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SENATE BILL NO. 757

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Joint Conference Committee
on February 22, 1997)

(Patron Prior to Substitute—Senator Colgan)

A *BILL to amend and reenact §§ 2.1-342, 18.2-340.16, 18.2-340.18, 18.2-340.19, 18.2-340.20, 18.2-340.22, 18.2-340.23, 18.2-340.25, 18.2-340.26, 18.2-340.28, and 18.2-340.30 through 18.2-340.34 of the Code of Virginia and to repeal Article 1.1:1 (§§ 18.2-340.15 through 18.2-340.38) of Chapter 8 of Title 18.2 of the Code of Virginia, relating to charitable gaming.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-342, 18.2-340.16, 18.2-340.18, 18.2-340.19, 18.2-340.20, 18.2-340.22, 18.2-340.23, 18.2-340.25, 18.2-340.26, 18.2-340.28, and 18.2-340.30 through 18.2-340.34 of the Code of Virginia are amended and reenacted as follows:

§ 2.1-342. Official records to be open to inspection; procedure for requesting records and responding to request; charges; exceptions to application of chapter.

A. Except as otherwise specifically provided by law, all official records shall be open to inspection and copying by any citizens of the Commonwealth during the regular office hours of the custodian of such records. Access to such records shall not be denied to citizens of the Commonwealth, representatives of newspapers and magazines with circulation in the Commonwealth, and representatives of radio and television stations broadcasting in or into the Commonwealth. The custodian of such records shall take all necessary precautions for their preservation and safekeeping. Any public body covered under the provisions of this chapter shall make an initial response to citizens requesting records open to inspection within five work days after the receipt of the request by the public body which is the custodian of the requested records. Such citizen request shall designate the requested records with reasonable specificity. A specific reference to this chapter by the requesting citizen in his request shall not be necessary to invoke the provisions of this chapter and the time limits for response by the public body. The response by the public body within such five work days shall be one of the following responses:

1. The requested records shall be provided to the requesting citizen.

2. If the public body determines that an exemption applies to all of the requested records, it may refuse to release such records and provide to the requesting citizen a written explanation as to why the records are not available with the explanation making specific reference to the applicable Code sections which make the requested records exempt.

3. If the public body determines that an exemption applies to a portion of the requested records, it may delete or excise that portion of the records to which an exemption applies, but shall disclose the remainder of the requested records and provide to the requesting citizen a written explanation as to why these portions of the record are not available to the requesting citizen with the explanation making specific reference to the applicable Code sections which make that portion of the requested records exempt. Any reasonably segregatable portion of an official record shall be provided to any person requesting the record after the deletion of the exempt portion.

4. If the public body determines that it is practically impossible to provide the requested records or to determine whether they are available within the five-work-day period, the public body shall so inform the requesting citizen and shall have an additional seven work days in which to provide one of the three preceding responses.

Nothing in this section shall prohibit any public body from petitioning the appropriate court for additional time to respond to a request for records when the request is for an extraordinary volume of records and a response by the public body within the time required by this chapter will prevent the public body from meeting its operational responsibilities. Before proceeding with this petition, however, the public body shall make reasonable efforts to reach an agreement with the requester concerning the production of the records requested.

The public body may make reasonable charges for the copying, search time and computer time expended in the supplying of such records. The public body may also make a reasonable charge for preparing documents produced from a geographic information system at the request of anyone other than the owner of the land that is the subject of the request. However, such charges shall not exceed the actual cost to the public body in supplying such records or documents, except that the public body may charge, on a pro rata per acre basis, for the cost of creating topographical maps developed by the public body, for such maps or portions thereof, which encompass a contiguous area greater than fifty acres. Such charges for the supplying of requested records shall be estimated in advance at the request of the citizen. The public body may require the advance payment of charges which are subject to advance

60 determination.

61 In any case where a public body determines in advance that search and copying charges for
62 producing the requested documents are likely to exceed \$200, the public body may, before continuing to
63 process the request, require the citizen requesting the information to agree to payment of an amount not
64 to exceed the advance determination by five percent. The period within which the public body must
65 respond under this section shall be tolled for the amount of time that elapses between notice of the
66 advance determination and the response of the citizen requesting the information.

67 Official records maintained by a public body on a computer or other electronic data processing
68 system which are available to the public under the provisions of this chapter shall be made reasonably
69 accessible to the public at reasonable cost. Beginning July 1, 1997, every public body of state
70 government shall compile, and annually update, an index of computer databases which contains at a
71 minimum those databases created by them on or after July 1, 1997. "Computer database" means a
72 structured collection of data or documents residing in a computer. Such index shall be an official record
73 and shall include, at a minimum, the following information with respect to each database listed therein:
74 a list of data fields, a description of the format or record layout, the date last updated, a list of any data
75 fields to which public access is restricted, a description of each format in which the database can be
76 copied or reproduced using the public body's computer facilities, and a schedule of fees for the
77 production of copies in each available form. The form, context, language, and guidelines for the indices
78 and the databases to be indexed shall be developed by the Director of the Department of Information
79 Technology in consultation with the State Librarian and the State Archivist. The public body shall not
80 be required to disclose its software security, including passwords.

81 Public bodies shall not be required to create or prepare a particular requested record if it does not
82 already exist. Public bodies may, but shall not be required to, abstract or summarize information from
83 official records or convert an official record available in one form into another form at the request of
84 the citizen. The public body shall make reasonable efforts to reach an agreement with the requester
85 concerning the production of the records requested.

86 Failure to make any response to a request for records shall be a violation of this chapter and deemed
87 a denial of the request.

88 B. The following records are excluded from the provisions of this chapter but may be disclosed by
89 the custodian in his discretion, except where such disclosure is prohibited by law:

90 1. Memoranda, correspondence, evidence and complaints related to criminal investigations; adult
91 arrestee photographs when necessary to avoid jeopardizing an investigation in felony cases until such
92 time as the release of such photograph will no longer jeopardize the investigation; reports submitted to
93 the state and local police, to investigators authorized pursuant to § 53.1-16 and to the campus police
94 departments of public institutions of higher education as established by Chapter 17 (§ 23-232 et seq.) of
95 Title 23 in confidence; portions of records of local government crime commissions that would identify
96 individuals providing information about crimes or criminal activities under a promise of anonymity;
97 records of local police departments relating to neighborhood watch programs that include the names,
98 addresses, and operating schedules of individual participants in the program that are provided to such
99 departments under a promise of confidentiality; and all records of persons imprisoned in penal
100 institutions in the Commonwealth provided such records relate to the imprisonment. Information in the
101 custody of law-enforcement officials relative to the identity of any individual other than a juvenile who
102 is arrested and charged, and the status of the charge or arrest, shall not be excluded from the provisions
103 of this chapter.

104 Criminal incident information relating to felony offenses shall not be excluded from the provisions of
105 this chapter; however, where the release of criminal incident information is likely to jeopardize an
106 ongoing criminal investigation or the safety of an individual, cause a suspect to flee or evade detection,
107 or result in the destruction of evidence, such information may be withheld until the above-referenced
108 damage is no longer likely to occur from release of the information.

109 2. Confidential records of all investigations of applications for licenses and permits, and all licensees
110 and permittees made by or submitted to the Alcoholic Beverage Control Board, the State Lottery
111 Department, the Virginia Racing Commission, or the Charitable Gaming Commission.

112 3. State income, business, and estate tax returns, personal property tax returns, scholastic records and
113 personnel records containing information concerning identifiable individuals, except that such access
114 shall not be denied to the person who is the subject thereof, and medical and mental records, except that
115 such records can be personally reviewed by the subject person or a physician of the subject person's
116 choice; however, the subject person's mental records may not be personally reviewed by such person
117 when the subject person's treating physician has made a part of such person's records a written statement
118 that in his opinion a review of such records by the subject person would be injurious to the subject
119 person's physical or mental health or well-being.

120 Where the person who is the subject of medical records is confined in a state or local correctional
121 facility, the administrator or chief medical officer of such facility may assert such confined person's right

of access to the medical records if the administrator or chief medical officer has reasonable cause to believe that such confined person has an infectious disease or other medical condition from which other persons so confined need to be protected. Medical records shall be reviewed only and shall not be copied by such administrator or chief medical officer. The information in the medical records of a person so confined shall continue to be confidential and shall not be disclosed to any person except the subject by the administrator or chief medical officer of the facility or except as provided by law.

For the purposes of this chapter such statistical summaries of incidents and statistical data concerning patient abuse as may be compiled by the Commissioner of the Department of Mental Health, Mental Retardation and Substance Abuse Services shall be open to inspection and releasable as provided in subsection A of this section. No such summaries or data shall include any patient-identifying information. Where the person who is the subject of scholastic or medical and mental records is under the age of eighteen, his right of access may be asserted only by his guardian or his parent, including a noncustodial parent, unless such parent's parental rights have been terminated or a court of competent jurisdiction has restricted or denied such access. In instances where the person who is the subject thereof is an emancipated minor or a student in a state-supported institution of higher education, such right of access may be asserted by the subject person.

4. Memoranda, working papers and correspondence (i) held by or requested from members of the General Assembly or the Division of Legislative Services or (ii) held or requested by the Office of the Governor or Lieutenant Governor, Attorney General or the mayor or other chief executive officer of any political subdivision of the Commonwealth or the president or other chief executive officer of any state-supported institution of higher education. This exclusion shall not apply to memoranda, studies or other papers held or requested by the mayor or other chief executive officer of any political subdivision which are specifically concerned with the evaluation of performance of the duties and functions of any locally elected official and were prepared after June 30, 1992 nor shall this exclusion apply to agenda packets prepared and distributed to public bodies for use at a meeting.

Except as provided in § 30-28.18, memoranda, working papers and correspondence of a member of the General Assembly held by the Division of Legislative Services shall not be released by the Division without the prior consent of the member.

5. Written opinions of the city, county and town attorneys of the cities, counties and towns in the Commonwealth and any other writing protected by the attorney-client privilege.

6. Memoranda, working papers and records compiled specifically for use in litigation or as a part of an active administrative investigation concerning a matter which is properly the subject of an executive or closed meeting under § 2.1-344 and material furnished in confidence with respect thereto.

7. Confidential letters and statements of recommendation placed in the records of educational agencies or institutions respecting (i) admission to any educational agency or institution, (ii) an application for employment, or (iii) receipt of an honor or honorary recognition.

8. Library records which can be used to identify both (i) any library patron who has borrowed material from a library and (ii) the material such patron borrowed.

9. Any test or examination used, administered or prepared by any public body for purposes of evaluation of (i) any student or any student's performance, (ii) any employee or employment seeker's qualifications or aptitude for employment, retention, or promotion, or (iii) qualifications for any license or certificate issued by any public body.

As used in this subdivision 9, "test or examination" shall include (i) any scoring key for any such test or examination, and (ii) any other document which would jeopardize the security of such test or examination. Nothing contained in this subdivision 9 shall prohibit the release of test scores or results as provided by law, or limit access to individual records as is provided by law. However, the subject of such employment tests shall be entitled to review and inspect all documents relative to his performance on such employment tests.

When, in the reasonable opinion of such public body, any such test or examination no longer has any potential for future use, and the security of future tests or examinations will not be jeopardized, such test or examination shall be made available to the public. However, minimum competency tests administered to public school children shall be made available to the public contemporaneously with statewide release of the scores of those taking such tests, but in no event shall such tests be made available to the public later than six months after the administration of such tests.

10. Applications for admission to examinations or for licensure and scoring records maintained by the Department of Health Professions or any board in that department on individual licensees or applicants. However, such material may be made available during normal working hours for copying, at the requester's expense, by the individual who is the subject thereof, in the offices of the Department of Health Professions or in the offices of any health regulatory board, whichever may possess the material.

11. Records of active investigations being conducted by the Department of Health Professions or by any health regulatory board in the Commonwealth.

- 183 12. Memoranda, legal opinions, working papers and records recorded in or compiled exclusively for
184 executive or closed meetings lawfully held pursuant to § 2.1-344.
- 185 13. Reports, documentary evidence and other information as specified in §§ 2.1-373.2 and 63.1-55.4.
- 186 14. Proprietary information gathered by or for the Virginia Port Authority as provided in
187 § 62.1-132.4 or § 62.1-134.1.
- 188 15. Contract cost estimates prepared for the confidential use of the Department of Transportation in
189 awarding contracts for construction or the purchase of goods or services and records, documents and
190 automated systems prepared for the Department's Bid Analysis and Monitoring Program.
- 191 16. Vendor proprietary information software which may be in the official records of a public body.
192 For the purpose of this section, "vendor proprietary software" means computer programs acquired from a
193 vendor for purposes of processing data for agencies or political subdivisions of the Commonwealth.
- 194 17. Data, records or information of a proprietary nature produced or collected by or for faculty or
195 staff of state institutions of higher learning, other than the institutions' financial or administrative
196 records, in the conduct of or as a result of study or research on medical, scientific, technical or scholarly
197 issues, whether sponsored by the institution alone or in conjunction with a governmental body or a
198 private concern, where such data, records or information has not been publicly released, published,
199 copyrighted or patented.
- 200 18. Financial statements not publicly available filed with applications for industrial development
201 financings.
- 202 19. Lists of registered owners of bonds issued by a political subdivision of the Commonwealth,
203 whether the lists are maintained by the political subdivision itself or by a single fiduciary designated by
204 the political subdivision.
- 205 20. Confidential proprietary records, voluntarily provided by private business pursuant to a promise
206 of confidentiality from the Department of Business Assistance, the Virginia Economic Development
207 Partnership or local or regional industrial or economic development authorities or organizations, used by
208 the Department, the Partnership, or such entities for business, trade and tourism development; and
209 memoranda, working papers or other records related to businesses that are considering locating or
210 expanding in Virginia, prepared by the Partnership, where competition or bargaining is involved and
211 where, if such records are made public, the financial interest of the governmental unit would be
212 adversely affected.
- 213 21. Information which was filed as confidential under the Toxic Substances Information Act
214 (§ 32.1-239 et seq.), as such Act existed prior to July 1, 1992.
- 215 22. Documents as specified in § 58.1-3.
- 216 23. Confidential records, including victim identity, provided to or obtained by staff in a rape crisis
217 center or a program for battered spouses.
- 218 24. Computer software developed by or for a state agency, state-supported institution of higher
219 education or political subdivision of the Commonwealth.
- 220 25. Investigator notes, and other correspondence and information, furnished in confidence with
221 respect to an active investigation of individual employment discrimination complaints made to the
222 Department of Personnel and Training; however, nothing in this section shall prohibit the disclosure of
223 information taken from inactive reports in a form which does not reveal the identity of charging parties,
224 persons supplying the information or other individuals involved in the investigation.
- 225 26. Fisheries data which would permit identification of any person or vessel, except when required
226 by court order as specified in § 28.2-204.
- 227 27. Records of active investigations being conducted by the Department of Medical Assistance
228 Services pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.
- 229 28. Documents and writings furnished by a member of the General Assembly to a meeting of a
230 standing committee, special committee or subcommittee of his house established solely for the purpose
231 of reviewing members' annual disclosure statements and supporting materials filed under § 2.1-639.40 or
232 of formulating advisory opinions to members on standards of conduct, or both.
- 233 29. Customer account information of a public utility affiliated with a political subdivision of the
234 Commonwealth, including the customer's name and service address, but excluding the amount of utility
235 service provided and the amount of money paid for such utility service.
- 236 30. Investigative notes and other correspondence and information furnished in confidence with
237 respect to an investigation or conciliation process involving an alleged unlawful discriminatory practice
238 under the Virginia Human Rights Act (§ 2.1-714 et seq.); however, nothing in this section shall prohibit
239 the distribution of information taken from inactive reports in a form which does not reveal the identity
240 of the parties involved or other persons supplying information.
- 241 31. Investigative notes; proprietary information not published, copyrighted or patented; information
242 obtained from employee personnel records; personally identifiable information regarding residents,
243 clients or other recipients of services; and other correspondence and information furnished in confidence
244 to the Department of Social Services in connection with an active investigation of an applicant or

licensee pursuant to Chapters 9 (§ 63.1-172 et seq.) and 10 (§ 63.1-195 et seq.) of Title 63.1; however, nothing in this section shall prohibit disclosure of information from the records of completed investigations in a form that does not reveal the identity of complainants, persons supplying information, or other individuals involved in the investigation.

32. Reports, manuals, specifications, documents, minutes or recordings of staff meetings or other information or materials of the Virginia Board of Corrections, the Virginia Department of Corrections or any institution thereof to the extent, as determined by the Director of the Department of Corrections or his designee or of the Virginia Board of Juvenile Justice, the Virginia Department of Juvenile Justice or any facility thereof to the extent as determined by the Director of the Department of Juvenile Justice, or his designee, that disclosure or public dissemination of such materials would jeopardize the security of any correctional or juvenile facility or institution, as follows:

(i) Security manuals, including emergency plans that are a part thereof;

(ii) Engineering and architectural drawings of correctional and juvenile facilities, and operational specifications of security systems utilized by the Departments, provided the general descriptions of such security systems, cost and quality shall be made available to the public;

(iii) Training manuals designed for correctional and juvenile facilities to the extent that they address procedures for institutional security, emergency plans and security equipment;

(iv) Internal security audits of correctional and juvenile facilities, but only to the extent that they specifically disclose matters described in (i), (ii), or (iii) above or other specific operational details the disclosure of which would jeopardize the security of a correctional or juvenile facility or institution;

(v) Minutes or recordings of divisional, regional and institutional staff meetings or portions thereof to the extent that such minutes deal with security issues listed in (i), (ii), (iii), and (iv) of this subdivision;

(vi) Investigative case files by investigators authorized pursuant to § 53.1-16; however, nothing in this section shall prohibit the disclosure of information taken from inactive reports in a form which does not reveal the identity of complainants or charging parties, persons supplying information, confidential sources, or other individuals involved in the investigation, or other specific operational details the disclosure of which would jeopardize the security of a correctional or juvenile facility or institution; nothing herein shall permit the disclosure of materials otherwise exempt as set forth in subdivision 1 of subsection B of this section;

(vii) Logs or other documents containing information on movement of inmates, juvenile clients or employees; and

(viii) Documents disclosing contacts between inmates, juvenile clients and law-enforcement personnel.

Notwithstanding the provisions of this subdivision, reports and information regarding the general operations of the Departments, including notice that an escape has occurred, shall be open to inspection and copying as provided in this section.

33. Personal information, as defined in § 2.1-379, (i) filed with the Virginia Housing Development Authority concerning individuals who have applied for or received loans or other housing assistance or who have applied for occupancy of or have occupied housing financed, owned or otherwise assisted by the Virginia Housing Development Authority, (ii) concerning persons participating in or persons on the waiting list for federally funded rent-assistance programs, or (iii) filed with any local redevelopment and housing authority created pursuant to § 36-4 concerning persons participating in or persons on the waiting list for housing assistance programs funded by local governments or by any such authority. However, access to one's own information shall not be denied.

34. Documents regarding the siting of hazardous waste facilities, except as provided in § 10.1-1441, if disclosure of them would have a detrimental effect upon the negotiating position of a governing body or on the establishment of the terms, conditions and provisions of the siting agreement.

35. Appraisals and cost estimates of real property subject to a proposed purchase, sale or lease, prior to the completion of such purchase, sale or lease.

36. Records containing information on the site specific location of rare, threatened, endangered or otherwise imperiled plant and animal species, natural communities, caves, and significant historic and archaeological sites if, in the opinion of the public body which has the responsibility for such information, disclosure of the information would jeopardize the continued existence or the integrity of the resource. This exemption shall not apply to requests from the owner of the land upon which the resource is located.

37. Official records, memoranda, working papers, graphics, video or audio tapes, production models, data and information of a proprietary nature produced by or for or collected by or for the State Lottery Department relating to matters of a specific lottery game design, development, production, operation, ticket price, prize structure, manner of selecting the winning ticket, manner of payment of prizes to holders of winning tickets, frequency of drawings or selections of winning tickets, odds of winning, advertising, or marketing, where such official records have not been publicly released, published,

306 copyrighted or patented. Whether released, published or copyrighted, all game-related information shall
307 be subject to public disclosure under this chapter upon the first day of sales for the specific lottery game
308 to which it pertains.

309 38. Official records of studies and investigations by the State Lottery Department of (i) lottery
310 agents, (ii) lottery vendors, (iii) lottery crimes under §§ 58.1-4014 through 58.1-4018, (iv) defects in the
311 law or regulations which cause abuses in the administration and operation of the lottery and any
312 evasions of such provisions, or (v) use of the lottery as a subterfuge for organized crime and illegal
313 gambling where such official records have not been publicly released, published or copyrighted. All
314 studies and investigations referred to under subdivisions (iii), (iv) and (v) shall be subject to public
315 disclosure under this chapter upon completion of the study or investigation.

316 39. Those portions of engineering and construction drawings and plans submitted for the sole purpose
317 of complying with the building code in obtaining a building permit which would identify specific trade
318 secrets or other information the disclosure of which would be harmful to the competitive position of the
319 owner or lessee; however, such information shall be exempt only until the building is completed.
320 Information relating to the safety or environmental soundness of any building shall not be exempt from
321 disclosure.

322 40. [Repealed.]

323 41. Records concerning reserves established in specific claims administered by the Department of
324 General Services through its Division of Risk Management as provided in Article 5.1 (§ 2.1-526.1 et
325 seq.) of Chapter 32 of this title, or by any county, city, or town.

326 42. Information and records collected for the designation and verification of trauma centers and other
327 specialty care centers within the Statewide Emergency Medical Care System pursuant to § 32.1-112.

328 43. Reports and court documents required to be kept confidential pursuant to § 37.1-67.3.

329 44. [Repealed.]

330 45. Investigative notes; correspondence and information furnished in confidence with respect to an
331 investigation; and official records otherwise exempted by this chapter or any Virginia statute, provided
332 to or produced by or for the Auditor of Public Accounts and the Joint Legislative Audit and Review
333 Commission; or investigative notes, correspondence, documentation and information furnished and
334 provided to or produced by or for the Department of the State Internal Auditor with respect to an
335 investigation initiated through the State Employee Fraud, Waste and Abuse Hotline. Nothing in this
336 chapter shall prohibit disclosure of information from the records of completed investigations in a form
337 that does not reveal the identity of complainants, persons supplying information or other individuals
338 involved in the investigation; however, disclosure, unless such disclosure is prohibited by this section, of
339 information from the records of completed investigations shall include, but is not limited to, the agency
340 involved, the identity of the person who is the subject of the complaint, the nature of the complaint, and
341 the actions taken to resolve the complaint. In the event an investigation does not lead to corrective
342 action, the identity of the person who is the subject of the complaint may be released only with the
343 consent of the subject person.

344 46. Data formerly required to be submitted to the Commissioner of Health relating to the
345 establishment of new or expansion of existing clinical health services, acquisition of major medical
346 equipment, or certain projects requiring capital expenditures pursuant to former § 32.1-102.3:4.

347 47. Documentation or other information which describes the design, function, operation or access
348 control features of any security system, whether manual or automated, which is used to control access to
349 or use of any automated data processing or telecommunications system.

350 48. Confidential financial statements, balance sheets, trade secrets, and revenue and cost projections
351 provided to the Department of Rail and Public Transportation, provided such information is exempt
352 under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws
353 administered by the Interstate Commerce Commission or the Federal Rail Administration with respect to
354 data provided in confidence to the Interstate Commerce Commission and the Federal Railroad
355 Administration.

356 49. In the case of corporations organized by the Virginia Retirement System, RF&P Corporation and
357 its wholly owned subsidiaries, (i) proprietary information provided by, and financial information
358 concerning, coventurers, partners, lessors, lessees, or investors, and (ii) records concerning the condition,
359 acquisition, disposition, use, leasing, development, coventuring, or management of real estate the
360 disclosure of which would have a substantial adverse impact on the value of such real estate or result in
361 a competitive disadvantage to the corporation or subsidiary.

362 50. Confidential proprietary records related to inventory and sales, voluntarily provided by private
363 energy suppliers to the Department of Mines, Minerals and Energy, used by that Department for energy
364 contingency planning purposes or for developing consolidated statistical information on energy supplies.

365 51. Confidential proprietary information furnished to the Board of Medical Assistance Services or the
366 Medicaid Prior Authorization Advisory Committee pursuant to Article 4 (§ 32.1-331.12 et seq.) of
367 Chapter 10 of Title 32.1.

52. [Repealed.]

53. Proprietary, commercial or financial information, balance sheets, trade secrets, and revenue and cost projections provided by a private transportation business to the Virginia Department of Transportation and the Department of Rail and Public Transportation for the purpose of conducting transportation studies needed to obtain grants or other financial assistance under the Intermodal Surface Transportation Efficiency Act of 1991 (P.L. 102-240) for transportation projects, provided such information is exempt under the federal Freedom of Information Act or the federal Interstate Commerce Act or other laws administered by the Interstate Commerce Commission or the Federal Rail Administration with respect to data provided in confidence to the Interstate Commerce Commission and the Federal Railroad Administration. However, the exemption provided by this subdivision shall not apply to any wholly owned subsidiary of a public body.

54. Names and addresses of subscribers to Virginia Wildlife magazine, published by the Department of Game and Inland Fisheries, provided the individual subscriber has requested in writing that the Department not release such information.

55. Reports, documents, memoranda or other information or materials which describe any aspect of security used by the Virginia Museum of Fine Arts to the extent that disclosure or public dissemination of such materials would jeopardize the security of the Museum or any warehouse controlled by the Museum, as follows:

- a. Operational, procedural or tactical planning documents, including any training manuals to the extent they discuss security measures;
- b. Surveillance techniques;
- c. Installation, operation, or utilization of any alarm technology;
- d. Engineering and architectural drawings of the Museum or any warehouse;
- e. Transportation of the Museum's collections, including routes and schedules; or
- f. Operation of the Museum or any warehouse used by the Museum involving the:
 - (1) Number of employees, including security guards, present at any time; or
 - (2) Busiest hours, with the maximum number of visitors in the Museum.

56. Reports, documents, memoranda or other information or materials which describe any aspect of security used by the Virginia Department of Alcoholic Beverage Control to the extent that disclosure or public dissemination of such materials would jeopardize the security of any government store as defined in Title 4.1, or warehouse controlled by the Department of Alcoholic Beverage Control, as follows:

- (i) Operational, procedural or tactical planning documents, including any training manuals to the extent they discuss security measures;
- (ii) Surveillance techniques;
- (iii) The installation, operation, or utilization of any alarm technology;
- (iv) Engineering and architectural drawings of such government stores or warehouses;
- (v) The transportation of merchandise, including routes and schedules; and
- (vi) The operation of any government store or the central warehouse used by the Department of Alcoholic Beverage Control involving the:

- a. Number of employees present during each shift;
- b. Busiest hours, with the maximum number of customers in such government store; and
- c. Banking system used, including time and place of deposits.

57. Information required to be provided pursuant to § 54.1-2506.1.

58. Confidential information designated as provided in subsection D of § 11-52 as trade secrets or proprietary information by any person who has submitted to a public body an application for prequalification to bid on public construction projects in accordance with subsection B of § 11-46.

59. All information and records acquired during a review of any child death by the State Child Fatality Review Team established pursuant to § 32.1-283.1.

60. Investigative notes, correspondence, documentation and information provided to or produced by or for the committee or the auditor with respect to an investigation or audit conducted pursuant to § 15.1-765.2. Nothing in this section shall prohibit disclosure of information from the records of completed investigations or audits in a form that does not reveal the identity of complainants or persons supplying information.

61. Financial, medical, rehabilitative and other personal information concerning applicants for or recipients of loan funds submitted to or maintained by the Assistive Technology Loan Fund Authority under Chapter 11 (§ 51.5-53 et seq.) of Title 51.5.

62. Confidential proprietary records which are voluntarily provided by a private entity pursuant to a proposal filed with a public entity under the Public-Private Transportation Act of 1995 (§ 56-556 et seq.), pursuant to a promise of confidentiality from the responsible public entity, used by the responsible public entity for purposes related to the development of a qualifying transportation facility; and memoranda, working papers or other records related to proposals filed under the Public-Private

Transportation Act of 1995, where, if such records were made public, the financial interest of the public or private entity involved with such proposal or the process of competition or bargaining would be adversely affected. In order for confidential proprietary information to be excluded from the provisions of this chapter, the private entity shall (i) invoke such exclusion upon submission of the data or other materials for which protection from disclosure is sought, (ii) identify the data or other materials for which protection is sought, and (iii) state the reasons why protection is necessary. For the purposes of this subdivision, the terms public entity and private entity shall be defined as they are defined in the Public-Private Transportation Act of 1995.

63. Records of law-enforcement agencies, to the extent that such records contain specific tactical plans, the disclosure of which would jeopardize the safety or security of law-enforcement personnel or the general public; engineering plans, architectural drawings, or operational specifications of governmental law-enforcement facilities, including but not limited to courthouses, jails, and detention facilities, to the extent that disclosure could jeopardize the safety or security of law-enforcement offices; however, general descriptions shall be provided to the public upon request.

64. All records of the University of Virginia or the University of Virginia Medical Center which contain proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center, including its business development or marketing strategies and its activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would be harmful to the competitive position of the Medical Center.

65. Patient level data collected by the Board of Health and not yet processed, verified, and released, pursuant to § 32.1-276.9, to the Board by the nonprofit organization with which the Commissioner of Health has contracted pursuant to § 32.1-276.4.

66. Records of the Medical College of Virginia Hospitals Authority pertaining to any of the following: (i) an individual's qualifications for or continued membership on its medical or teaching staffs; proprietary information gathered by or in the possession of the Authority from third parties pursuant to a promise of confidentiality; contract cost estimates prepared for confidential use in awarding contracts for construction or the purchase of goods or services; data, records or information of a proprietary nature produced or collected by or for the Authority or members of its medical or teaching staffs; financial statements not publicly available that may be filed with the Authority from third parties; the identity, accounts or account status of any customer of the Authority; consulting or other reports paid for by the Authority to assist the Authority in connection with its strategic planning and goals; and the determination of marketing and operational strategies where disclosure of such strategies would be harmful to the competitive position of the Authority; and (ii) data, records or information of a proprietary nature produced or collected by or for employees of the Authority, other than the Authority's financial or administrative records, in the conduct of or as a result of study or research on medical, scientific, technical or scholarly issues, whether sponsored by the Authority alone or in conjunction with a governmental body or a private concern, when such data, records or information have not been publicly released, published, copyrighted or patented.

67. *Documents and other information of a proprietary nature furnished by a supplier of charitable gaming supplies to the Charitable Gaming Commission pursuant to subsection E of § 18.2-340.34.*

C. Neither any provision of this chapter nor any provision of Chapter 26 (§ 2.1-377 et seq.) of this title shall be construed as denying public access to contracts between a public official and a public body, other than contracts settling public employee employment disputes held confidential as personnel records under subdivision 3 of subsection B of this section, or to records of the position, job classification, official salary or rate of pay of, and to records of the allowances or reimbursements for expenses paid to, any public officer, official or employee at any level of state, local or regional government in the Commonwealth or to the compensation or benefits paid by any corporation organized by the Virginia Retirement System, RF&P Corporation and its wholly owned subsidiaries, to their officers or employees. The provisions of this subsection, however, shall not apply to records of the official salaries or rates of pay of public employees whose annual rate of pay is \$10,000 or less.

§ 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 individual cards having randomly numbered squares ranging from one to seventy-five or *Commission-approved electronic devices which display facsimiles of bingo cards and are used for the purpose of marking and monitoring players' cards as numbers are called*, in which prizes are awarded on the basis of designated numbers on such cards conforming to a predetermined pattern of numbers selected at random. Such cards shall have five columns headed respectively by the letters B.I.N.G.O., with each column having five randomly numbered squares; ~~except the center column which shall contain one free space.~~

"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 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*, and any other equipment or product manufactured for or intended to be used in the conduct of charitable games.

"Commission" means the Charitable Gaming Commission.

"Gross receipts" means the total amount of money received by an organization from charitable gaming before the deduction of expenses, including prizes.

"Instant bingo" means a specific game of chance played by the random selection of one or more individually prepacked cards, made completely of paper or paper products, with winners being determined by the preprinted appearance of concealed letters, numbers or symbols that must be exposed by the player 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, exclusive of a "winner-take-all" bingo game, in which (i) all numbers on the card are covered, each number being selected at random, and with no more than one free space and (ii) the prize amount is greater than \$100.

"Landlord" means any person or his agent, firm, association, organization, partnership, or corporation, or employee thereof, which owns and leases, or leases any premise devoted in whole or in part to the conduct of bingo games, and any person residing in the same household as a landlord.

"Organization" means any one of the following:

1. A ~~voluntary~~ *volunteer* fire department or rescue squad or auxiliary unit thereof which has been recognized *in accordance with § 15.1-26.01* by an ordinance or resolution of the political subdivision where the ~~voluntary~~ *volunteer* fire department or rescue squad is located as being a part of the safety program of such political subdivision;

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

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

4. A fraternal association or corporation operating under the lodge system; *or*

5. *A local chamber of commerce.*

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

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

For the purpose of this article, "raffle" shall include the use of individually prepackaged cards made completely of paper or paper products, with winners being determined by the appearance of preprinted concealed letters, numbers or symbols that must be exposed by the player to determine wins and losses, such cards being commonly referred to as "pull tabs-" *or "seal cards" which conceal 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.

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

§ 18.2-340.18. Powers and duties of the Commission.

The Commission shall have all powers and duties necessary to carry out the provisions of this article and to exercise the control of charitable gaming as set forth in § 18.2-340.15. Such powers and duties shall include but not be limited to the following:

1. The Commission is vested with jurisdiction and supervision over all charitable gaming authorized under the provisions of this article and including all persons that conduct or provide goods, services or premises used in the conduct of charitable gaming. It may employ such persons as are necessary to ensure that charitable gaming is conducted in conformity with the provisions of this article and the regulations of the Commission. The Commission may designate such agents and employees as it deems necessary and appropriate to be vested with like power to enforce the provisions of this article and the criminal laws of the Commonwealth as is vested in the chief law-enforcement officer of any county, city or town.

2. The Commission, its agents and employees and any law-enforcement officers charged with the enforcement of charitable gaming laws shall have free access to the offices, facilities or any other place of business of any organization, including any premises devoted in whole or in part to the conduct of charitable gaming. These individuals may enter such places or premises for the purpose of carrying out any duty imposed by this article, securing records required to be maintained by an organization,

552 investigating complaints, or conducting audits.

553 3. The Commission may compel the production of any books, documents, records, or memoranda of
554 any organizations or supplier for the purpose of satisfying itself that this article and its regulations are
555 strictly complied with. In addition, the Commission may require the production of an annual balance
556 sheet and operating statement of any person granted a permit pursuant to the provisions of this article
557 and may require the production of any contract to which such person is or may be a party.

558 4. The Commission shall promulgate regulations under which charitable gaming shall be conducted
559 in the Commonwealth and all such other regulations that it deems necessary and appropriate to effect
560 the purposes of this article. Such regulations may include penalties for violations. The regulations shall
561 be subject to the Administrative Process Act (§ 9-6.14:1 et seq.).

562 5. The Commission may issue subpoenas for the attendance of witnesses before it, administer oaths,
563 and compel production of records or other documents and testimony of such witnesses whenever, in the
564 judgment of the Commission, it is necessary to do so for the effectual discharge of its duties.

565 6. The Commission may compel any person holding a permit to file with the Commission such
566 documents, information or data as shall appear to the Commission to be necessary for the performance
567 of its duties.

568 7. The Commission may enter into arrangements with any governmental agency of this or any other
569 state or any locality in the Commonwealth for the purposes of exchanging information or performing
570 any other act to better ensure the proper conduct of charitable gaming.

571 8. The Commission may issue interim certification of tax-exempt status and collect a fee therefor in
572 accordance with subsection B of § 18.2-340.24.

573 9. The Commission shall report annually to the Governor and the General Assembly, which report
574 shall include a financial statement of the operation of the Commission and any recommendations for
575 legislation applicable to charitable gaming in the Commonwealth.

576 10. The Commission, its agents and employees may conduct such audits, in addition to those
577 required by § 18.2-340.31, as they deem necessary and desirable.

578 11. The Commission may limit the number of organizations for which a person may manage, operate
579 or conduct charitable games.

580 12. The Commission may report any alleged criminal violation of this article to the appropriate
581 attorney for the Commonwealth for appropriate action.

582 13. *The Commission may, by regulation, approve variations to the card formats for bingo games*
583 *provided such variations result in bingo games which are conducted in a manner consistent with the*
584 *provisions of this article. Commission-approved variations may include, but are not limited, to bingo*
585 *games commonly referred to as player selection games and 90-number bingo.*

586 § 18.2-340.19. Regulations of the Commission.

587 The Commission shall adopt regulations which:

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

596 2. Require the organization to have at least fifty percent of its membership consist of residents of the
597 Commonwealth and specify the conditions under which a complete list of the organization's ~~membership~~
598 *members who participate in the management, operation or conduct of charitable gaming* may be
599 required in order for the Commission to ascertain the percentage of Virginia residents; however, if an
600 organization (i) does not consist of bona fide members and (ii) is exempt under § 501 (c) (3) of the
601 United States Internal Revenue Code, the Commission shall exempt such organizations from the
602 regulations adopted pursuant to this subdivision.

603 Membership lists furnished to the Commission in accordance with this subdivision shall not be a
604 matter of public record and shall be exempt from disclosure under the provisions of the Freedom of
605 Information Act (§ 2.1-340 et seq.).

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

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

609 5. Define electronic and mechanical equipment used in the conduct of charitable gaming.

610 6. *Prescribe the conditions under which a qualified organization may (i) provide food and*
611 *nonalcoholic beverages to its members who participate in the management, operation or conduct of*
612 *bingo and (ii) permit members who participate in the management, operation or conduct of bingo to*
613 *play bingo.*

7. Prescribe the conditions under which a qualified organization located in the Northern Virginia Planning District may sell raffle tickets for a raffle drawing which will be held outside the Commonwealth pursuant to subsection C 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 eleven 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 eighteen years may play bingo, provided such person (i) has the consent of his parent or legal guardian or (ii) is accompanied by his parent or legal guardian.

§ 18.2-340.20. Denial, suspension or revocation of permit; hearings and appeals.

A. The Commission may deny, suspend or revoke the permit of any organization found not to be in strict compliance with the provisions of this article and the regulations of the Commission. *The action of the Commission in denying, suspending, or revoking any permit shall be subject to the Administrative Process Act (§ 9-6.14:1 et seq.).*

B. ~~No~~ Except as provided in §§ 18.2-340.30 and 18.2-340.36, no permit to conduct charitable gaming shall be denied, suspended or revoked except upon notice stating the proposed basis for such action and the time and place for the hearing. At the discretion of the Commission, hearings may be conducted by hearing officers who shall be selected from the list prepared by the Executive Secretary of the Supreme Court. After a hearing on the issues, the Commission may refuse to issue or may suspend or revoke any such permit if it determines that the organization has not complied with the provisions of this article or the regulations of the Commission.

C. Any person aggrieved by a refusal of the Commission to issue any permit, the suspension or revocation of a permit, or any other action of the Commission, may seek review of such action in accordance with Article 4 (§ 9-6.14:15 et seq.) of the Administrative Process Act.

§ 18.2-340.22. Only raffles, bingo and instant bingo games permitted; prizes not gaming contracts.

A. This article permits qualified organizations ~~and organizations exempted under § 18.2-340.23 from obtaining a permit~~ to conduct raffles, bingo and instant bingo games. All games not explicitly authorized by this article or Commission regulations adopted in accordance with § 18.2-340.18 are prohibited.

B. The award of any prize money for any charitable game shall not be deemed to be part of any gaming contract within the purview of § 11-14.

C. Nothing in this article shall prohibit an organization from using the State Lottery Department's Pick-3 number or any number or other designation selected by the State Lottery Department in connection with any lottery, as the basis for determining the winner of a raffle.

§ 18.2-340.23. Organizations exempt from certain permit, financial reporting and audit requirements.

A. Any organization that, *based on prior charitable gaming annual results or any other quantifiable method*, reasonably expects to realize gross receipts of \$25,000 or less in any twelve-month period and a *any* volunteer fire department or rescue squad or auxiliary unit thereof which has been recognized *in accordance with § 15.1-26.01* by an ordinance or resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a part of the safety program of such political subdivision shall be exempt from the requirements of § 18.2-340.25 if, prior to conducting charitable gaming, it notifies the Commission, on a form prescribed by the Commission, that it will conduct charitable gaming. Any such organizations also shall be exempt from the financial reporting and audit requirements of this article and the payment of audit fees but shall file with the Commission, at such time ~~or times~~ as may be required by the Commission, a resolution of its board of directors stating that the organization has complied with the provisions of this article. If any of the organization's actual gross receipts for the twelve-month period exceed \$25,000, the Commission may require the organization to file by a specified date the report required by § 18.2-340.30. ~~Nothing in this section shall prevent the Commission from conducting any investigation or audit it deems appropriate to ensure the organization's compliance with the provisions of this article or the Commission's regulations.~~

B. *No organization that reasonably expects to realize gross receipts of \$25,000 or less in any twelve-month period shall be required to (i) notify the Commission of its intention to conduct charitable gaming, (ii) file a resolution of its board of directors as required by subsection A, or (iii) comply with Commission regulations.*

C. *Nothing in this section shall prevent the Commission from conducting any investigation or audit it deems appropriate to ensure an organization's compliance with the provisions of this article and, to the extent applicable, Commission regulations.*

§ 18.2-340.25. Annual permit required; application fee; form of application.

A. Except as provided for in § 18.2-340.23, prior to the commencement of any charitable game, an organization shall obtain an annual permit from the Commission.

B. All *complete* applications for a permit shall be acted upon by the Commission within ~~sixty~~ *forty-five* days from the filing thereof. Upon compliance by the applicant with the provisions of this

675 article, and at the discretion of the Commission, a permit may be issued. All permits when issued shall
676 be valid for the period specified in the permit unless it is sooner suspended or revoked. The application
677 shall be a matter of public record.

678 All permits shall be subject to regulation by the Commission to ensure the public safety and welfare
679 in the operation of charitable games. The permit shall only be granted after a reasonable investigation
680 has been conducted by the Commission.

681 C. In no case shall an organization receive more than one permit allowing it to conduct charitable
682 gaming; however, nothing in this section shall be construed to prohibit granting special permits pursuant
683 to § 18.2-340.27.

684 D. Application for a charitable gaming permit shall be made on forms prescribed by the Commission
685 and shall be accompanied by payment of the fee for processing the application.

686 § 18.2-340.26. Sale of raffle tickets; drawings.

687 A. *Except as provided in subsection C*, a qualified organization may sell raffle tickets both in and
688 out of the jurisdiction designated in its permit and shall conduct the drawing within the Commonwealth;
689 ~~however pull-tab devices.~~

690 B. *Pull tabs or seal cards* used as part of a raffle as defined in § 18.2-340.16 may be sold only upon
691 the premises owned or exclusively leased by the organization and at such times as the portion of the
692 premises in which the ~~pull-tab devices~~ *pull tabs or seal cards* are sold is open only to members and
693 their guests.

694 C. *A qualified organization located in the Northern Virginia Planning District may sell raffle tickets*
695 *for a raffle drawing which will be held outside the Commonwealth, provided the raffle is conducted in*
696 *accordance with (i) the regulations of the Commission and (ii) the laws and regulations of the*
697 *jurisdiction in which the raffle drawing will be held.*

698 § 18.2-340.28. Conduct of instant bingo.

699 A. Any organization qualified to conduct bingo games pursuant to the provisions of this article may
700 play instant bingo as a part of such bingo game and only at such location and at such times as
701 designated in the permit for regular bingo games.

702 B. ~~The gross receipts in the course of a reporting year from the playing of instant bingo shall not~~
703 ~~exceed fifty percent of the gross receipts of an organization's bingo operation.~~

704 C. Any organization conducting instant bingo shall maintain a record of the date, quantity and card
705 value of instant bingo supplies purchased as well as the name and address of the supplier of such instant
706 bingo supplies. The organization shall also maintain a written invoice or receipt from a nonmember of
707 the organization verifying any information required by this subsection. Instant bingo supplies shall be
708 paid for only by check drawn on an account of the organization. During the conduct of instant bingo,
709 the supplier's invoice, or a legible true copy thereof, for the instant bingo supplies being used shall be
710 maintained by the organization on the premises where the instant bingo is being conducted.

711 D. No qualified organization shall sell any instant bingo card to any individual under eighteen years
712 of age.

713 § 18.2-340.30. Reports of gross receipts and disbursements required; form of reports; failure to file.

714 A. Each qualified organization shall keep a complete record of all receipts from its charitable gaming
715 operation and all disbursements related to such operation. ~~Each~~ *Except as provided in § 18.2-340.23,*
716 *each* qualified organization shall file at least annually, on a form prescribed by the Commission, a report
717 of all such receipts and disbursements, the amount of money on hand attributable to charitable gaming
718 as of the end of the period covered by the report and any other information related to its charitable
719 gaming operation that the Commission may require. In addition, the Commission, by regulation, may
720 require any qualified organization whose receipts exceed a specified amount during any three-month
721 period to file a report of its receipts and disbursements for such period. All reports filed per this section
722 shall be a matter of public record.

723 B. All reports required by this section shall be acknowledged in the presence of a notary public and
724 filed on or before the date prescribed by the Commission.

725 C. The *annual* financial report shall be accompanied by a certificate, verified under oath, by the
726 board of directors or the executive committee, if any, of the organization stating that the proceeds of
727 charitable gaming have been used only for those purposes specified in § 18.2-340.19 and that the
728 operation of the charitable games has been in accordance with the provisions of this article.

729 D. ~~Any qualified organization having annual gross receipts from charitable gaming in excess of~~
730 ~~\$250,000, as shown on its annual financial report, shall attach to such report an opinion of a licensed~~
731 ~~independent certified public accountant that in all material respects (i) the annual financial report fairly~~
732 ~~presents beginning cash, receipts, operating costs, use of proceeds, and ending cash; (ii) the proceeds of~~
733 ~~all charitable games have been used for those purposes specified in § 18.2-340.19; and (iii) the gross~~
734 ~~receipts have been used in accordance with the provisions of this article. The opinion required by this~~
735 ~~subsection shall be in addition to any other opinion that may be required by the Commission.~~

736 E. ~~Each~~ D. *Except as provided in § 18.2-340.23, each* qualified organization shall designate an

individual who shall be responsible for filing an annual, and, if required, quarterly, financial report if the organization goes out of business or otherwise ceases to conduct charitable gaming activities. The Commission shall require such reports as it deems necessary until all proceeds of any charitable gaming have been used for the purposes specified in § 18.2-340.19 or have been disbursed in a manner approved by the Commission.

~~FE.~~ Each qualified organization shall maintain (i) for three years a written record of the dates on which bingo games are played, the number of people in attendance on each date and the amount of the gross receipts and prizes paid on each day; (ii) a record of the name and address of each individual to whom a regular or special bingo game prize or jackpot from the playing of bingo is awarded, as well as the amount of the award; and (iii) an itemized record of all receipts and disbursements, including operating costs and use of proceeds incurred in operating bingo games.

~~GF.~~ The failure to file reports when due ~~and, when required, the opinion of a licensed independent certified public accountant in accordance with subsection D,~~ shall cause the automatic revocation of the permit, and no organization shall conduct any bingo game or raffle thereafter until the report ~~or the opinion~~ is properly filed and a new permit is obtained. *However, the Commission may grant an extension of time for filing such reports for a period not to exceed 45 days if requested by an organization, provided the organization requests an extension within 15 days of the time such reports are due. For the term of any such extension, the organization's permit shall not be automatically revoked, such organization may continue to conduct charitable gaming, and no new permit shall be required.*

§ 18.2-340.31. Audit of reports; exemption; audit and administration fee.

A. Except as provided in § 18.2-340.23, all reports filed pursuant to § 18.2-340.30 shall be subject to audit by the Commission in accordance with Commission regulations. *The Commission may engage the services of independent certified public accountants to perform any audits deemed necessary to fulfill the Commission's responsibilities under this article.*

B. The Commission shall prescribe a reasonable audit and administration fee ~~not to exceed the actual cost of the audit if the audit is conducted by an independent auditor or accountant, or if the audit is conducted by the Commission, to be paid by any organization conducting charitable gaming under a permit issued by the Commission unless the organization is exempt from such fee pursuant to § 18.2-340.23. Such fee shall not exceed two one and one-half percent of (i) the gross receipts which an organization reports pursuant to § 18.2-340.30 and (ii) the interest income on money the organization has received from charitable gaming operations. Beginning July 1, 1998, the audit and administration fee charged by the Commission shall not exceed one and one-quarter percent of the gross receipts which an organization reports pursuant to § 18.2-340.30.~~ The audit and administration fee shall accompany each annual report or each three-month report if such report is required by the Commission pursuant to § 18.2-340.30.

C. The audit and administration fee shall be payable to the Commission. All ~~audit~~ such fees received by the Commission shall be separately accounted for and shall be used only for the purposes of auditing and regulating charitable gaming.

§ 18.2-340.32. Authority of local governments; proceeds exempt from local taxation; exemption.

A. The governing body of any county, city or town may adopt an ordinance consistent with this article and the regulations of the Commission which (i) prohibits the playing of instant bingo and (ii) establishes reasonable hours during which bingo games may be played within such jurisdiction. If the governing body of any town adopts an ordinance pursuant to the provisions of this section, such town shall not be subject to any ordinance adopted by the county within which such town lies.

B. *No governing body of any county, city or town may impose a gross receipts, entertainment, admission or any other tax based on revenues of qualified organizations derived from the conduct of charitable gaming.*

The provisions of this subsection shall not apply to any local governing body located within the Hampton Roads Planning District, and any such tax imposed shall not be considered part of the gross receipts of a qualified organization for the purposes of subdivision 1 of § 18.2-340.19 and subdivision 1 of § 18.2-340.33.

§ 18.2-340.33. Prohibited practices.

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

1. No part of the gross receipts derived by a qualified organization may be used for any purpose other than (i) reasonable and proper operating costs, (ii) publicizing the time and date of charitable gaming, (iii) prizes, (iv) those lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized, and (v) expenses relating to the acquisition, construction, maintenance, or repair of any interest in the real property involved in the operation of the organization and used for lawful religious, charitable, community or educational purposes. *For the*

purposes of clause (v), such expenses may include the expenses of a corporation formed for the purpose of serving as the real estate holding entity of a qualified organization, provided (a) such holding entity is qualified as a tax exempt organization under § 501 (c) (3), (7) or (10) of the Internal Revenue Code and (b) the membership of the qualified organization is identical to such holding entity.

2. No qualified organization shall enter into a contract with, or otherwise employ for compensation any person for the purpose of organizing, managing, or conducting any charitable games. However, organizations composed of or for deaf or blind persons may use a part of their gross receipts for costs associated with providing clerical assistance in the conduct of charitable gaming.

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

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

4. No building or other premises shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than two calendar days in any one calendar week. However, no building or other premises owned by (i) a qualified organization which is exempt from taxation pursuant to § 501 (c) of the Internal Revenue Code or (ii) any county, city or town shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than four calendar days in any one calendar week.

The provisions of this subdivision shall not apply to the playing of bingo games pursuant to a special permit issued in accordance with § 18.2-340.27.

5. No person shall participate in the management, operation or conduct of any charitable game unless such person is and, for a period of at least ~~ninety~~ thirty days immediately preceding such participation, has been a bona fide member of the organization; ~~however, the~~.

The provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a qualified organization, provided such employees' participation is limited to the management, operation or conduct of no more than one raffle per year; or (iii) the spouse or family member of any such bona fide member of a qualified organization provided at least one bona fide member is present.

6. 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 thirty dollars per event for providing clerical assistance in the conduct of charitable games only for such organizations;

b. Persons under the age of nineteen 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; ~~and~~

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; *and*

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 Commission regulations.

7. 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, markers, 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. If equipment or services are included by a landlord in any lease or contract, the lease or contract shall itemize the amount attributable to the rent of the premises, equipment, and each service to be provided by the landlord.

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

8. 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.

9. 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 \$25;
- b. No regular bingo or special bingo game prize shall exceed \$100;
- c. No instant bingo prize for a single card shall exceed \$500; and
- d. No bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one calendar day exceed \$1,000.

The provisions of this subdivision shall not apply to any bingo game in which all the gross receipts from players for that game, *up to \$1,000*, are paid as prize money back to the players, provided there is no more than one such game per calendar day of play and the prize money from any such game does not exceed \$1,000, such games being commonly referred to as "winner-take-all" games.

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

The provisions of this subdivision shall not apply to (i) a raffle conducted no more than once per calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501 (c) (3) 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) (3) tax-exempt organization or (ii) ~~pull-tab devices~~ *pull tabs or seal cards* when played as permitted in § 18.2-340.26, which prize award for a single card shall not exceed \$500.

11. No qualified organization composed of or for deaf or blind persons which employs a person not a member to provide clerical assistance in the conduct of any charitable games shall conduct such games unless it has in force fidelity insurance, as defined in § 38.2-120, written by an insurer licensed to do business in the Commonwealth.

12. No person shall participate in the management, operation or conduct of any charitable game if, within the preceding five years, he has been convicted of a felony or crime of moral turpitude. 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 Commission or a court of competent jurisdiction to have been operated in violation of state law, local ordinance or Commission regulation.

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

§ 18.2-340.34. Suppliers of charitable gaming supplies; registration; qualification; suspension, revocation or refusal to renew certificate; maintenance, production, and release of records.

A. No person shall offer to sell, sell or otherwise provide charitable gaming supplies to any qualified organization unless and until such person has made application for and has been issued a registration certificate by the Commission. An application for registration shall be made on forms prescribed by the Commission and shall be accompanied by a fee in the amount of \$500. 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 \$500 and shall be made on forms prescribed by the Commission.

B. The Commission shall have authority to prescribe by regulation reasonable criteria consistent with the provisions of this article for the registration of suppliers. The Commission may refuse to register any supplier who has, or which has any officer, director, partner, or owner who has (i) 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; (ii) been convicted of or pleaded nolo contendere to a crime involving gambling; (iii) 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 (iv) 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 Commission may suspend, revoke or refuse to renew the registration certificate of any supplier for any conduct described in subsection B or for any violation of this article or regulation of the Commission. Before taking any such action, the Commission shall give the supplier a written statement of the grounds upon which it proposes to take such action and an opportunity to be heard. *Every hearing in a contested case shall be conducted in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.).*

921 D. Each supplier shall document each sale of charitable gaming supplies to a qualified organization
922 on an invoice which clearly shows (i) the name and address of the qualified organization to which the
923 supplies were sold; (ii) the date of the sale; (iii) the name or form and serial number of each deal of
924 instant bingo cards and pull-tab raffle cards, the quantity of deals sold and the price per deal paid by the
925 qualified organization; (iv) the serial number of the top sheet in each packet of bingo paper, the serial
926 number for each series of uncollated bingo paper, and the cut, color and quantity of bingo paper sold;
927 and (v) any other information with respect to items of charitable gaming supplies as the Commission
928 may prescribe by regulation. A legible copy of the invoice shall accompany the charitable gaming
929 supplies when delivered to the qualified organization.

930 E. Each supplier shall maintain a legible copy of each invoice required by subsection D for a period
931 of three years from the date of sale. Each supplier shall make such documents immediately available for
932 inspection and copying to any agent or employee of the Commission upon request made during normal
933 business hours. This subsection shall not limit the right of the Commission to require the production of
934 any other documents in the possession of the supplier which relate to its transactions with qualified
935 organizations. *All documents and other information of a proprietary nature furnished to the Commission*
936 *in accordance with this subsection shall not be a matter of public record and shall be exempt from*
937 *disclosure under the provisions of the Freedom of Information Act (§ 2.1-340 et seq.).*

938 **2. That Article 1.1:1 (§§ 18.2-340.15 through 18.2-340.38) of Chapter 8 of Title 18.2 of the Code of**
939 **Virginia is repealed effective July 1, 1999.**

940 **3. That the provisions of the second enactment of this act shall not become effective unless**
941 **reenacted by the 1999 Session of the General Assembly.**