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SENATE BILL NO. 971

FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by Senator Ruff
on February 7, 2020)

(Patron Prior to Substitute—Senator Howell)

A BILL to amend and reenact § 18.2-325 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 18.2-334.5, relating to gaming in Virginia.

Be it enacted by the General Assembly of Virginia:

1. That § 18.2-325 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 18.2-334.5 as follows:

§ 18.2-325. Definitions.

1. "Illegal gambling" means the making, placing, or receipt of any bet or wager in the Commonwealth of money or other consideration or thing of value, made in exchange for a chance to win a prize, stake, or other consideration or thing of value, dependent upon the result of any game, contest, or any other event the outcome of which is uncertain or a matter of chance, whether such game, contest, or event occurs or is to occur inside or outside the limits of the Commonwealth.

For the purposes of this subdivision and notwithstanding any provision in this section to the contrary, the making, placing, or receipt of any bet or wager of money or other consideration or thing of value shall include the purchase of a product, Internet access, or other thing made in exchange for a chance to win a prize, stake, or other consideration or thing of value by means of the operation of a gambling device as described in subdivision 3 b, regardless of whether the chance to win such prize, stake, or other consideration or thing of value may be offered in the absence of a purchase.

"Illegal gambling" also means the playing or offering for play of any skill game.

2. "Interstate gambling" means the conduct of an enterprise for profit which engages in the purchase or sale within the Commonwealth of any interest in a lottery of another state or country whether or not such interest is an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of such interest.

3. "Gambling device" includes:

a. Any device, machine, paraphernalia, equipment, or other thing, including books, records and other papers, which are actually used in an illegal gambling operation or activity; ~~and~~

b. Any machine, apparatus, implement, instrument, contrivance, board or other thing, or electronic or video versions thereof, including but not limited to those dependent upon the insertion of a coin or other object for their operation, which operates, either completely automatically or with the aid of some physical act by the player or operator, in such a manner that, depending upon elements of chance, it may eject something of value or determine the prize or other thing of value to which the player is entitled; provided, however, that the return to the user of nothing more than additional chances or the right to use such machine is not deemed something of value within the meaning of this subsection; and provided further, that machines that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other in composition, size, shape or color, shall not be deemed gambling devices within the meaning of this subsection; ~~and~~

c. Skill games.

Such devices are no less gambling devices if they indicate beforehand the definite result of one or more operations but not all the operations. Nor are they any less a gambling device because, apart from their use or adaptability as such, they may also sell or deliver something of value on a basis other than chance.

4. "Operator" includes any person, firm or association of persons, who conducts, finances, manages, supervises, directs or owns all or part of an illegal gambling enterprise, activity or operation.

5. "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural person.

6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or other device that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate, or play a game, the outcome of which is determined by any element of skill of the player and that may deliver or entitle the person playing or operating the device to receive cash; cash equivalents, gift cards, vouchers, billets, tickets, tokens, or electronic credits to be exchanged for cash; merchandise; or anything of value whether the payoff is made automatically from the device or manually.

§ 18.2-334.5. Exemptions to article; certain skill games offered at family entertainment centers.

A. As used in this section:

"Coin-operated amusement games" means games that do not deliver or entitle the person playing or operating the game to receive cash; cash equivalents, gift cards, vouchers, billets, tickets, tokens, or electronic credits to be exchanged for cash; or merchandise or anything of value.

60 "Family entertainment center" means an establishment that (i) is located in a building that is owned,
61 leased, or occupied by the establishment for the primary purpose of providing amusement and
62 entertainment to the public; (ii) offers coin-operated amusement games and skill games pursuant to the
63 exemption created by this section; (iii) receives a majority of its gross receipts from the operation of
64 coin-operated amusement games and skill games operated pursuant to the exemption created by this
65 section; and (iv) markets its business to families with children.

66 "Truck stop" means an establishment that (i) is equipped with diesel or biodiesel islands used for
67 fueling commercial motor vehicles; (ii) has sold an average of at least 50,000 gallons of diesel or
68 biodiesel fuel in each of the previous 12 months or is projected to make such sales for the next 12
69 months; (iii) has at least 25 parking spaces dedicated to commercial motor vehicles; (iv) is situated on
70 not less than two acres of land that the establishment owns or leases; (v) operates 24 hours a day; (vi)
71 has a restaurant on the premises; and (vii) has been operating for no less than two years.

72 B. Notwithstanding the provisions of § 18.2-325, a person operating a family entertainment center
73 may make skill games available for play if the prize won or distributed to a player is a noncash,
74 merchandise prize or a voucher, billet, ticket, token, or electronic credit redeemable only for a noncash,
75 merchandise prize (i) the value of which does not exceed the cost of playing the skill game or the total
76 aggregate cost of playing multiple skill games; (ii) that is not and does not include an alcoholic
77 beverage; (iii) that is not eligible for repurchase; and (iv) that is not exchangeable for cash, cash
78 equivalents, or anything of value whatsoever.

79 C. Notwithstanding the provisions of § 18.2-325, a person operating a truck stop may make available
80 for play no more than 10 skill games; however, no person who is less than 21 years of age shall be
81 permitted to play such skill games or redeem evidence of winnings therefor. There shall be imposed a
82 tax of 25 percent on all gross profits from the play of such skill games at any truck stop, which shall be
83 remitted to the Department of Taxation and deposited in the Virginia Lottery Fund.

84 **2. That the Virginia Lottery Board shall promulgate regulations to implement the provisions of**
85 **this act.**