tickets, pull tabs, historical horse racing conducted at a significant infrastructure facility as defined in § 59.1-365 of the Code of Virginia, or any other activity that is authorized by the General Assembly as a wagering game or device. For purposes of this act, "gaming" shall not include lottery games authorized pursuant to Chapter 40 (§ 58.1-4000 et seq.) of Title 58.1 of the Code of Virginia or horse racing and pari-mutuel wagering authorized pursuant to Chapter 29 (§ 59.1-364 et seq.) of Title 59.1 of the Code of Virginia, other than historical horse racing conducted at a significant infrastructure facility.

§ 2. *There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming Proceeds Fund. The Fund shall be established on the books of the Comptroller. All funds paid pursuant to § 3 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 appropriated by the General Assembly in a general appropriation act pursuant to § 4.*

§ 3. *If, by separate act, the General Assembly authorizes any gaming activities, the owner, operator, or licensee of a gaming establishment or operation shall participate in a revenue sharing program with the Commonwealth. In its first year of operation, a gaming establishment shall pay 14 percent of its adjusted gross receipts from gaming activities into the Fund. Each year thereafter, and based on the immediately preceding year's adjusted gross receipts, a percentage of a gaming establishment's adjusted gross receipts from gaming activities shall be paid into the Fund as follows:*

1. *Thirteen percent for a gaming establishment with less than \$200 million annual adjusted gross receipts;*

2. *Fourteen percent for a gaming establishment with at least \$200 million but less than \$300 million annual adjusted gross receipts;*

3. *Fifteen percent for a gaming establishment with at least \$300 million annual adjusted gross receipts.*

§ 4. *Moneys in the Fund shall be appropriated by the General Assembly in a general appropriation act as follows:*

1. *Thirty percent shall be used to support transportation construction and maintenance in the Commonwealth, with (i) one-third of such funds to be allocated by the Commonwealth Transportation Board for projects benefitting the Interstate 81 corridor, (ii) one-third of such funds to be allocated to the Northern Virginia Transportation Authority Fund established pursuant to § 33.2-2509 of the Code of Virginia, and (iii) one-third of such funds to be allocated to the Hampton Roads Transportation Fund established pursuant to § 33.2-2600 of the Code of Virginia;*

2. *Thirty percent shall be used to support school construction and modernization at public elementary and secondary schools in the Commonwealth;*

3. *Ten percent shall be used to support increases to teacher pay in the Commonwealth;*

4. *Ten percent shall be used to support initiatives to limit the increase of tuition and fees at public institutions of higher education;*

5. *Ten percent shall be returned to the county or city in which they were collected on a pro rata basis;*

6. *Nine percent shall be used to support activities directly related to the marketing and promotion of tourism destinations in the Commonwealth; and*

7. *One percent shall be used to support initiatives related to preventing and treating gambling addictions.*