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SENATE BILL NO. 751

Offered January 8, 2020

Prefiled January 8, 2020

A *BILL to amend and reenact § 18.2-340.19 of the Code of Virginia, relating to charitable gaming; regulations of the Charitable Gaming Board; creation of systems to ensure the integrity of certain games.*

Patron—Reeves

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:**1. That § 18.2-340.19 of the Code of Virginia is amended and reenacted as follows:****§ 18.2-340.19. Regulations of the Board.**

A. The Board shall adopt regulations that:

1. Require, as a condition of receiving a permit, that the applicant use a predetermined percentage of its gross receipts for (i) those lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized or (ii) those expenses relating to the acquisition, construction, maintenance or repair of any interest in real property involved in the operation of the organization and used for lawful religious, charitable, community or educational purposes. The regulation may provide for a graduated scale of percentages of gross receipts to be used in the foregoing manner based upon factors the Board finds appropriate to and consistent with the purpose of charitable gaming.

2. Specify the conditions under which a complete list of the organization's members who participate in the management, operation or conduct of charitable gaming may be required in order for the Board to ascertain the percentage of Virginia residents in accordance with subdivision A 3 of § 18.2-340.24.

Membership lists furnished to the Board or Department in accordance with this subdivision shall not be a matter of public record and shall be exempt from disclosure under the provisions of the Freedom of Information Act (§ 2.2-3700 et seq.).

3. Prescribe fees for processing applications for charitable gaming permits. Such fees may reflect the nature and extent of the charitable gaming activity proposed to be conducted.

4. Establish requirements for the audit of all reports required in accordance with § 18.2-340.30.

5. Define electronic and mechanical equipment used in the conduct of charitable gaming. Board regulations shall include capacity for such equipment to provide full automatic daubing as numbers are called. For the purposes of this subdivision, electronic or mechanical equipment for instant bingo, pull tabs, or seal cards shall include such equipment that displays facsimiles of instant bingo, pull tabs, or seal cards and are used solely for the purpose of dispensing or opening such paper or electronic cards, or both; but shall not include (i) devices operated by dropping one or more coins or tokens into a slot and pulling a handle or pushing a button or touchpoint on a touchscreen to activate one to three or more reels marked into horizontal segments by varying symbols, where the predetermined prize amount depends on how and how many of the symbols line up when the rotating reels come to rest, or (ii) other similar devices that display flashing lights or illuminations, or bells, whistles, or other sounds, solely intended to entice players to play.

6. Prescribe the conditions under which a qualified organization may (i) provide food and nonalcoholic beverages to its members who participate in the management, operation or conduct of bingo; (ii) permit members who participate in the management, operation or conduct of bingo to play bingo; and (iii) subject to the provisions of subdivision 13 of § 18.2-340.33, permit nonmembers to participate in the conduct of bingo so long as the nonmembers are under the direct supervision of a bona fide member of the organization during the bingo game.

7. Prescribe the conditions under which a qualified organization may sell raffle tickets for a raffle drawing that will be held outside the Commonwealth pursuant to subsection B of § 18.2-340.26.

8. Prescribe the conditions under which persons who are bona fide members of a qualified organization or a child, above the age of 13 years, of a bona fide member of such organization may participate in the conduct or operation of bingo games.

9. Prescribe the conditions under which a person below the age of 18 years may play bingo, provided such person is accompanied by his parent or legal guardian.

10. Require all qualified organizations that are subject to Board regulations to post in a conspicuous place in every place where charitable gaming is conducted a sign which bears a toll-free telephone number for "Gamblers Anonymous" or other organization which provides assistance to compulsive

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59 gamblers.

60 11. Prescribe the conditions under which a qualified organization may sell network bingo cards in
61 accordance with § 18.2-340.28:1 and establish a percentage of proceeds derived from network bingo
62 sales to be allocated to (i) prize pools, (ii) the organization conducting the network bingo, and (iii) the
63 network bingo provider. The regulations shall also establish procedures for the retainage and ultimate
64 distribution of any unclaimed prize.

65 12. *Create a system for ensuring the integrity of the management, operation, and conduct of instant*
66 *bingo, pull tabs, and seal cards.*

67 13. *Create a system that requires each Department-approved electronic game of chance device to be*
68 *connected to a central monitoring and audit system for the purpose of ensuring the integrity of such*
69 *devices. Such system shall provide the ability to audit and account for device revenues and distributions*
70 *in a timely and accurate manner. Such regulations shall require that each electronic game of chance*
71 *device store the following information for each game played: (i) organization identification; (ii) session*
72 *date; (iii) total cash in; (iv) total cash out; (v) total cash played; (vi) total cash won; (vii) for all game*
73 *sets on the system in play or in inventory: (a) serial number; (b) description; (c) ticket price; (d)*
74 *number of subsets, if applicable; (e) number of tickets or number of tickets per subset; (f) theoretical*
75 *return percentage; and (g) date game set was opened for play, if applicable; (viii) for all game sets*
76 *completed or closed since the previous reporting date: (a) serial number; (b) description; (c) ticket*
77 *price; (d) number of subsets, if applicable; (e) number of tickets or number of tickets per subset; (f)*
78 *theoretical return percentage; (g) date game set was opened; (h) date game set was closed; (i) total*
79 *tickets sold; (j) total dollars in; (k) total prizes paid; and (l) actual return percentage; and (ix) any*
80 *other information required by Board regulations. The regulations shall require that such information*
81 *shall be stored on a server, which shall be backed up at least once per day to an offsite storage facility*
82 *controlled by the qualified organization. The regulations shall require that the server and offsite backup*
83 *storage be accessible to the Board and employees of the Board and subject to third-party checks and*
84 *validation as may be required by the Board.*

85 14. *Prohibit the remote modification or manipulation of Department-approved electronic games of*
86 *chance.*

87 B. In addition to the powers and duties granted pursuant to § 2.2-2456 and this article, the Board
88 may, by regulation, approve variations to the card formats for bingo games provided such variations
89 result in bingo games that are conducted in a manner consistent with the provisions of this article.
90 Board-approved variations may include, but are not limited to, bingo games commonly referred to as
91 player selection games and 90-number bingo.