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**HOUSE BILL NO. 1946**

Offered January 13, 2021

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*A BILL to amend and reenact §§ 18.2-340.16, 18.2-340.19, 18.2-340.28:2, 18.2-340.33, 18.2-340.34:1, and 18.2-340.36 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 18.2-340.34:3, relating to charitable gaming; operators; licensing requirement; definition of "instant bingo," "pull tabs," or "seal cards."*

Patron—Jenkins

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 18.2-340.16, 18.2-340.19, 18.2-340.28:2, 18.2-340.33, 18.2-340.34:1, and 18.2-340.36 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 18.2-340.34:3 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 75, (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, Texas Hold'em poker tournaments, 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, playing cards for Texas Hold'em poker, poker chips, 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.

"Commissioner" means the Commissioner of the Department of Agriculture and Consumer Services.

"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 Agriculture and Consumer Services.

"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 versions thereof, with winners being determined by the preprinted or predetermined appearance of concealed letters, numbers, or symbols that must be exposed ~~by the player~~ *after purchase* 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 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 premises devoted in whole or in part to the conduct of bingo games, and any person residing in the same household as a

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59 landlord.

60 "Management" means the provision of oversight of a gaming operation, which may include, but is  
61 not limited to, the responsibilities of applying for and maintaining a permit or authorization, compiling,  
62 submitting and maintaining required records and financial reports, and ensuring that all aspects of the  
63 operation are in compliance with all applicable statutes and regulations.

64 "Network bingo" means a specific bingo game in which pari-mutuel play is permitted.

65 "Network bingo provider" means a person licensed by the Department to operate network bingo.

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

70 "*Operator*" means any person or entity that manages, operates, or conducts charitable gaming on  
71 behalf of a qualified organization or that otherwise assists a qualified organization with the  
72 management, operation, or conduct of charitable gaming.

73 "Organization" means any one of the following:

74 1. A volunteer fire department or volunteer emergency medical services agency or auxiliary unit  
75 thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the  
76 political subdivision where the volunteer fire department or volunteer emergency medical services  
77 agency is located as being a part of the safety program of such political subdivision;

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

79 3. An athletic association or booster club or a band booster club established solely to raise funds for  
80 school-sponsored athletic or band activities for a public school or private school accredited pursuant to  
81 § 22.1-19 or to provide scholarships to students attending such school;

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

83 5. A fraternal association or corporation operating under the lodge system;

84 6. A local chamber of commerce; or

85 7. Any other nonprofit organization that raises funds by conducting raffles that generate annual gross  
86 receipts of \$40,000 or less, provided such gross receipts from the raffle, less expenses and prizes, are  
87 used exclusively for charitable, educational, religious or community purposes.

88 "Pari-mutuel play" means an integrated network operated by a licensee of the Department comprised  
89 of participating charitable organizations for the conduct of network bingo games in which the purchase  
90 of a network bingo card by a player automatically includes the player in a pool with all other players in  
91 the network, and where the prize to the winning player is awarded based on a percentage of the total  
92 amount of network bingo cards sold in a particular network.

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

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

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

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

111 "Texas Hold'em poker game" means a variation of poker in which (i) players receive two cards  
112 facedown that may be used individually, (ii) five cards shown ~~faceup~~ face up are shared among all  
113 players in the game, (iii) players combine any number of their individual cards with the shared cards to  
114 make the highest five-card hand to win the value wagered during the game, and (iv) the ranking of  
115 hands and the rules of the game are governed by the official rules of the Poker Tournament Directors  
116 Association.

117 "Texas Hold'em poker tournament" or "tournament" means an organized competition of players (i)  
118 who pay a fixed fee for entry into the competition and for a certain amount of poker chips for use in  
119 the competition; (ii) who may be allowed to pay an additional fee, during set preannounced times of the  
120 competition, to receive additional poker chips for use in the competition; (iii) who may be seated at one

or more tables simultaneously playing Texas Hold'em poker games; (iv) who upon running out of poker chips are eliminated from the competition; and (v) a pre-set number of whom are awarded prizes of value according to how long such players remain in the competition.

**§ 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. In the case of the conduct of Texas Hold'em poker tournaments, the regulations shall provide that the predetermined percentage of gross receipts may be used for expenses related to compensating operators contracted by the qualified organization to administer such events. 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 11 of § 18.2-340.33, permit nonmembers *who are not operators* to participate in the conduct of bingo so long as ~~the~~ *such* 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 gamblers.

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

12. Prescribe the conditions under which a qualified organization may manage, operate ~~or contract with operators of~~, or conduct Texas Hold'em poker tournaments.

13. *Prescribe the conditions under which a qualified organization may contract with an operator for such operator to manage, operate, or conduct charitable gaming on behalf of such qualified*

182 organization or otherwise assist such qualified organization with the management, operation, or conduct  
183 of charitable gaming. Such regulations shall also prescribe limitations on the amount of fees an  
184 operator may charge a qualified organization for the provision of such services.

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

190 **§ 18.2-340.28:2. Conduct of Texas Hold'em poker tournaments by qualified organizations;**  
191 **limitation of operator fee; conditions.**

192 A. Any organization qualified to conduct bingo games on or after July 1, 2019, may conduct Texas  
193 Hold'em poker tournaments. The Board shall promulgate regulations establishing circumstances under  
194 which organizations qualified to conduct bingo games prior to July 1, 2019, may conduct Texas Hold'em  
195 poker tournaments.

196 B. A qualified organization may contract with an operator to administer Texas Hold'em poker  
197 tournaments. Limitations on operator fees shall be established by Board regulations.

198 C. A qualified organization shall accept only cash or, at its option, checks in payment of any charges  
199 or assessments for players to participate in Texas Hold'em poker tournaments. However, no such  
200 organization shall accept postdated checks in payment of any charges or assessments for players to  
201 participate in Texas Hold'em poker tournaments.

202 D. C. No qualified organization or any person on the premises shall extend lines of credit or accept  
203 any credit or debit card or other electronic fund transfer in payment of any charges or assessments for  
204 players to participate in Texas Hold'em poker tournaments.

205 E. D. No qualified organization shall allow any individual younger than 18 years of age to  
206 participate in Texas Hold'em poker tournaments.

207 **§ 18.2-340.33. Prohibited practices.**

208 In addition to those other practices prohibited by this article, the following acts or practices are  
209 prohibited:

210 1. No part of the gross receipts derived by a qualified organization may be used for any purpose  
211 other than (i) reasonable and proper gaming expenses, (ii) reasonable and proper business expenses, (iii)  
212 those lawful religious, charitable, community or educational purposes for which the organization is  
213 specifically chartered or organized, and (iv) expenses relating to the acquisition, construction,  
214 maintenance, or repair of any interest in the real property involved in the operation of the organization  
215 and used for lawful religious, charitable, community or educational purposes. For the purposes of clause  
216 (iv), such expenses may include the expenses of a corporation formed for the purpose of serving as the  
217 real estate holding entity of a qualified organization, provided (a) such holding entity is qualified as a  
218 tax exempt organization under § 501(c) of the Internal Revenue Code and (b) the membership of the  
219 qualified organization is identical to such holding entity.

220 2. Except as provided in § 18.2-340.34:1, no qualified organization shall enter into a contract with or  
221 otherwise employ for compensation any person for the purpose of organizing, managing, or conducting  
222 any charitable games. However, organizations composed of or for deaf or blind persons may use a part  
223 of their gross receipts for costs associated with providing clerical assistance in the management and  
224 operation but not the conduct of charitable gaming.

225 The provisions of this subdivision shall not prohibit the joint operation of bingo games held in  
226 accordance with § 18.2-340.29.

227 3. No person shall pay or receive for use of any premises devoted, in whole or in part, to the  
228 conduct of any charitable games, any consideration in excess of the current fair market rental value of  
229 such property. Fair market rental value consideration shall not be based upon or determined by reference  
230 to a percentage of the proceeds derived from the operation of any charitable games or to the number of  
231 people in attendance at such charitable games.

232 4. 3. No person shall participate in the management or operation of any charitable game unless such  
233 person is and, for a period of at least 30 days immediately preceding such participation, has been a bona  
234 fide member of the organization. For any organization that is not composed of members, a person who  
235 is not a bona fide member may volunteer in the conduct of a charitable game as long as that person is  
236 directly supervised by a bona fide official member of the organization.

237 The provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by  
238 qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor  
239 of a qualified organization, provided such employees' participation is limited to the management,  
240 operation or conduct of no more than one raffle per year; (iii) the spouse or family member of any such  
241 bona fide member of a qualified organization provided at least one bona fide member is present; or (iv)  
242 persons employed by a qualified organization authorized to sell pull tabs or seal cards in accordance  
243 with § 18.2-340.16, provided (a) such sales are conducted by no more than two on-duty employees, (b)

such employees receive no compensation for or based on the sale of the pull tabs or seal cards, and (c) such sales are conducted in the private social quarters of the organization; *or (v) persons licensed as an operator pursuant to § 18.2-340.34.3.*

5- 4. No person shall receive any remuneration for participating in the management, operation or conduct of any charitable game, except that:

a. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration not to exceed \$30 per event for providing clerical assistance in the management and operation but not the conduct of charitable games only for such organizations;

b. Persons under the age of 19 who sell raffle tickets for a qualified organization to raise funds for youth activities in which they participate may receive nonmonetary incentive awards or prizes from the organization;

c. Remuneration may be paid to off-duty law-enforcement officers from the jurisdiction in which such bingo games are played for providing uniformed security for such bingo games even if such officer is a member of the sponsoring organization, provided the remuneration paid to such member is in accordance with off-duty law-enforcement personnel work policies approved by the local law-enforcement official and further provided that such member is not otherwise engaged in the management, operation or conduct of the bingo games of that organization, or to private security services businesses licensed pursuant to § 9.1-139 providing uniformed security for such bingo games, provided that employees of such businesses shall not otherwise be involved in the management, operation, or conduct of the bingo games of that organization;

d. A member of a qualified organization lawfully participating in the management, operation or conduct of a bingo game may be provided food and nonalcoholic beverages by such organization for on-premises consumption during the bingo game provided the food and beverages are provided in accordance with Board regulations;

e. Remuneration may be paid to bingo managers or callers who have a current registration certificate issued by the Department in accordance with § 18.2-340.34:1, or who are exempt from such registration requirement. Such remuneration shall not exceed \$100 per session; ~~and~~

f. Volunteers of a qualified organization may be reimbursed for their reasonable and necessary travel expenses, not to exceed \$50 per session; *and*

*g. Remuneration may be paid to operators in accordance with the limitations established by Board regulations adopted pursuant to § 18.2-340.19.*

6- 5. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct, management, or operation of any bingo games; (ii) sell, lease or otherwise provide for consideration any bingo supplies, including, but not limited to, bingo cards, instant bingo cards, or other game pieces; or (iii) require as a condition of the lease or by contract that a particular manufacturer, distributor or supplier of bingo supplies or equipment be used by the organization.

The provisions of this subdivision shall not apply to any qualified organization conducting bingo games on its own behalf at premises owned by it.

7- 6. No qualified organization shall enter into any contract with or otherwise employ or compensate any member of the organization on account of the sale of bingo supplies or equipment.

8- 7. No organization shall award any bingo prize money or any merchandise valued in excess of the following amounts:

a. No bingo door prize shall exceed \$50 for a single door prize or \$250 in cumulative door prizes in any one session;

b. No regular bingo or special bingo game prize shall exceed \$100;

c. No instant bingo, pull tab, or seal card prize for a single card shall exceed \$1,000;

d. Except as provided in this subdivision & 7, no bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one session exceed \$1,000. Proceeds from the sale of bingo cards and the sheets used for bingo jackpot games shall be accounted for separately from the bingo cards or sheets used for any other bingo games; and

e. No single network bingo prize shall exceed \$25,000. Proceeds from the sale of network bingo cards shall be accounted for separately from bingo cards and sheets used for any other bingo game.

9- 8. The provisions of subdivision & 7 shall not apply to:

Any progressive bingo game, in which (a) a regular or special prize, not to exceed \$100, is awarded on the basis of predetermined numbers or patterns selected at random and (b) a progressive prize, not to exceed \$500 for the initial progressive prize and \$5,000 for the maximum progressive prize, is awarded if the predetermined numbers or patterns are covered when a certain number of numbers is called, provided (i) there are no more than six such games per session per organization, (ii) the amount of increase of the progressive prize per session is no more than \$100, (iii) the bingo cards or sheets used in such games are sold separately from the bingo cards or sheets used for any other bingo games, (iv) the organization separately accounts for the proceeds from such sale, and (v) such games are otherwise

operated in accordance with the Department's rules of play.

~~10- 9. No organization shall award any raffle prize valued at more than \$100,000.~~

The provisions of this subdivision shall not apply to a raffle conducted no more than three times per calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501(c) of the Internal Revenue Code for a prize consisting of a lot improved by a residential dwelling where 100 percent of the moneys received from such a raffle, less deductions for the fair market value for the cost of acquisition of the land and materials, are donated to lawful religious, charitable, community, or educational organizations specifically chartered or organized under the laws of the Commonwealth and qualified as a § 501(c) tax-exempt organization. No more than one such raffle shall be conducted in any one geographical region of the Commonwealth.

~~11- 10. No qualified organization composed of or for deaf or blind persons which employs a person not a member to provide clerical assistance in the management and operation but not the conduct of any charitable games that has contracted with an operator shall conduct such games charitable gaming utilizing the services of such operator unless it such qualified organization has in force fidelity insurance, as defined in § 38.2-120, written by an insurer licensed to do business in the Commonwealth.~~

~~12- 11. No person shall participate in the management or operation of any charitable game if he has ever been convicted of any felony or if he has been convicted of any misdemeanor involving fraud, theft, or financial crimes within the preceding five years. No person shall participate in the conduct of any charitable game if, within the preceding 10 years, he has been convicted of any felony or if, within the preceding five years he has been convicted of any misdemeanor involving fraud, theft, or financial crimes. In addition, no person shall participate in the management, operation or conduct of any charitable game if that person, within the preceding five years, has participated in the management, operation, or conduct of any charitable game which was found by the Department or a court of competent jurisdiction to have been operated in violation of state law, local ordinance or Board regulation.~~

~~13- 12. Qualified organizations jointly conducting bingo games pursuant to § 18.2-340.29 shall not circumvent any restrictions and prohibitions which would otherwise apply if a single organization were conducting such games. These restrictions and prohibitions shall include, but not be limited to, the frequency with which bingo games may be held, the value of merchandise or money awarded as prizes, or any other practice prohibited under this section.~~

~~14- 13. A qualified organization shall not purchase any charitable gaming supplies for use in the Commonwealth from any person who is not currently registered with the Department as a supplier pursuant to § 18.2-340.34.~~

~~15- 14. Unless otherwise permitted in this article, no part of an organization's charitable gaming gross receipts shall be used for an organization's social or recreational activities.~~

~~15. No qualified organization shall contract with or otherwise utilize the services of an operator unless such operator is licensed pursuant to § 18.2-340.34:3.~~

**§ 18.2-340.34:1. Bingo managers and callers; remuneration; registration; qualification; suspension, revocation or refusal to renew certificate; exceptions.**

A. No person shall receive remuneration as a bingo manager or caller from any qualified organization unless and until such person has made application for and has been issued a registration certificate by the Department. Application for registration shall be made on forms prescribed by the Department and shall be accompanied by a fee in the amount of \$75. Each registration certificate shall remain valid for a period of one year from the date of issuance. Application for renewal of a registration certificate shall be accompanied by a fee in the amount of \$75 and shall be made on forms prescribed by the Department.

B. As a condition of registration as a bingo manager, the applicant shall (i) have been a bona fide member of the qualified organization for at least 12 consecutive months prior to making application for registration and (ii) be required to complete a reasonable training course developed and conducted by the Department.

As a condition of registration as a bingo caller, the applicant shall be required to complete a reasonable training course developed and conducted by the Department.

The Department may refuse to register any bingo manager or caller who has (a) been convicted of or pleaded nolo contendere to a felony in any state or federal court or has been convicted of any offense which, if committed in the Commonwealth, would be a felony; (b) been convicted of or pleaded nolo contendere to a crime involving gambling; (c) had any license, permit, certificate, or other authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth or in any other jurisdiction; or (d) failed to file or has been delinquent in excess of one year in the filing of any tax returns or the payment of any taxes due the Commonwealth.

C. The Department may suspend, revoke, or refuse to renew the registration certificate of any bingo manager or caller for any conduct described in subsection B or for any violation of this article or regulations of the Board. Before taking any such action, the Department shall give the bingo manager or

367 caller a written statement of the grounds upon which it proposes to take such action and an opportunity  
 368 to be heard. Every hearing in a contested case shall be conducted in accordance with the Administrative  
 369 Process Act (§ 2.2-4000 et seq.).

370 D. The provisions of subsection A requiring registration for bingo callers with the Department shall  
 371 not apply to a bingo caller for a volunteer fire department or volunteer emergency medical services  
 372 agency or auxiliary unit thereof that has been recognized in accordance with § 15.2-955 by an ordinance  
 373 or resolution of the political subdivision where the volunteer fire department or volunteer emergency  
 374 medical services agency is located as being a part of the safety program of such political subdivision.

375 E. The provisions of this section shall not apply to operators licensed pursuant to § 18.2-340.34:3.

376 **§ 18.2-340.34:3. Operators.**

377 A. A qualified organization may contract with an operator for such operator to manage, operate, or  
 378 conduct charitable gaming on behalf of such organization or to otherwise assist such organization with  
 379 the management, operation, or conduct of charitable gaming.

380 B. No operator shall manage, operate, or conduct charitable gaming on behalf of a qualified  
 381 organization or otherwise assist a qualified organization with the management, organization, or conduct  
 382 of charitable gaming unless and until such operator has made application for and has been issued a  
 383 license by the Department. An application for a license shall be made on forms prescribed by the  
 384 Department and shall be accompanied by a fee in the amount of \$1,000. Each license shall remain valid  
 385 for a period of one year from the date of issuance. Application for renewal of a license shall be  
 386 accompanied by a fee in the amount of \$1,000 and shall be made on forms prescribed by the  
 387 Department.

388 C. The Board shall have authority to prescribe by regulation reasonable criteria consistent with the  
 389 provisions of this article for the licensure of operators. The Department may refuse to issue a license to  
 390 any operator that has any officer, director, partner, or owner who (i) has been convicted of or pleaded  
 391 nolo contendere to a felony in any state or federal court or has been convicted of any offense that, if  
 392 committed in the Commonwealth, would be a felony; (ii) has been convicted of or pleaded nolo  
 393 contendere to a crime involving gambling; (iii) has had any license, permit, certificate, or other  
 394 authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked  
 395 in the Commonwealth or in any other jurisdiction; (iv) has failed to file or been delinquent in excess of  
 396 one year in the filing of any tax returns or the payment of any taxes due the Commonwealth; or (v) has  
 397 failed to establish a registered office or registered agent in the Commonwealth if so required by  
 398 § 13.1-634 or 13.1-763.

399 D. The Department may suspend, revoke, or refuse to renew the license of any operator for any  
 400 conduct described in subsection C or for any violation of this article or regulation of the Board. Before  
 401 taking any such action, the Department shall give the operator a written statement of the grounds upon  
 402 which it proposes to take such action and an opportunity to be heard. Every hearing in a contested case  
 403 shall be conducted in accordance with the Administrative Process Act (§ 2.2-4000 et seq.).

404 E. Any operator that manages, operates, or conducts charitable gaming on behalf of a qualified  
 405 organization or assists a qualified organization with the management, operation, or conduct of  
 406 charitable gaming pursuant to this section shall be required to comply with all provisions of this article  
 407 that would otherwise be applicable to such qualified organization relating to the management, conduct,  
 408 or operation of charitable gaming.

409 F. Each operator shall document each provision of services to a qualified organization on an invoice  
 410 that clearly shows (i) the name and address of the qualified organization to which such services were  
 411 provided; (ii) the date upon which the services were provided; (iii) a description of the services  
 412 provided; and (iv) any other information with respect to the provision of services by the operator as the  
 413 Board may prescribe by regulation. Each operator shall provide a legible copy of such invoice to the  
 414 qualified organization.

415 G. Each operator shall maintain a legible copy of each invoice required by subsection F for a  
 416 period of three years from the date of sale. Each operator shall make such documents immediately  
 417 available for inspection and copying to any agent or employee of the Department upon request made  
 418 during normal business hours. This subsection shall not limit the right of the Department to require the  
 419 production of any other documents in the possession of the operator that relate to its transactions with  
 420 qualified organizations. All documents and other information of a proprietary nature furnished to the  
 421 Department in accordance with this subsection shall be exempt from disclosure under the provisions of  
 422 the Freedom of Information Act (§ 2.2-3700 et seq.).

423 **§ 18.2-340.36. Suspension of permit.**

424 A. When any officer charged with the enforcement of the charitable gaming laws of the  
 425 Commonwealth has reasonable cause to believe that the conduct of charitable gaming is being conducted  
 426 by an organization or operator in violation of this article or the regulations of the Board, he may apply  
 427 to any judge, magistrate, or other person having authority to issue criminal warrants for the immediate

428 suspension of the permit of the organization *or license of the operator* conducting the bingo game or  
429 raffle. If the judge, magistrate, or person to whom such application is presented is satisfied that probable  
430 cause exists to suspend the permit *or license*, he shall suspend the permit *or license*. Immediately upon  
431 such suspension, the officer shall notify the organization *or operator, as applicable*, in writing of such  
432 suspension.

433 B. Written notice specifying the particular basis for the immediate suspension shall be provided by  
434 the officer to the organization *or operator* within one business day of the suspension and a hearing held  
435 thereon by the Department or its designated hearing officer within 10 days of the suspension unless the  
436 organization *or operator* consents to a later date. No charitable gaming shall be conducted by the  
437 organization *or operator* until the suspension has been lifted by the Department or a court of competent  
438 jurisdiction.