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## SENATE BILL NO. 922

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology  
on January 29, 2020)

(Patrons Prior to Substitute—Senators Norment and Barker [SB 959])

A BILL to amend and reenact § 58.1-4007 of the Code of Virginia and to repeal § 58.1-4007.2 of the Code of Virginia, relating to Virginia Lottery; Internet sales.

**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. Such regulations shall be in accordance with the Administrative Process Act (§ 2.2-4000 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 The regulations, which may be amended, repealed or supplemented as necessary, shall include, but not be limited to, the following: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 or game to be conducted in accordance with § 58.1-4001.
2. The price or prices of tickets or shares in the lottery.
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, *including the sale of tickets or shares over the Internet.*
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 18 shall be licensed as an agent. A licensed agent may employ a person who is 16 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 amount of compensation, if any, 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. Notwithstanding the provisions of this subdivision, the Board shall not be required to approve temporary bonus or incentive programs for payments to licensed sales agents.
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 Department shall not be subject to the provisions of Chapter 43 (§ 2.2-4300 et seq.) of Title 2.2; however, the Board shall promulgate regulations, after consultation with the Director, relative to departmental procurement which include standards of ethics for procurement consistent with the provisions of Article 6 (§ 2.2-4367 et seq.) of Chapter 43 of Title 2.2 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. However, the Board shall have the power to accept, modify or reject any revenue projections before such projections are forwarded to the Governor.

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

60 promulgated hereunder to prevent such abuses and evasions.

61 3. Guard against the use of this chapter and the regulations promulgated hereunder as a subterfuge  
62 for organized crime and illegal gambling.

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

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

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

73 E. The Board shall have the authority to initiate procedures for the planning, acquisition, and  
74 construction of capital projects as set forth in Article 4 (§ 2.2-1129 et seq.) of Chapter 11 and Article 3  
75 (§ 2.2-1819 et seq.) of Chapter 18 of Title 2.2.

76 **2. That § 58.1-4007.2 of the Code of Virginia is repealed.**