

SENATE BILL NO. 403

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology

on _____)

(Patron Prior to Substitute--Senator Reeves)

A BILL to amend and reenact §§ 18.2-340.16, 18.2-340.19, 18.2-340.20, 18.2-340.23, 18.2-340.26:1, 18.2-340.27, 18.2-340.28, 18.2-340.28:1, and 18.2-340.30 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 18.2-340.26:3 and 18.2-340.30:2, relating to charitable gaming.

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-340.16, 18.2-340.19, 18.2-340.20, 18.2-340.23, 18.2-340.26:1, 18.2-340.27, 18.2-340.28, 18.2-340.28:1, and 18.2-340.30 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 18.2-340.26:3 and 18.2-340.30:2 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.

26 "Charitable gaming supplies" includes bingo cards or sheets, devices for selecting bingo numbers,
27 instant bingo cards, pull-tab cards and seal cards, playing cards for Texas Hold'em poker, poker chips, and
28 any other equipment or product manufactured for or intended to be used in the conduct of charitable
29 games. However, for the purposes of this article, charitable gaming supplies shall not include items
30 incidental to the conduct of charitable gaming such as markers, wands, or tape.

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

33 "Conduct" means the actions associated with the provision of a gaming operation during and
34 immediately before or after the permitted activity, which may include, but not be limited to, (i) selling
35 bingo cards or packs, electronic devices, instant bingo or pull-tab cards, or raffle tickets, (ii) calling bingo
36 games, (iii) distributing prizes, and (iv) any other services provided by volunteer workers.

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

38 "Electronic gaming" means any instant bingo, pull tabs, or seal card gaming that is conducted
39 primarily by use of an electronic device. "Electronic gaming" does not include (i) the game of chance
40 identified in clause (ii) of the definition of "bingo" or (ii) network bingo.

41 "Electronic gaming adjusted gross receipts" means the gross receipts derived from electronic
42 gaming less the total amount in prize money paid out to players.

43 "Fair market rental value" means the rent that a rental property will bring when offered for lease
44 by a lessor who desires to lease the property but is not obligated to do so and leased by a lessee under no
45 necessity of leasing.

46 "Gaming expenses" means prizes, supplies, costs of publicizing gaming activities, audit and
47 administration or permit fees, and a portion of the rent, utilities, accounting and legal fees and such other
48 reasonable and proper expenses as are directly incurred for the conduct of charitable gaming.

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

51 "Instant bingo," "pull tabs," or "seal cards" means specific games of chance played by the random
52 selection of one or more individually prepacked cards, ~~including Department-approved electronic versions~~

53 ~~thereof~~, with winners being determined by the preprinted or predetermined appearance of concealed
54 letters, numbers or symbols that must be exposed by the player to determine wins and losses and may
55 include the use of a seal card which conceals one or more numbers or symbols that have been designated
56 in advance as prize winners. Such cards may be dispensed by ~~electronic or~~ mechanical equipment.

57 "Jackpot" means a bingo game that the organization has designated on its game program as a
58 jackpot game in which the prize amount is greater than \$100.

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

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

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

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

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

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 agency
77 is located as being a part of the safety program of such political subdivision;

78 2. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue
79 Code, is operated, and has always been operated, exclusively for educational purposes, and awards

80 scholarships to accredited public institutions of higher education or other postsecondary schools licensed
81 or certified by the Board of Education or the State Council of Higher Education for Virginia;

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

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

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

87 6. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue
88 Code and is operated, and has always been operated, exclusively to provide services and other resources
89 to older Virginians, as defined in § 51.5-116;

90 7. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue
91 Code and is operated, and has always been operated, exclusively to foster youth amateur sports;

92 8. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue
93 Code and is operated, and has always been operated, exclusively to provide health care services or conduct
94 medical research;

95 9. An accredited public institution of higher education or other postsecondary school licensed or
96 certified by the Board of Education or the State Council of Higher Education for Virginia that is exempt
97 from income tax pursuant to § 501(c)(3) of the Internal Revenue Code;

98 10. A church or religious organization that is exempt from income tax pursuant to § 501(c)(3) of
99 the Internal Revenue Code;

100 11. An organization that is exempt from income tax pursuant to § 501(c)(3) or 501(c)(4) of the
101 Internal Revenue Code and is operated, and has always been operated, exclusively to (i) create and foster
102 a spirit of understanding among the people of the world; (ii) promote the principles of good government
103 and citizenship; (iii) take an active interest in the civic, cultural, social, and moral welfare of the
104 community; (iv) provide a forum for the open discussion of matters of public interest; (v) encourage
105 individuals to serve the community without personal financial reward; and (vi) encourage efficiency and
106 promote high ethical standards in commerce, industries, professions, public works, and private endeavors;

107 12. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue
108 Code and is operated, and has always been operated, exclusively to (i) raise awareness of law-enforcement
109 officers who died in the line of duty; (ii) raise funds for the National Law Enforcement Officers Memorial
110 and Museum; and (iii) raise funds for the charitable causes of other organizations that are exempt from
111 income tax pursuant to § 501(c)(3) of the Internal Revenue Code;

112 13. An organization that is exempt from income tax pursuant to § 501(c)(3) of the Internal Revenue
113 Code and is operated, and has always been operated, exclusively to (i) promote the conservation of the
114 environment, caves, or other natural resources; (ii) promote or develop opportunities for the use of science
115 and technology to advance the conservation of the environment, caves, or other natural resources; and (iii)
116 raise funds for the conservation of the environment, caves, or other natural resources or provide grant
117 opportunities to other nonprofit organizations that are devoted to such conservation efforts;

118 14. A local chamber of commerce; or

119 15. Any other nonprofit organization that is exempt from income tax pursuant to § 501(c) of the
120 Internal Revenue Code and that raises funds by conducting raffles, bingo, instant bingo, pull tabs, or seal
121 cards that generate annual gross receipts of \$40,000 or less, provided that such gross receipts, less
122 expenses and prizes, are used exclusively for charitable, educational, religious or community purposes.
123 Notwithstanding § 18.2-340.26:1, proceeds from instant bingo, pull tabs, and seal cards shall be included
124 when calculating an organization's annual gross receipts for the purposes of this subdivision.

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

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

132 "Raffle" means a lottery in which the prize is won by (i) a random drawing of the name or
133 prearranged number of one or more persons purchasing chances or (ii) a random contest in which the

134 winning name or preassigned number of one or more persons purchasing chances is determined by a race
135 involving inanimate objects floating on a body of water, commonly referred to as a "duck race."

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

145 "Social organization" means any qualified organization that provides certification to the
146 Department that it is:

147 1. A club organized for pleasure, recreation, and other nonprofitable purposes qualified under §
148 501(c)(7) of the Internal Revenue Code;

149 2. A fraternal beneficiary society, order, or association qualified under § 501(c)(8) of the Internal
150 Revenue Code;

151 3. A domestic fraternal society, order, or association qualified under § 501(c)(10) of the Internal
152 Revenue Code; or

153 4. A post or organization of past or present members of the Armed Forces of the United States, or
154 an auxiliary unit or society of, or a trust or foundation for, any such post or organization qualified under
155 § 501(c)(19) of the Internal Revenue Code.

156 "Social quarters" means an area at a social organization's primary location that (i) such
157 organization designates to be used predominantly by its members for social and recreational activities, (ii)
158 is accessible exclusively to members of the social organization and their guests, and (iii) is not advertised
159 or open to the general public. It shall not disqualify the area from being considered social quarters if guests
160 occasionally accompany members into the area, so long as such guests do not spend their own funds to

161 participate in charitable gaming activities conducted in the area. In determining if an area is social quarters
162 for purposes of § 18.2-340.26:3, the Department may rely on publications of the Internal Revenue Service
163 regarding the allowable participation of guests in an organization's social and recreational activities for
164 purposes of § 501 of the Internal Revenue Code.

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

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

172 "Texas Hold'em poker tournament" or "tournament" means an organized competition of players
173 (i) who pay a fixed fee for entry into the competition and for a certain amount of poker chips for use in
174 the competition; (ii) who may be allowed to pay an additional fee, during set preannounced times of the
175 competition, to receive additional poker chips for use in the competition; (iii) who may be seated at one
176 or more tables simultaneously playing Texas Hold'em poker games; (iv) who upon running out of poker
177 chips are eliminated from the competition; and (v) a pre-set number of whom are awarded prizes of value
178 according to how long such players remain in the competition.

179 **§ 18.2-340.19. Regulations of the Board.**

180 A. The Board shall adopt regulations that:

181 1. Require, as a condition of receiving a permit, that the applicant use a predetermined percentage
182 of its gross receipts, or with respect to electronic gaming, a predetermined percentage of its electronic
183 gaming adjusted gross receipts, for (i) those lawful religious, charitable, community, or educational
184 purposes for which the organization is specifically chartered or organized or (ii) those expenses relating
185 to the acquisition, construction, maintenance, or repair of any interest in real property involved in the
186 operation of the organization and used for lawful religious, charitable, community, or educational
187 purposes.

188 2. Specify the conditions under which a complete list of the organization's members who
189 participate in the management, operation or conduct of charitable gaming may be required in order for the
190 Board to ascertain the percentage of Virginia residents in accordance with subdivision A 3 of § 18.2-
191 340.24.

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

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

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

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

210 6. Prescribe the conditions under which a qualified organization may (i) provide food and
211 nonalcoholic beverages to its members who participate in the management, operation or conduct of bingo;
212 (ii) permit members who participate in the management, operation or conduct of bingo to play bingo; and
213 (iii) subject to the provisions of subdivision 12 of § 18.2-340.33, permit nonmembers to participate in the

214 conduct of bingo so long as the nonmembers are under the direct supervision of a bona fide member of
215 the organization during the bingo game.

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

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

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

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

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

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

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

238 **§ 18.2-340.20. Denial, suspension, or revocation of permit; hearings and appeals.**

239 A. The Department may deny, suspend, or revoke the permit of any organization found not to be
240 in strict compliance with the provisions of this article and the regulations of the Board only after the

241 proposed action by the Department has been reviewed and approved by the Board. The action of the
242 Department in denying, suspending, or revoking any permit shall be subject to the Administrative Process
243 Act (§ 2.2-4000 et seq.).

244 B. Except as provided in §§ 18.2-340.25, 18.2-340.30, and 18.2-340.36, no permit to conduct
245 charitable gaming or electronic gaming shall be denied, suspended, or revoked except upon notice stating
246 the proposed basis for such action and the time and place for the hearing. At the discretion of the
247 Department, hearings may be conducted by hearing officers who shall be selected from the list prepared
248 by the Executive Secretary of the Supreme Court. After a hearing on the issues, the Department may refuse
249 to issue or may suspend or revoke any such permit if it determines that the organization has not complied
250 with the provisions of this article or the regulations of the Board.

251 C. Any person aggrieved by a refusal of the Department to issue any permit, the suspension or
252 revocation of a permit, or any other action of the Department may seek review of such action in accordance
253 with Article 4 (§ 2.2-4025 et seq.) of the Administrative Process Act.

254 **§ 18.2-340.23. Organizations exempt from certain fees and reports.**

255 A. No organization that reasonably expects, based on prior charitable gaming annual results or any
256 other quantifiable method, to realize gross receipts of \$40,000 or less in any 12-month period from raffles
257 conducted in accordance with the provisions of this article shall be required to (i) notify the Department
258 of its intention to conduct raffles or (ii) comply with Board regulations governing raffles. If any
259 organization's actual gross receipts from raffles for the 12-month period exceed \$40,000, the Department
260 shall require the organization to file by a specified date the report required by § 18.2-340.30.

261 B. Any (i) organization described in subdivision 15 of the definition of "organization" in § 18.2-
262 340.16 or (ii) volunteer fire department or volunteer emergency medical services agency or auxiliary unit
263 thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the
264 political subdivision where the volunteer fire department or volunteer emergency medical services agency
265 is located as being part of the safety program of such political subdivision shall be exempt from the
266 payment of application fees required by § 18.2-340.25 and the payment of audit fees required by § 18.2-
267 340.31. However, any such organization, department, agency, or unit that conducts electronic gaming

268 shall be subject to such application and audit fees for its electronic gaming activities. Nothing in this
269 subsection shall be construed as exempting any organizations described in subdivision 15 of the definition
270 of "organization" in § 18.2-340.16, volunteer fire departments, or volunteer emergency medical services
271 agencies from any other provisions of this article or other Board regulations.

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

275 **§ 18.2-340.26:1. Sale of instant bingo, pull tabs, or seal cards.**

276 A. Instant bingo, pull tabs, or seal cards may be sold only (i) by a qualified organization, as defined
277 in § 18.2-340.16, (ii) upon premises that are owned or exclusively and entirely leased by the qualified
278 organization, and (iii) at such times that the premises in which the instant bingo, pull tabs, or seal cards
279 are sold is open only to members and their guests via controlled access. No organization, ~~except for an~~
280 ~~association of war veterans or auxiliary units thereof organized in the United States or a fraternal~~
281 ~~association or corporation operating under the lodge system,~~ may sell instant bingo, pull tabs, or seal cards
282 (a) at a location outside of the county, city, or town in which the organization's principal office, as
283 registered with the State Corporation Commission, is located or in an adjoining county, city, or town or
284 (b) at an establishment that has been granted a license pursuant to Chapter 2 (§ 4.1-200 et seq.) of Title
285 4.1 unless such license is held by the organization. Nothing in this article shall be construed to prohibit
286 the conduct of games of chance involving the sale of pull tabs, or seal cards, commonly known as last sale
287 games, conducted in accordance with this section or, if such games are electronic games, in accordance
288 with § 18.2-340.26:3.

289 ~~B. Except as otherwise provided in subdivision 15 of the definition of "organization" in § 18.2-~~
290 ~~340.16, the proceeds from instant bingo, pull tabs, or seal cards shall not be included in determining the~~
291 ~~gross receipts for a qualified organization provided the gaming (i) is limited exclusively to members of~~
292 ~~the organization and their guests, (ii) is not open to the general public, and (iii) there is no public~~
293 ~~solicitation or advertisement made regarding such gaming~~ It is prohibited to use an electronic device to
294 conduct instant bingo, pull tabs, or seal cards except as permitted under § 18.2-340.26:3.

295 ~~C. No more than 18 devices that facilitate the play of electronic versions of instant bingo, pull tabs,~~
296 ~~or seal cards, commonly referred to as electronic pull tabs, may be used upon the premises owned or~~
297 ~~exclusively leased by the organization and at such times as the portion of the premises in which the instant~~
298 ~~bingo, pull tabs, or seal cards are sold is open only to members and their guests.~~

299 **§ 18.2-340.26:3. Electronic gaming.**

300 A. The Department may issue a permit to a social organization to conduct electronic gaming within
301 social quarters at the organization's primary location where it regularly conducts business. No other
302 electronic gaming shall be allowed under this article. Any person who conducts or participates in
303 electronic gaming that is not permitted under this section shall be subject to the penalties specified in §
304 18.2-340.37.

305 B. A social organization may apply to the Department for a permit under this section in accordance
306 with the procedures established under §§ 18.2-340.20 and 18.2-340.25. Any fee charged by the
307 Department for an electronic gaming permit shall be in addition to any fee charged for a charitable gaming
308 permit. The Department may issue only one electronic gaming permit to each social organization. Any
309 issued permit shall identify its expiration date and the number of electronic gaming devices authorized at
310 the location.

311 C. A social organization is prohibited from advertising electronic gaming to the general public.

312 D. The Department may authorize a maximum of 18 electronic gaming devices at a location. Each
313 such device shall bear a mark indicating it has been authorized by the Department.

314 E. An electronic gaming manufacturer that has been issued a permit by the Department in
315 accordance with § 18.2-340.34 shall report all receipts from electronic games pursuant to the provisions
316 of § 18.2-340.30:2.

317 F. The use of electronic pull tab devices utilizing multiple video monitors or touchscreens shall be
318 limited to one player at a time.

319 G. No qualified organization shall allow any individual younger than 21 years of age to participate
320 in electronic gaming. No individual younger than 21 years of age shall participate in electronic gaming or
321 otherwise use an electronic device to play or redeem any instant bingo, pull tabs, or seal cards.

322 **§ 18.2-340.27. Conduct of bingo games.**

323 A. A qualified organization shall accept only cash or, at its option, checks or debit cards in payment
324 of any charges or assessments for players to participate in bingo games. However, no such organization
325 shall accept postdated checks in payment of any charges or assessments for players to participate in bingo
326 games.

327 B. No qualified organization or any person on the premises shall extend lines of credit or accept
328 any credit or other electronic fund transfer other than debit cards in payment of any charges or assessments
329 for players to participate in bingo games.

330 C. Bingo games may be held by qualified organizations on any calendar day.

331 D. Qualified organizations may hold an unlimited number of bingo sessions on any calendar day.

332 E. Any organization may conduct bingo games only in the county, city, or town in which its
333 principal office, as registered with the State Corporation Commission, is located or in an adjoining county,
334 city, or town. An organization shall have only one principal office. An organization may not conduct bingo
335 games at an establishment that has been granted a license pursuant to Chapter 2 (§ 4.1-200 et seq.) of Title
336 4.1 unless such license is held by the organization. ~~This subsection shall not apply to any association of
337 war veterans or auxiliary units thereof organized in the United States or any fraternal association or
338 corporation operating under the lodge system.~~

339 **§ 18.2-340.28. Conduct of instant bingo, network bingo, pull tabs, and seal cards.**

340 A. Any organization qualified to conduct bingo games pursuant to the provisions of this article
341 may also play instant bingo, network bingo, pull tabs, or seal cards; however, such games shall be played
342 only at such times designated in the permit for regular bingo games and only at locations at which the
343 organization is authorized to conduct regular bingo games pursuant to subsection E of § 18.2-340.27. It is
344 prohibited to use an electronic device to conduct instant bingo, pull tabs, or seal cards except as permitted
345 under § 18.2-340.26:3.

346 B. Any organization conducting instant bingo, network bingo, pull tabs, or seal cards shall
347 maintain a record of the date, quantity and card value of instant bingo supplies purchased as well as the
348 name and address of the supplier of such supplies. The organization shall also maintain a written invoice

349 or receipt from a nonmember of the organization verifying any information required by this subsection.
350 Such supplies shall be paid for only by check drawn on the gaming account of the organization. A
351 complete inventory of all such gaming supplies shall be maintained by the organization on the premises
352 where the gaming is being conducted.

353 C. No qualified organization shall sell any instant bingo, network bingo, pull tabs, or seal cards to
354 any individual younger than 18 years of age. No individual younger than 18 years of age shall play or
355 redeem any instant bingo, network bingo, pull tabs, or seal cards.

356 ~~D. The use of electronic pull tab devices utilizing multiple video monitors or touchscreens shall~~
357 ~~be limited to one player at a time.~~

358 **§ 18.2-340.28:1. Conduct of network bingo.**

359 A. Any organization qualified to conduct bingo games pursuant to the provisions of this article
360 may also sell network bingo cards; however, network bingo shall be sold only at such times designated in
361 the permit for regular bingo games and only at locations at which the organization is authorized to conduct
362 regular bingo games pursuant to subsection E of § 18.2-340.27.

363 B. Any organization selling network bingo cards shall maintain a record of the date and quantity
364 of network bingo cards purchased from a licensed network bingo provider. The organization shall also
365 maintain a written invoice or receipt from a licensed supplier verifying any information required by this
366 subsection. Such supplies shall be paid for only by check drawn on the gaming account of the organization
367 or by electronic fund transfer. A complete inventory of all such gaming supplies shall be maintained by
368 the organization on the premises where network bingo cards are sold.

369 C. No qualified organization shall sell any network bingo cards to any individual younger than 18
370 years of age. No individual younger than 18 years of age shall play or redeem any network bingo cards.

371 D. A qualified organization shall accept only cash or, at its option, checks or debit cards in payment
372 of any charges or assessments for players to participate in any network bingo game. However, no such
373 organization shall accept postdated checks in payment of any charges or assessments for players to
374 participate in network bingo games.

375 E. No qualified organization or any person on the premises shall extend lines of credit or accept
376 any credit or other electronic fund transfer other than debit cards in payment of any charges or assessments
377 for players to participate in network bingo games.

378 F. No qualified organization shall conduct network bingo more frequently than one day in any
379 calendar week, which shall not be the same day of each week.

380 G. No network bingo games shall be permitted in the social quarters of an organization ~~that are~~
381 ~~open only to the organization's members and their guests.~~

382 H. No qualified organization shall sell network bingo cards on the Internet or other online service
383 or allow the play of network bingo on the Internet or other online service. However, the location where
384 network bingo games are conducted shall be equipped with a video monitor, television, or video screen,
385 or any other similar means of visually displaying a broadcast or signal, that relays live, real-time video of
386 the numbers as they are called by a live caller. The Internet or other online service may be used to relay
387 information about winning players.

388 I. Qualified organizations may award network bingo prizes on a graduated scale; however, no
389 single network bingo prize shall exceed \$25,000.

390 J. Nothing in this section shall be construed to prohibit an organization from participating in more
391 than one network bingo network.

392 **§ 18.2-340.30. Reports of gross receipts and disbursements required; form of reports; failure**
393 **to file.**

394 A. 1. Each qualified organization shall keep a complete record of all ~~inventory~~;

395 a. Inventory of charitable gaming supplies purchased, ~~all receipts~~;

396 b. Receipts from its charitable gaming operation, ~~and all disbursements~~ including a breakdown of
397 receipts attributable to each type of game offered.

398 c. Disbursements related to ~~such~~ its charitable gaming operation, including a breakdown of
399 disbursements for each purpose specified in subdivision 1 of § 18.2-340.33.

400 2. Except as provided in ~~§~~ §§ 18.2-340.23 and 18.2-340.30:2, each qualified organization shall file
401 at least annually, on a form prescribed by the Department, a report of all ~~such~~ receipts and disbursements

402 specified in subdivision 1, the amount of money on hand attributable to charitable gaming as of the end
403 of the period covered by the report, and any other information related to its charitable gaming operation
404 that the Department may require. In addition, the Board, by regulation, may require any qualified
405 organization whose net receipts exceed a specified amount during any three-month period to file a report
406 of its receipts and disbursements for such period. All reports filed pursuant to this section shall be a matter
407 of public record.

408 B. All reports required by this section shall be filed on or before the date prescribed by the
409 Department. The Board, by regulation, shall establish a schedule of late fees to be assessed for any
410 organization that fails to submit required reports by the due date.

411 C. Except as provided in § 18.2-340.23, each qualified organization shall designate or compensate
412 an outside individual or group who shall be responsible for filing an annual, and, if required, quarterly,
413 financial report if the organization goes out of business or otherwise ceases to conduct charitable gaming
414 activities. The Department shall require such reports as it deems necessary until all proceeds of any
415 charitable gaming have been used for the purposes specified in § 18.2-340.19 or have been disbursed in a
416 manner approved by the Department.

417 D. Each qualified organization shall maintain for three years a complete written record of (i) all
418 charitable gaming sessions using Department prescribed forms or reasonable facsimiles thereof approved
419 by the Department; (ii) the name and address of each individual to whom is awarded any charitable gaming
420 prize or jackpot that meets or exceeds the requirements of Internal Revenue Service Publication 3079, as
421 well as the amount of the award; and (iii) an itemized record of all receipts and disbursements, including
422 operating costs and use of proceeds incurred in operating bingo games.

423 E. The failure to file reports within 30 days of the time such reports are due shall cause the
424 automatic revocation of the permit, and no organization shall conduct any bingo game or raffle thereafter
425 until the report is properly filed and a new permit is obtained. However, the Department may grant an
426 extension of time for filing such reports for a period not to exceed 45 days if requested by an organization,
427 provided the organization requests an extension within 15 days of the time such reports are due and all
428 projected fees are paid. For the term of any such extension, the organization's permit shall not be

429 automatically revoked, such organization may continue to conduct charitable gaming, and no new permit
430 shall be required.

431 **§ 18.2-340.30:2. Reports of electronic gaming adjusted gross receipts required; form of**
432 **reports; failure to file.**

433 A. Each electronic gaming manufacturer that holds a permit issued by the Department pursuant to
434 § 18.2-340.34 shall keep a complete record of all electronic gaming adjusted gross receipts and shall file
435 at least annually, on a form prescribed by the Department, a report of all such receipts and any other
436 information related to the manufacture of electronic games that the Department may require.

437 B. The report required by this section shall be filed on or before the date prescribed by the
438 Department. The Board, by regulation, shall establish a schedule of late fees to be assessed for any
439 electronic gaming manufacturer that fails to submit required reports by the due date.

440 C. Each electronic gaming manufacturer shall maintain for three years a complete written record
441 of all electronic gaming adjusted gross receipts.

442 D. The failure to file the report required by this section within 30 days of the time such report is
443 due shall cause the automatic revocation of the electronic gaming manufacturer's permit, and no such
444 manufacturer shall manufacture any new electronic gaming device until the report is properly filed and a
445 new permit is obtained. However, the Department may grant an extension of time for filing such report
446 for a period not to exceed 45 days if requested by a manufacturer, provided that the manufacturer requests
447 an extension within 15 days of the time such report is due and all projected fees are paid. For the term of
448 any such extension, the manufacturer's permit shall not be automatically revoked, such manufacturer may
449 continue to manufacture electronic gaming devices, and no new permit shall be required.

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