

HOUSE BILL NO. 590

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws

on _____)

(Patron Prior to Substitute--Delegate Hayes)

A BILL to amend and reenact §§ 2.2-3711, as it is currently effective and as it shall become effective, 18.2-325, 18.2-334, 19.2-389, 37.2-314.2, 58.1-4002, 58.1-4003, 58.1-4006, 58.1-4007, 58.1-4015.1, 58.1-4048, and 58.1-4103 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 3 of Title 11 a section numbered 11-16.3, by adding a section numbered 18.2-334.7, and by adding in Title 58.1 a chapter numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4225, relating to regulation of electronic gaming devices; penalties.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-3711, as it is currently effective and as it shall become effective, 18.2-325, 18.2-334, 19.2-389, 37.2-314.2, 58.1-4002, 58.1-4003, 58.1-4006, 58.1-4007, 58.1-4015.1, 58.1-4048, and 58.1-4103 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 3 of Title 11 a section numbered 11-16.3, by adding a section numbered 18.2-334.7, and by adding in Title 58.1 a chapter numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4225, as follows:

§ 2.2-3711. (Effective until date pursuant to Acts 2023, cc. 756 and 778, cl. 5) Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve

discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

4. The protection of the privacy of individuals in personal matters not related to public business.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

6. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal

counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

9. Discussion or consideration by governing boards of public institutions of higher education of matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in the Commonwealth shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

81 13. Discussion, consideration, or review by the appropriate House or Senate committees of
82 possible disciplinary action against a member arising out of the possible inadequacy of the disclosure
83 statement filed by the member, provided the member may request in writing that the committee meeting
84 not be conducted in a closed meeting.

85 14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or
86 to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing
87 body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position
88 of the governing body or the establishment of the terms, conditions and provisions of the siting agreement,
89 or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

90 15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic
91 activity and estimating general and nongeneral fund revenues.

92 16. Discussion or consideration of medical and mental health records subject to the exclusion in
93 subdivision 1 of § 2.2-3705.5.

94 17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to
95 subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and
96 discussion, consideration, or review of Virginia Lottery matters related to proprietary lottery game
97 information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3
98 and subdivision 11 of § 2.2-3705.7.

99 18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or
100 discloses the identity of, or information tending to identify, any prisoner who (i) provides information
101 about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or
102 in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders
103 other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

104 19. Discussion of plans to protect public safety as it relates to terrorist activity or specific
105 cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement
106 or emergency service officials concerning actions taken to respond to such matters or a related threat to
107 public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2,

where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building, or structure, or the safety of persons using such facility, building, or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Virginia College Savings Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding, or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared by the retirement system, or a local finance board or board of trustees, or the Virginia College Savings Plan or provided to the retirement system, a local finance board or board of trustees, or the Virginia College Savings Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested, or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established

pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of meetings in which individual death cases of persons with developmental disabilities are discussed by the Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

22. Those portions of meetings of the board of visitors of the University of Virginia or the Eastern Virginia Medical School Board of Visitors, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, including business development or marketing strategies and activities with existing or future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or Eastern Virginia Medical School, as the case may be, has formed, or forms, any arrangement for the delivery of health care, if disclosure of such information would adversely affect the competitive position of the Medical Center or Eastern Virginia Medical School, as the case may be.

23. Discussion or consideration by the Virginia Commonwealth University Health System Authority or the board of visitors of Virginia Commonwealth University of any of the following: the acquisition or disposition by the Authority of real property, equipment, or technology software or hardware and related goods or services, where disclosure would adversely affect the bargaining position or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing or operational strategies plans of the Authority where disclosure of such strategies or plans would adversely affect the competitive position of the Authority; and members of the Authority's medical and teaching staffs and qualifications for appointments thereto.

162 24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee
163 within the Department of Health Professions to the extent such discussions identify any practitioner who
164 may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

165 25. Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein
166 personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by
167 or on behalf of individuals who have requested information about, applied for, or entered into prepaid
168 tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title
169 23.1 is discussed.

170 26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery
171 Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as
172 defined in § 56-484.12, related to the provision of wireless E-911 service.

173 27. Those portions of disciplinary proceedings by any regulatory board within the Department of
174 Professional and Occupational Regulation, Department of Health Professions, or the Board of
175 Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a
176 decision or meetings of health regulatory boards or conference committees of such boards to consider
177 settlement proposals in pending disciplinary actions or modifications to previously issued board orders as
178 requested by either of the parties.

179 28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-
180 3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in
181 § 33.2-1800, or any independent review panel appointed to review information and advise the responsible
182 public entity concerning such records.

183 29. Discussion of the award of a public contract involving the expenditure of public funds,
184 including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where
185 discussion in an open session would adversely affect the bargaining position or negotiating strategy of the
186 public body.

187 30. Discussion or consideration of grant or loan application information subject to the exclusion
188 in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

189 31. Discussion or consideration by the Commitment Review Committee of information subject to
190 the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually
191 violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

192 32. Discussion or consideration of confidential proprietary information and trade secrets developed
193 and held by a local public body providing certain telecommunication services or cable television services
194 and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this
195 subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et
196 seq.).

197 33. Discussion or consideration by a local authority created in accordance with the Virginia
198 Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade
199 secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

200 34. Discussion or consideration by the State Board of Elections or local electoral boards of voting
201 security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1.

202 35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory
203 Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal
204 investigative files.

205 36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of
206 information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and
207 meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and
208 consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or
209 recover scholarship awards.

210 37. Discussion or consideration by the Virginia Port Authority of information subject to the
211 exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the
212 Virginia Port Authority.

213 38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting
214 pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26,
215 by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Virginia College

216 Savings Plan acting pursuant to § 23.1-706, or by the Virginia College Savings Plan's Investment Advisory
217 Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in subdivision 24 of
218 § 2.2-3705.7.

219 39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-
220 3705.6 related to economic development.

221 40. Discussion or consideration by the Board of Education of information relating to the denial,
222 suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

223 41. Those portions of meetings of the Virginia Military Advisory Council or any commission
224 created by executive order for the purpose of studying and making recommendations regarding preventing
225 closure or realignment of federal military and national security installations and facilities located in
226 Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization
227 appointed by a local governing body, during which there is discussion of information subject to the
228 exclusion in subdivision 8 of § 2.2-3705.2.

229 42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of
230 information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable
231 information of donors.

232 43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of
233 information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information
234 contained in grant applications.

235 44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority
236 of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or
237 charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain
238 proprietary information of a private entity provided to the Authority.

239 45. Discussion or consideration of personal and proprietary information related to the resource
240 management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii)
241 subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records
242 that contain information that has been certified for release by the person who is the subject of the

information or transformed into a statistical or aggregate form that does not allow identification of the person who supplied, or is the subject of, the information.

46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage Control Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to investigations of applicants for licenses and permits and of licensees and permittees.

47. Discussion or consideration of grant, loan, or investment application records subject to the exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-2351 et seq.) of Chapter 22.

48. Discussion or development of grant proposals by a regional council established pursuant to Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, or (iii) individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to §§ 15.2-1627.5 and 63.2-1605.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114 and the Department of Workforce Development and Advancement pursuant to subsection B of § 2.2-2040.

52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or revocation of any license or permit related to casino gaming, and discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to sports betting and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

55. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license related to electronic gaming devices and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

B. No resolution, ordinance, rule, contract, regulation, or motion adopted, passed, or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§

54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 2.2-3711. (Effective pursuant to Acts 2023, cc. 756 and 778, cl. 5) Closed meetings authorized for certain limited purposes.

A. Public bodies may hold closed meetings only for the following purposes:

1. Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided that the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively.

2. Discussion or consideration of admission or disciplinary matters or any other matters that would involve the disclosure of information contained in a scholastic record concerning any student of any public institution of higher education in the Commonwealth or any state school system. However, any such student, legal counsel and, if the student is a minor, the student's parents or legal guardians shall be permitted to be present during the taking of testimony or presentation of evidence at a closed meeting, if such student, parents, or guardians so request in writing and such request is submitted to the presiding officer of the appropriate board.

320 3. Discussion or consideration of the acquisition of real property for a public purpose, or of the
321 disposition of publicly held real property, where discussion in an open meeting would adversely affect the
322 bargaining position or negotiating strategy of the public body.

323 4. The protection of the privacy of individuals in personal matters not related to public business.

324 5. Discussion concerning a prospective business or industry or the expansion of an existing
325 business or industry where no previous announcement has been made of the business' or industry's interest
326 in locating or expanding its facilities in the community.

327 6. Discussion or consideration of the investment of public funds where competition or bargaining
328 is involved, where, if made public initially, the financial interest of the governmental unit would be
329 adversely affected.

330 7. Consultation with legal counsel and briefings by staff members or consultants pertaining to
331 actual or probable litigation, where such consultation or briefing in open meeting would adversely affect
332 the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable
333 litigation" means litigation that has been specifically threatened or on which the public body or its legal
334 counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this
335 subdivision shall be construed to permit the closure of a meeting merely because an attorney representing
336 the public body is in attendance or is consulted on a matter.

337 8. Consultation with legal counsel employed or retained by a public body regarding specific legal
338 matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be
339 construed to permit the closure of a meeting merely because an attorney representing the public body is
340 in attendance or is consulted on a matter.

341 9. Discussion or consideration by governing boards of public institutions of higher education of
342 matters relating to gifts, bequests and fund-raising activities, and of grants and contracts for services or
343 work to be performed by such institution. However, the terms and conditions of any such gifts, bequests,
344 grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and
345 accepted by a public institution of higher education in the Commonwealth shall be subject to public
346 disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision,

(i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof, (ii) "foreign legal entity" means any legal entity (a) created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities or (b) created under the laws of a foreign government, and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

10. Discussion or consideration by the boards of trustees of the Virginia Museum of Fine Arts, the Virginia Museum of Natural History, the Jamestown-Yorktown Foundation, the Fort Monroe Authority, and The Science Museum of Virginia of matters relating to specific gifts, bequests, and grants from private sources.

11. Discussion or consideration of honorary degrees or special awards.

12. Discussion or consideration of tests, examinations, or other information used, administered, or prepared by a public body and subject to the exclusion in subdivision 4 of § 2.2-3705.1.

13. Discussion, consideration, or review by the appropriate House or Senate committees of possible disciplinary action against a member arising out of the possible inadequacy of the disclosure statement filed by the member, provided that the member may request in writing that the committee meeting not be conducted in a closed meeting.

14. Discussion of strategy with respect to the negotiation of a hazardous waste siting agreement or to consider the terms, conditions, and provisions of a hazardous waste siting agreement if the governing body in open meeting finds that an open meeting will have an adverse effect upon the negotiating position of the governing body or the establishment of the terms, conditions and provisions of the siting agreement, or both. All discussions with the applicant or its representatives may be conducted in a closed meeting.

15. Discussion by the Governor and any economic advisory board reviewing forecasts of economic activity and estimating general and nongeneral fund revenues.

16. Discussion or consideration of medical and mental health records subject to the exclusion in subdivision 1 of § 2.2-3705.5.

17. Deliberations of the Virginia Lottery Board in a licensing appeal action conducted pursuant to subsection D of § 58.1-4007 regarding the denial or revocation of a license of a lottery sales agent; and discussion, consideration, or review of Virginia Lottery matters related to proprietary lottery game information and studies or investigations excluded from disclosure under subdivision 6 of § 2.2-3705.3 and subdivision 11 of § 2.2-3705.7.

18. Those portions of meetings in which the State Board of Local and Regional Jails discusses or discloses the identity of, or information tending to identify, any prisoner who (i) provides information about crimes or criminal activities, (ii) renders assistance in preventing the escape of another prisoner or in the apprehension of an escaped prisoner, or (iii) voluntarily or at the instance of a prison official renders other extraordinary services, the disclosure of which is likely to jeopardize the prisoner's life or safety.

19. Discussion of plans to protect public safety as it relates to terrorist activity or specific cybersecurity threats or vulnerabilities and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such matters or a related threat to public safety; discussion of information subject to the exclusion in subdivision 2 or 14 of § 2.2-3705.2, where discussion in an open meeting would jeopardize the safety of any person or the security of any facility, building, structure, information technology system, or software program; or discussion of reports or plans related to the security of any governmental facility, building, or structure, or the safety of persons using such facility, building, or structure.

20. Discussion by the Board of the Virginia Retirement System, acting pursuant to § 51.1-124.30, or of any local retirement system, acting pursuant to § 51.1-803, or by a local finance board or board of trustees of a trust established by one or more local public bodies to invest funds for postemployment benefits other than pensions, acting pursuant to Article 8 (§ 15.2-1544 et seq.) of Chapter 15 of Title 15.2, or by the board of visitors of the University of Virginia, acting pursuant to § 23.1-2210, or by the Board of the Virginia College Savings Plan, acting pursuant to § 23.1-706, regarding the acquisition, holding, or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the board of visitors of the University of Virginia, prepared

by the retirement system, or a local finance board or board of trustees, or the Virginia College Savings Plan or provided to the retirement system, a local finance board or board of trustees, or the Virginia College Savings Plan under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the retirement system, a local finance board or board of trustees, the board of visitors of the University of Virginia, or the Virginia College Savings Plan. Nothing in this subdivision shall be construed to prevent the disclosure of information relating to the identity of any investment held, the amount invested, or the present value of such investment.

21. Those portions of meetings in which individual child death cases are discussed by the State Child Fatality Review Team established pursuant to § 32.1-283.1, those portions of meetings in which individual child death cases are discussed by a regional or local child fatality review team established pursuant to § 32.1-283.2, those portions of meetings in which individual death cases are discussed by family violence fatality review teams established pursuant to § 32.1-283.3, those portions of meetings in which individual adult death cases are discussed by the state Adult Fatality Review Team established pursuant to § 32.1-283.5, those portions of meetings in which individual adult death cases are discussed by a local or regional adult fatality review team established pursuant to § 32.1-283.6, those portions of meetings in which individual death cases are discussed by overdose fatality review teams established pursuant to § 32.1-283.7, those portions of meetings in which individual maternal death cases are discussed by the Maternal Mortality Review Team pursuant to § 32.1-283.8, and those portions of meetings in which individual death cases of persons with developmental disabilities are discussed by the Developmental Disabilities Mortality Review Committee established pursuant to § 37.2-314.1.

22. Those portions of meetings of the board of visitors of the University of Virginia or Old Dominion University, as the case may be, and those portions of meetings of any persons to whom management responsibilities for the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, have been delegated, in which there is discussed proprietary, business-related information pertaining to the operations of the University of Virginia Medical Center or the Eastern Virginia Health Sciences Center at Old Dominion University, as

428 the case may be, including business development or marketing strategies and activities with existing or
429 future joint venturers, partners, or other parties with whom the University of Virginia Medical Center or
430 the Eastern Virginia Health Sciences Center at Old Dominion University, as the case may be, has formed,
431 or forms, any arrangement for the delivery of health care, if disclosure of such information would
432 adversely affect the competitive position of the University of Virginia Medical Center or the Eastern
433 Virginia Health Sciences Center at Old Dominion University, as the case may be.

434 23. Discussion or consideration by the Virginia Commonwealth University Health System
435 Authority or the board of visitors of Virginia Commonwealth University of any of the following: the
436 acquisition or disposition by the Authority of real property, equipment, or technology software or
437 hardware and related goods or services, where disclosure would adversely affect the bargaining position
438 or negotiating strategy of the Authority; matters relating to gifts or bequests to, and fund-raising activities
439 of, the Authority; grants and contracts for services or work to be performed by the Authority; marketing
440 or operational strategies plans of the Authority where disclosure of such strategies or plans would
441 adversely affect the competitive position of the Authority; and members of the Authority's medical and
442 teaching staffs and qualifications for appointments thereto.

443 24. Those portions of the meetings of the Health Practitioners' Monitoring Program Committee
444 within the Department of Health Professions to the extent such discussions identify any practitioner who
445 may be, or who actually is, impaired pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1.

446 25. Meetings or portions of meetings of the Board of the Virginia College Savings Plan wherein
447 personal information, as defined in § 2.2-3801, which has been provided to the Board or its employees by
448 or on behalf of individuals who have requested information about, applied for, or entered into prepaid
449 tuition contracts or savings trust account agreements pursuant to Chapter 7 (§ 23.1-700 et seq.) of Title
450 23.1 is discussed.

451 26. Discussion or consideration, by the former Wireless Carrier E-911 Cost Recovery
452 Subcommittee created pursuant to former § 56-484.15, of trade secrets submitted by CMRS providers, as
453 defined in § 56-484.12, related to the provision of wireless E-911 service.

27. Those portions of disciplinary proceedings by any regulatory board within the Department of Professional and Occupational Regulation, Department of Health Professions, or the Board of Accountancy conducted pursuant to § 2.2-4019 or 2.2-4020 during which the board deliberates to reach a decision or meetings of health regulatory boards or conference committees of such boards to consider settlement proposals in pending disciplinary actions or modifications to previously issued board orders as requested by either of the parties.

28. Discussion or consideration of information subject to the exclusion in subdivision 11 of § 2.2-3705.6 by a responsible public entity or an affected locality or public entity, as those terms are defined in § 33.2-1800, or any independent review panel appointed to review information and advise the responsible public entity concerning such records.

29. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

30. Discussion or consideration of grant or loan application information subject to the exclusion in subdivision 17 of § 2.2-3705.6 by the Commonwealth Health Research Board.

31. Discussion or consideration by the Commitment Review Committee of information subject to the exclusion in subdivision 5 of § 2.2-3705.2 relating to individuals subject to commitment as sexually violent predators under Chapter 9 (§ 37.2-900 et seq.) of Title 37.2.

32. Discussion or consideration of confidential proprietary information and trade secrets developed and held by a local public body providing certain telecommunication services or cable television services and subject to the exclusion in subdivision 18 of § 2.2-3705.6. However, the exemption provided by this subdivision shall not apply to any authority created pursuant to the BVU Authority Act (§ 15.2-7200 et seq.).

33. Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary information and trade secrets subject to the exclusion in subdivision 19 of § 2.2-3705.6.

34. Discussion or consideration by the State Board of Elections or local electoral boards of voting security matters made confidential pursuant to § 24.2-410.2 or 24.2-625.1.

35. Discussion or consideration by the Forensic Science Board or the Scientific Advisory Committee created pursuant to Article 2 (§ 9.1-1109 et seq.) of Chapter 11 of Title 9.1 of criminal investigative files.

36. Discussion or consideration by the Brown v. Board of Education Scholarship Committee of information or confidential matters subject to the exclusion in subdivision A 3 of § 2.2-3705.4, and meetings of the Committee to deliberate concerning the annual maximum scholarship award, review and consider scholarship applications and requests for scholarship award renewal, and cancel, rescind, or recover scholarship awards.

37. Discussion or consideration by the Virginia Port Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.6 related to certain proprietary information gathered by or for the Virginia Port Authority.

38. Discussion or consideration by the Board of Trustees of the Virginia Retirement System acting pursuant to § 51.1-124.30, by the Investment Advisory Committee appointed pursuant to § 51.1-124.26, by any local retirement system, acting pursuant to § 51.1-803, by the Board of the Virginia College Savings Plan acting pursuant to § 23.1-706, or by the Virginia College Savings Plan's Investment Advisory Committee appointed pursuant to § 23.1-702 of information subject to the exclusion in subdivision 24 of § 2.2-3705.7.

39. Discussion or consideration of information subject to the exclusion in subdivision 3 of § 2.2-3705.6 related to economic development.

40. Discussion or consideration by the Board of Education of information relating to the denial, suspension, or revocation of teacher licenses subject to the exclusion in subdivision 11 of § 2.2-3705.3.

41. Those portions of meetings of the Virginia Military Advisory Council or any commission created by executive order for the purpose of studying and making recommendations regarding preventing closure or realignment of federal military and national security installations and facilities located in Virginia and relocation of such facilities to Virginia, or a local or regional military affairs organization

508 appointed by a local governing body, during which there is discussion of information subject to the
509 exclusion in subdivision 8 of § 2.2-3705.2.

510 42. Discussion or consideration by the Board of Trustees of the Veterans Services Foundation of
511 information subject to the exclusion in subdivision 28 of § 2.2-3705.7 related to personally identifiable
512 information of donors.

513 43. Discussion or consideration by the Virginia Tobacco Region Revitalization Commission of
514 information subject to the exclusion in subdivision 23 of § 2.2-3705.6 related to certain information
515 contained in grant applications.

516 44. Discussion or consideration by the board of directors of the Commercial Space Flight Authority
517 of information subject to the exclusion in subdivision 24 of § 2.2-3705.6 related to rate structures or
518 charges for the use of projects of, the sale of products of, or services rendered by the Authority and certain
519 proprietary information of a private entity provided to the Authority.

520 45. Discussion or consideration of personal and proprietary information related to the resource
521 management plan program and subject to the exclusion in (i) subdivision 25 of § 2.2-3705.6 or (ii)
522 subsection E of § 10.1-104.7. This exclusion shall not apply to the discussion or consideration of records
523 that contain information that has been certified for release by the person who is the subject of the
524 information or transformed into a statistical or aggregate form that does not allow identification of the
525 person who supplied, or is the subject of, the information.

526 46. Discussion or consideration by the Board of Directors of the Virginia Alcoholic Beverage
527 Control Authority of information subject to the exclusion in subdivision 1 of § 2.2-3705.3 related to
528 investigations of applicants for licenses and permits and of licensees and permittees.

529 47. Discussion or consideration of grant, loan, or investment application records subject to the
530 exclusion in subdivision 28 of § 2.2-3705.6 for a grant, loan, or investment pursuant to Article 11 (§ 2.2-
531 2351 et seq.) of Chapter 22.

532 48. Discussion or development of grant proposals by a regional council established pursuant to
533 Article 26 (§ 2.2-2484 et seq.) of Chapter 24 to be submitted for consideration to the Virginia Growth and
534 Opportunity Board.

49. Discussion or consideration of (i) individual sexual assault cases by a sexual assault response team established pursuant to § 15.2-1627.4, (ii) individual child abuse or neglect cases or sex offenses involving a child by a child sexual abuse response team established pursuant to § 15.2-1627.5, or (iii) individual cases involving abuse, neglect, or exploitation of adults as defined in § 63.2-1603 pursuant to §§ 15.2-1627.5 and 63.2-1605.

50. Discussion or consideration by the Board of the Virginia Economic Development Partnership Authority, the Joint Legislative Audit and Review Commission, or any subcommittees thereof, of the portions of the strategic plan, marketing plan, or operational plan exempt from disclosure pursuant to subdivision 33 of § 2.2-3705.7.

51. Those portions of meetings of the subcommittee of the Board of the Virginia Economic Development Partnership Authority established pursuant to subsection F of § 2.2-2237.3 to review and discuss information received from the Virginia Employment Commission pursuant to subdivision C 2 of § 60.2-114 and the Department of Workforce Development and Advancement pursuant to subsection B of § 2.2-2040.

52. Discussion or consideration by the Commonwealth of Virginia Innovation Partnership Authority (the Authority), an advisory committee of the Authority, or any other entity designated by the Authority, of information subject to the exclusion in subdivision 35 of § 2.2-3705.7.

53. Deliberations of the Virginia Lottery Board conducted pursuant to § 58.1-4105 regarding the denial or revocation of a license of a casino gaming operator, or the refusal to issue, suspension of, or revocation of any license or permit related to casino gaming, and discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

54. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license or permit related to sports betting and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

55. Deliberations of the Virginia Lottery Board in an appeal conducted pursuant to § 58.1-4007 regarding the denial of, revocation of, suspension of, or refusal to renew any license related to electronic

gaming devices and any discussion, consideration, or review of matters related to investigations excluded from mandatory disclosure under subdivision 1 of § 2.2-3705.3.

B. No resolution, ordinance, rule, contract, regulation, or motion adopted, passed, or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, ordinance, rule, contract, regulation, or motion that shall have its substance reasonably identified in the open meeting.

C. Public officers improperly selected due to the failure of the public body to comply with the other provisions of this section shall be de facto officers and, as such, their official actions are valid until they obtain notice of the legal defect in their election.

D. Nothing in this section shall be construed to prevent the holding of conferences between two or more public bodies, or their representatives, but these conferences shall be subject to the same procedures for holding closed meetings as are applicable to any other public body.

E. This section shall not be construed to (i) require the disclosure of any contract between the Department of Health Professions and an impaired practitioner entered into pursuant to Chapter 25.1 (§ 54.1-2515 et seq.) of Title 54.1 or (ii) require the board of directors of any authority created pursuant to the Industrial Development and Revenue Bond Act (§ 15.2-4900 et seq.), or any public body empowered to issue industrial revenue bonds by general or special law, to identify a business or industry to which subdivision A 5 applies. However, such business or industry shall be identified as a matter of public record at least 30 days prior to the actual date of the board's authorization of the sale or issuance of such bonds.

§ 11-16.3. Exemption; play of authorized electronic gaming devices.

This chapter shall not apply to the play of electronic gaming devices or related activity that is lawful under Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1 or to any contract, conduct, or transaction arising from conduct lawful thereunder.

§ 18.2-325. Definitions.

~~1-~~ As used in this article, unless the context requires a different meaning:

"Gambling device" includes:

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

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

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

"Gambling device" does not include an electronic gaming device authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

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

For the purposes of this ~~subdivision~~ definition and notwithstanding any provision in this section to the contrary, the making, placing, or receipt of any bet or wager of money or other consideration or thing of value shall include the purchase of a product, Internet access, or other thing made in exchange for a chance to win a prize, stake, or other consideration or thing of value by means of the operation of a

615 gambling device as described in subdivision ~~3-b~~, 2 of the definition of "gambling device," regardless of
616 whether the chance to win such prize, stake, or other consideration or thing of value may be offered in the
617 absence of a purchase.

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

619 2. "Illegal gambling" does not include the playing or offering for play of any electronic gaming
620 device authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

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

625 3. ~~"Gambling device" includes:~~

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

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

638 c. ~~Skill games.~~

639 ~~Such devices are no less gambling devices if they indicate beforehand the definite result of one or~~
640 ~~more operations but not all the operations. Nor are they any less a gambling device because, apart from~~

their use or adaptability as such, they may also sell or deliver something of value on a basis other than chance.

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

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

6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or other device that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate, or play a game, the outcome of which is determined by any element of skill of the player and that may deliver or entitle the person playing or operating the device to receive cash or cash equivalents, gift cards, vouchers, billets, tickets, tokens, or electronic credits to be exchanged for cash or cash equivalents whether the payoff is made automatically from the device or manually. "Skill game" includes (i) a device that contains a meter or measurement device that records the number of free games or portions of games that are rewarded and (ii) a device designed or adapted to enable a person using the device to increase the chances of winning free games or portions of games by paying more than the amount that is ordinarily required to play the game. "Skill game" does not include any amusement device, as defined in § 18.2-334.6.

7. "Unregulated location" means any location that is not regulated or operated by the Virginia Lottery or the Virginia Lottery Board, the Department of Agriculture and Consumer Services, the Virginia Alcoholic Beverage Control Authority, or the Virginia Racing Commission.

§ 18.2-334. Exception to article; private residences.

Nothing in this article shall be construed to make it illegal to participate in a game of chance conducted in a private residence, provided such private residence is not commonly used for such games of chance and there is no operator as defined in subsection 4 of § 18.2-325.

§ 18.2-334.7. Exemptions to article; electronic gaming devices.

Nothing in this article shall be construed to make it illegal to play any electronic gaming device or conduct any related activity that is lawful under Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

§ 19.2-389. Dissemination of criminal history record information.

668 A. Criminal history record information shall be disseminated, whether directly or through an
669 intermediary, only to:

670 1. Authorized officers or employees of criminal justice agencies, as defined by § 9.1-101, for
671 purposes of the administration of criminal justice and the screening of an employment application or
672 review of employment by a criminal justice agency with respect to its own employees or applicants, and
673 dissemination to the Virginia Parole Board, pursuant to this subdivision, of such information on all state-
674 responsible inmates for the purpose of making parole determinations pursuant to subdivisions 1, 2, 3, 4,
675 and 6 of § 53.1-136 shall include collective dissemination by electronic means every 30 days. For purposes
676 of this subdivision, criminal history record information includes information sent to the Central Criminal
677 Records Exchange pursuant to §§ 37.2-819 and 64.2-2014 when disseminated to any full-time or part-
678 time employee of the State Police, a police department or sheriff's office that is a part of or administered
679 by the Commonwealth or any political subdivision thereof, and who is responsible for the prevention and
680 detection of crime and the enforcement of the penal, traffic, or highway laws of the Commonwealth for
681 the purposes of the administration of criminal justice;

682 2. Such other individuals and agencies that require criminal history record information to
683 implement a state or federal statute or executive order of the President of the United States or Governor
684 that expressly refers to criminal conduct and contains requirements or exclusions expressly based upon
685 such conduct, except that information concerning the arrest of an individual may not be disseminated to a
686 noncriminal justice agency or individual if an interval of one year has elapsed from the date of the arrest
687 and no disposition of the charge has been recorded and no active prosecution of the charge is pending;

688 3. Individuals and agencies pursuant to a specific agreement with a criminal justice agency to
689 provide services required for the administration of criminal justice pursuant to that agreement which shall
690 specifically authorize access to data, limit the use of data to purposes for which given, and ensure the
691 security and confidentiality of the data;

692 4. Individuals and agencies for the express purpose of research, evaluative, or statistical activities
693 pursuant to an agreement with a criminal justice agency that shall specifically authorize access to data,

694 limit the use of data to research, evaluative, or statistical purposes, and ensure the confidentiality and
695 security of the data;

696 5. Agencies of state or federal government that are authorized by state or federal statute or
697 executive order of the President of the United States or Governor to conduct investigations determining
698 employment suitability or eligibility for security clearances allowing access to classified information;

699 6. Individuals and agencies where authorized by court order or court rule;

700 7. Agencies of any political subdivision of the Commonwealth, public transportation companies
701 owned, operated, or controlled by any political subdivision, and any public service corporation that
702 operates a public transit system owned by a local government for the conduct of investigations of
703 applicants for employment, permit, or license whenever, in the interest of public welfare or safety, it is
704 necessary to determine under a duly enacted ordinance if the past criminal conduct of a person with a
705 conviction record would be compatible with the nature of the employment, permit, or license under
706 consideration;

707 7a. Commissions created pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.)
708 of Title 33.2 and their contractors, for the conduct of investigations of individuals who have been offered
709 a position of employment whenever, in the interest of public welfare or safety and as authorized in the
710 Transportation District Act of 1964, it is necessary to determine if the past criminal conduct of a person
711 with a conviction record would be compatible with the nature of the employment under consideration;

712 8. Public or private agencies when authorized or required by federal or state law or interstate
713 compact to investigate (i) applicants for foster or adoptive parenthood or (ii) any individual, and the adult
714 members of that individual's household, with whom the agency is considering placing a child or from
715 whom the agency is considering removing a child due to abuse or neglect, on an emergency, temporary,
716 or permanent basis pursuant to §§ 63.2-901.1 and 63.2-1505, subject to the restriction that the data shall
717 not be further disseminated to any party other than a federal or state authority or court as may be required
718 to comply with an express requirement of law;

719 9. To the extent permitted by federal law or regulation, public service companies as defined in §
720 56-1, for the conduct of investigations of applicants for employment when such employment involves

personal contact with the public or when past criminal conduct of an applicant would be incompatible with the nature of the employment under consideration;

10. The appropriate authority for purposes of granting citizenship and for purposes of international travel, including, ~~but not limited to,~~ issuing visas and passports;

11. A person requesting a copy of his own criminal history record information as defined in § 9.1-101 at his cost, except that criminal history record information shall be supplied at no charge to a person who has applied to be a volunteer with (i) a Virginia affiliate of Big Brothers/Big Sisters of America; (ii) a volunteer fire company; (iii) the Volunteer Emergency Families for Children; (iv) any affiliate of Prevent Child Abuse, Virginia; (v) any Virginia affiliate of Compeer; or (vi) any board member or any individual who has been offered membership on the board of a Crime Stoppers, Crime Solvers, or Crime Line program as defined in § 15.2-1713.1;

12. Administrators and board presidents of and applicants for licensure or registration as a child welfare agency as defined in § 63.2-100 for dissemination to the Commissioner of Social Services' representative pursuant to § 63.2-1702 for the conduct of investigations with respect to employees of and volunteers at such facilities, caretakers, and foster and adoptive parent applicants of private child-placing agencies, pursuant to §§ 63.2-1719, 63.2-1720, and 63.2-1721, subject to the restriction that the data shall not be further disseminated by the facility or agency to any party other than the data subject, the Commissioner of Social Services' representative or a federal or state authority or court as may be required to comply with an express requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to prohibit the Commissioner of Social Services' representative from issuing written certifications regarding the results of a background check that was conducted before July 1, 2021, in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

13. The school boards of the Commonwealth for the purpose of screening individuals who are offered or who accept public school employment and those current school board employees for whom a report of arrest has been made pursuant to § 19.2-83.1;

14. The Virginia Lottery for the conduct of investigations as set forth in the Virginia Lottery Law (§ 58.1-4000 et seq.) ~~and~~, casino gaming as set forth in Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and

748 electronic gaming devices as set forth in Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1, and the Department
749 of Agriculture and Consumer Services for the conduct of investigations as set forth in Article 1.1:1 (§
750 18.2-340.15 et seq.) of Chapter 8 of Title 18.2;

751 15. Licensed nursing homes, hospitals, and home care organizations for the conduct of
752 investigations of applicants for compensated employment in licensed nursing homes pursuant to § 32.1-
753 126.01, hospital pharmacies pursuant to § 32.1-126.02, and home care organizations pursuant to § 32.1-
754 162.9:1, subject to the limitations set out in subsection E;

755 16. Licensed assisted living facilities and licensed adult day care centers for the conduct of
756 investigations of applicants for compensated employment in licensed assisted living facilities and licensed
757 adult day care centers pursuant to § 63.2-1720, subject to the limitations set out in subsection F;

758 17. The Virginia Alcoholic Beverage Control Authority for the conduct of investigations as set
759 forth in § 4.1-103.1;

760 18. The State Board of Elections and authorized officers and employees thereof and general
761 registrars appointed pursuant to § 24.2-110 in the course of conducting necessary investigations with
762 respect to voter registration, limited to any record of felony convictions;

763 19. The Commissioner of Behavioral Health and Developmental Services (the Commissioner) or
764 his designees for individuals who are committed to the custody of or being evaluated by the Commissioner
765 pursuant to §§ 19.2-168.1, 19.2-169.1, 19.2-169.2, 19.2-169.5, 19.2-169.6, 19.2-182.2, 19.2-182.3, 19.2-
766 182.8, and 19.2-182.9 where such information may be beneficial for the purpose of placement, evaluation,
767 treatment, or discharge planning;

768 20. Any alcohol safety action program certified by the Commission on the Virginia Alcohol Safety
769 Action Program for (i) interventions with first offenders under § 18.2-251 or (ii) services to offenders
770 under § 18.2-51.4, 18.2-266, or 18.2-266.1;

771 21. Residential facilities for juveniles regulated or operated by the Department of Social Services,
772 the Department of Education, or the Department of Behavioral Health and Developmental Services for
773 the purpose of determining applicants' fitness for employment or for providing volunteer or contractual
774 services;

775 22. The Department of Behavioral Health and Developmental Services and facilities operated by
776 the Department for the purpose of determining an individual's fitness for employment pursuant to
777 departmental instructions;

778 23. Pursuant to § 22.1-296.3, the governing boards or administrators of private elementary or
779 secondary schools which are accredited pursuant to § 22.1-19 or a private organization coordinating such
780 records information on behalf of such governing boards or administrators pursuant to a written agreement
781 with the Department of State Police;

782 24. Public institutions of higher education and nonprofit private institutions of higher education
783 for the purpose of screening individuals who are offered or accept employment;

784 25. Members of a threat assessment team established by a local school board pursuant to § 22.1-
785 79.4, by a public institution of higher education pursuant to § 23.1-805, or by a private nonprofit institution
786 of higher education, for the purpose of assessing or intervening with an individual whose behavior may
787 present a threat to safety; however, no member of a threat assessment team shall redisclose any criminal
788 history record information obtained pursuant to this section or otherwise use any record of an individual
789 beyond the purpose that such disclosure was made to the threat assessment team;

790 26. Executive directors of community services boards or the personnel director serving the
791 community services board for the purpose of determining an individual's fitness for employment, approval
792 as a sponsored residential service provider, permission to enter into a shared living arrangement with a
793 person receiving medical assistance services pursuant to a waiver, or permission for any person under
794 contract with the community services board to serve in a direct care position on behalf of the community
795 services board pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;

796 27. Executive directors of behavioral health authorities as defined in § 37.2-600 for the purpose of
797 determining an individual's fitness for employment, approval as a sponsored residential service provider,
798 permission to enter into a shared living arrangement with a person receiving medical assistance services
799 pursuant to a waiver, or permission for any person under contract with the behavioral health authority to
800 serve in a direct care position on behalf of the behavioral health authority pursuant to §§ 37.2-506, 37.2-
801 506.1, and 37.2-607;

28. The Commissioner of Social Services for the purpose of locating persons who owe child support or who are alleged in a pending paternity proceeding to be a putative father, provided that only the name, address, demographics, and social security number of the data subject shall be released;

29. Authorized officers or directors of agencies licensed pursuant to Article 2 (§ 37.2-403 et seq.) of Chapter 4 of Title 37.2 by the Department of Behavioral Health and Developmental Services for the purpose of determining if any applicant who accepts employment in any direct care position or requests approval as a sponsored residential service provider, permission to enter into a shared living arrangement with a person receiving medical assistance services pursuant to a waiver, or permission for any person under contract with the provider to serve in a direct care position has been convicted of a crime that affects his fitness to have responsibility for the safety and well-being of individuals with mental illness, intellectual disability, or substance abuse pursuant to §§ 37.2-416, 37.2-416.1, 37.2-506, 37.2-506.1, and 37.2-607;

30. The Commissioner of the Department of Motor Vehicles, for the purpose of evaluating applicants for and holders of a motor carrier certificate or license subject to the provisions of Chapters 20 (§ 46.2-2000 et seq.) and 21 (§ 46.2-2100 et seq.) of Title 46.2;

31. The Chairman of the Senate Committee on the Judiciary or the Chairman of the House Committee for Courts of Justice for the purpose of determining if any person being considered for election to any judgeship has been convicted of a crime;

32. Heads of state agencies in which positions have been identified as sensitive for the purpose of determining an individual's fitness for employment in positions designated as sensitive under Department of Human Resource Management policies developed pursuant to § 2.2-1201.1;

33. The Office of the Attorney General, for all criminal justice activities otherwise permitted under subdivision ~~A~~ 1 and for purposes of performing duties required by the Civil Commitment of Sexually Violent Predators Act (§ 37.2-900 et seq.);

34. Shipyards, to the extent permitted by federal law or regulation, engaged in the design, construction, overhaul, or repair of nuclear vessels for the United States Navy, including their subsidiary

828 companies, for the conduct of investigations of applications for employment or for access to facilities, by
829 contractors, leased laborers, and other visitors;

830 35. Any employer of individuals whose employment requires that they enter the homes of others,
831 for the purpose of screening individuals who apply for, are offered, or have accepted such employment;

832 36. Public agencies when and as required by federal or state law to investigate (i) applicants as
833 providers of adult foster care and home-based services or (ii) any individual with whom the agency is
834 considering placing an adult on an emergency, temporary, or permanent basis pursuant to § 63.2-1601.1,
835 subject to the restriction that the data shall not be further disseminated by the agency to any party other
836 than a federal or state authority or court as may be required to comply with an express requirement of law
837 for such further dissemination, subject to limitations set out in subsection G;

838 37. The Department of Medical Assistance Services, or its designee, for the purpose of screening
839 individuals who, through contracts, subcontracts, or direct employment, volunteer, apply for, are offered,
840 or have accepted a position related to the provision of transportation services to enrollees in the Medicaid
841 Program or the Family Access to Medical Insurance Security (FAMIS) Program, or any other program
842 administered by the Department of Medical Assistance Services;

843 38. The State Corporation Commission for the purpose of investigating individuals who are current
844 or proposed members, senior officers, directors, and principals of an applicant or person licensed under
845 Chapter 16 (§ 6.2-1600 et seq.), Chapter 19 (§ 6.2-1900 et seq.), or Chapter 26 (§ 6.2-2600 et seq.) of Title
846 6.2. Notwithstanding any other provision of law, if an application is denied based in whole or in part on
847 information obtained from the Central Criminal Records Exchange pursuant to Chapter 16, 19, or 26 of
848 Title 6.2, the Commissioner of Financial Institutions or his designee may disclose such information to the
849 applicant or its designee;

850 39. The Department of Professional and Occupational Regulation for the purpose of investigating
851 individuals for initial licensure pursuant to § 54.1-2106.1;

852 40. The Department for Aging and Rehabilitative Services and the Department for the Blind and
853 Vision Impaired for the purpose of evaluating an individual's fitness for various types of employment and

854 for the purpose of delivering comprehensive vocational rehabilitation services pursuant to Article 11 (§
855 51.5-170 et seq.) of Chapter 14 of Title 51.5 that will assist the individual in obtaining employment;

856 41. Bail bondsmen, in accordance with the provisions of § 19.2-120;

857 42. The State Treasurer for the purpose of determining whether a person receiving compensation
858 for wrongful incarceration meets the conditions for continued compensation under § 8.01-195.12;

859 43. The Department of Education or its agents or designees for the purpose of screening individuals
860 seeking to enter into a contract with the Department of Education or its agents or designees for the
861 provision of child care services for which child care subsidy payments may be provided;

862 44. The Department of Juvenile Justice to investigate any parent, guardian, or other adult members
863 of a juvenile's household when completing a predispositional or postdispositional report required by §
864 16.1-273 or a Board of Juvenile Justice regulation promulgated pursuant to § 16.1-233;

865 45. The State Corporation Commission, for the purpose of screening applicants for insurance
866 licensure under Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2;

867 46. Administrators and board presidents of and applicants for licensure or registration as a child
868 day program or family day system, as such terms are defined in § 22.1-289.02, for dissemination to the
869 Superintendent of Public Instruction's representative pursuant to § 22.1-289.013 for the conduct of
870 investigations with respect to employees of and volunteers at such facilities pursuant to §§ 22.1-289.034
871 through 22.1-289.037, subject to the restriction that the data shall not be further disseminated by the
872 facility or agency to any party other than the data subject, the Superintendent of Public Instruction's
873 representative, or a federal or state authority or court as may be required to comply with an express
874 requirement of law for such further dissemination; however, nothing in this subdivision shall be construed
875 to prohibit the Superintendent of Public Instruction's representative from issuing written certifications
876 regarding the results of prior background checks in accordance with subsection J of § 22.1-289.035 or §
877 22.1-289.039;

878 47. The National Center for Missing and Exploited Children for the purpose of screening
879 individuals who are offered or accept employment or will be providing volunteer or contractual services
880 with the National Center for Missing and Exploited Children; and

48. Other entities as otherwise provided by law.

Upon an ex parte motion of a defendant in a felony case and upon the showing that the records requested may be relevant to such case, the court shall enter an order requiring the Central Criminal Records Exchange to furnish the defendant, as soon as practicable, copies of any records of persons designated in the order on whom a report has been made under the provisions of this chapter.

Notwithstanding any other provision of this chapter to the contrary, upon a written request sworn to before an officer authorized to take acknowledgments, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish a copy of conviction data covering the person named in the request to the person making the request; however, such person on whom the data is being obtained shall consent in writing, under oath, to the making of such request. A person receiving a copy of his own conviction data may utilize or further disseminate that data as he deems appropriate. In the event no conviction data is maintained on the data subject, the person making the request shall be furnished at his cost a certification to that effect.

B. Use of criminal history record information disseminated to noncriminal justice agencies under this section shall be limited to the purposes for which it was given and may not be disseminated further, except as otherwise provided in subdivision A 46.

C. No criminal justice agency or person shall confirm the existence or nonexistence of criminal history record information for employment or licensing inquiries except as provided by law.

D. Criminal justice agencies shall establish procedures to query the Central Criminal Records Exchange prior to dissemination of any criminal history record information on offenses required to be reported to the Central Criminal Records Exchange to ensure that the most up-to-date disposition data is being used. Inquiries of the Exchange shall be made prior to any dissemination except in those cases where time is of the essence and the normal response time of the Exchange would exceed the necessary time period. A criminal justice agency to whom a request has been made for the dissemination of criminal history record information that is required to be reported to the Central Criminal Records Exchange may direct the inquirer to the Central Criminal Records Exchange for such dissemination. Dissemination of

information regarding offenses not required to be reported to the Exchange shall be made by the criminal justice agency maintaining the record as required by § 15.2-1722.

E. Criminal history information provided to licensed nursing homes, hospitals and to home care organizations pursuant to subdivision A 15 shall be limited to the convictions on file with the Exchange for any offense specified in §§ 32.1-126.01, 32.1-126.02, and 32.1-162.9:1.

F. Criminal history information provided to licensed assisted living facilities and licensed adult day care centers pursuant to subdivision A 16 shall be limited to the convictions on file with the Exchange for any offense specified in § 63.2-1720.

G. Criminal history information provided to public agencies pursuant to subdivision A 36 shall be limited to the convictions on file with the Exchange for any offense set forth in clause (i) of the definition of barrier crime in § 19.2-392.02.

H. Upon receipt of a written request from an employer or prospective employer, the Central Criminal Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish at the employer's cost a copy of conviction data covering the person named in the request to the employer or prospective employer making the request, provided that the person on whom the data is being obtained has consented in writing to the making of such request and has presented a photo-identification to the employer or prospective employer. In the event no conviction data is maintained on the person named in the request, the requesting employer or prospective employer shall be furnished at his cost a certification to that effect. The criminal history record search shall be conducted on forms provided by the Exchange.

I. Nothing in this section shall preclude the dissemination of a person's criminal history record information pursuant to the rules of court for obtaining discovery or for review by the court.

§ 37.2-314.2. Problem Gambling Treatment and Support Fund.

A. As used in this section:

"Compulsive gambling" means persistent and recurrent problem gambling behavior leading to clinically significant impairment or distress, as indicated by an individual exhibiting four or more of the

criteria as defined by the Diagnostic Statistical Manual of Mental Disorders in a 12-month period and where the behavior is not better explained by a manic episode.

"Problem gambling" means a gambling behavior that causes disruptions in any major area of life, including the psychological, social, or vocational areas of life, but does not fulfill the criteria for diagnosis as a gambling disorder.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Problem Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of § 58.1-4038, moneys required to be deposited into the Fund pursuant to subsection B of § 58.1-4220, and moneys required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1 shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of (i) providing counseling and other support services for compulsive and problem gamblers, (ii) developing and implementing compulsive and problem gambling treatment and prevention programs, and (iii) providing grants to support organizations that provide assistance to compulsive and problem gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Commissioner.

§ 58.1-4002. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Board" means the Virginia Lottery Board established by this chapter.

"Casino gaming" or "game" means baccarat, blackjack, twenty-one, poker, craps, dice, slot machines, roulette wheels, Klondike tables, punchboards, faro layouts, numbers tickets, push cards, jar tickets, or pull tabs and any other activity that is authorized by the Board as a wagering game or device under Chapter 41 (§ 58.1-4100 et seq.). "Casino gaming" or "game" includes on-premises mobile casino gaming.

"Department" means the independent agency responsible for the administration of the Virginia Lottery pursuant to this article ~~and~~, the regulation of sports betting pursuant to Article 2 (§ 58.1-4030 et seq.), casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.), and electronic gaming devices pursuant to Chapter 42 (§ 58.1-4200 et seq.).

"Director" means the Director of the Virginia Lottery.

"Lottery" or "state lottery" means the lottery or lotteries established and operated pursuant to this ~~chapter~~ article.

"On-premises mobile casino gaming" means casino gaming offered by a casino gaming operator at a casino gaming establishment using a computer network of both federal and nonfederal interoperable packet-switched data networks through which the casino gaming operator may offer casino gaming to individuals who have established an on-premises mobile casino gaming account with the casino gaming operator and who are physically present on the premises of the casino gaming establishment, as authorized by regulations promulgated by the Board.

"Sports betting" means placing wagers on sporting events as such activity is regulated by the Board.

"Ticket courier service" means a service operated for the purpose of purchasing Virginia Lottery tickets on behalf of individuals located within or outside of the Commonwealth and delivering or transmitting such tickets, or electronic images thereof, to such individuals as a business-for-profit delivery service.

"Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4015.1 that allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision B 1 of § 58.1-4015.1 by placing their name on a voluntary exclusion list and following the procedures set forth by the Board.

§ 58.1-4003. Virginia Lottery established.

Notwithstanding the provisions of Article 1 (§ 18.2-325 et seq.) of Chapter 8 of Title 18.2 or any other provision of law, there is hereby established as an independent agency of the Commonwealth, exclusive of the legislative, executive, or judicial branches of government, the Virginia Lottery, which

shall include a Director and ~~a the~~ Virginia Lottery Board for the ~~purpose~~ purposes of operating a state lottery and regulating sports betting pursuant to Article 2 (§ 58.1-4030 et seq.), casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.), and electronic gaming devices pursuant to Chapter 42 (§ 58.1-4200 et seq.).

§ 58.1-4006. Powers of the Director.

A. The Director shall supervise and administer:

1. The operation of the lottery in accordance with the provisions of this chapter and with the rules and regulations promulgated ~~hereunder~~ pursuant to this chapter; and

2. The regulation of sports betting in accordance with Article 2 (§ 58.1-4030 et seq.) and with the rules and regulations promulgated pursuant to this chapter;

3. The regulation of casino gaming in accordance with Chapter 41 (§ 58.1-4100 et seq.) and with the rules and regulations promulgated pursuant to that chapter; and

4. The regulation of electronic gaming devices in accordance with Chapter 42 (§ 58.1-4200 et seq.) and with the rules and regulations promulgated pursuant to that chapter.

B. The Director shall also:

1. Employ such deputy directors, professional, technical, and clerical assistants, and other employees as may be required to carry out the functions and duties of the Department.

2. Act as secretary and executive officer of the Board.

3. Require bond or other surety satisfactory to the Director from licensed agents as provided in subsection E of § 58.1-4009 and Department employees with access to Department funds or lottery funds, in such amount as provided in the rules and regulations of the Board. The Director may also require bond from other employees as he deems necessary.

4. Confer regularly, but not less than four times each year, with the Board on the operation and administration of the lottery, and the regulation of sports betting, casino gaming, and electronic gaming devices; make available for inspection by the Board, upon request, all books, records, files, and other information and documents of the Department; and advise the Board and recommend such matters as he

1013 deems necessary and advisable to improve the operation and administration of the lottery and, the
1014 regulation of sports betting, casino gaming, and electronic gaming devices.

1015 5. Suspend, revoke, or refuse to renew any license issued pursuant to this chapter or the rules and
1016 regulations adopted ~~hereunder~~ pursuant to this chapter.

1017 6. Suspend, revoke, or refuse to renew any license or permit issued pursuant to Chapter 41 (§ 58.1-
1018 4100 et seq.).

1019 7. Eject or exclude from a casino gaming establishment any person, whether or not he possesses a
1020 license or permit, whose conduct or reputation is such that his presence may, in the opinion of the Director,
1021 reflect negatively on the honesty and integrity of casino gaming or interfere with the orderly gaming
1022 operations.

1023 8. Immediately upon the receipt of a credible complaint of an alleged criminal violation of Chapter
1024 41 (§ 58.1-4100 et seq.), report the complaint to the Attorney General and the State Police for appropriate
1025 action.

1026 9. Inspect and investigate, and have free access to, the offices, facilities, or other places of business
1027 of any licensee or permit holder and may compel the production of any of the books, documents, records,
1028 or memoranda of any licensee or permit holder for the purpose of ensuring compliance with Chapter 41
1029 (§ 58.1-4100 et seq.) and Department regulations.

1030 10. Compel any person holding a license or permit pursuant to Chapter 41 (§ 58.1-4100 et seq.) to
1031 file with the Department such information as shall appear to the Director to be necessary for the
1032 performance of the Department's functions, including financial statements and information relative to
1033 principals and all others with any pecuniary interest in such person.

1034 11. Impose a fine or penalty not to exceed \$1 million upon any person determined, in proceedings
1035 commenced pursuant to § 58.1-4105, to have violated any of the provisions of Chapter 41 (§ 58.1-4100 et
1036 seq.) or regulations promulgated by the Board.

1037 12. Enter into arrangements with any foreign or domestic governmental agency for the purposes
1038 of exchanging information or performing any other act to better ensure the proper conduct of casino
1039 gaming operations or the efficient conduct of the Director's duties.

1040 13. Enter into contracts for the operation of the lottery, or any part thereof, for the promotion of
1041 the lottery and into interstate lottery contracts with other states. A contract awarded or entered into by the
1042 Director shall not be assigned by the holder thereof except by specific approval of the Director.

1043 14. Certify monthly to the State Comptroller and the Board a full and complete statement of lottery
1044 revenues, prize disbursements, and other expenses for the preceding month.

1045 15. Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate
1046 Committee on Finance and Appropriations, House Committee on Finance, and House Committee on
1047 Appropriations the total lottery revenues, prize disbursements, and other expenses for the preceding month
1048 and make an annual report, which shall include a full and complete statement of lottery revenues, prize
1049 disbursements, and other expenses, as well as a separate financial statement of the expenses incurred in
1050 the regulation of casino gaming operations as defined in § 58.1-4100, to the Governor and the General
1051 Assembly. Such annual report shall also include such recommendations for changes in this chapter and
1052 Chapter 41 (§ 58.1-4100 et seq.) as the Director and Board deem necessary or desirable.

1053 16. Report immediately to the Governor and the General Assembly any matters that require
1054 immediate changes in the laws of the Commonwealth in order to prevent abuses and evasions of this
1055 chapter ~~and~~, Chapter 41 (§ 58.1-4100 et seq.), and Chapter 42 (§ 58.1-4200 et seq.), or the rules and
1056 regulations adopted ~~hereunder~~ pursuant to this chapter, or to rectify undesirable conditions in connection
1057 with the administration or operation of the lottery.

1058 17. Notify prize winners and appropriate state and federal agencies of the payment of prizes in
1059 excess of \$600 in the manner required by the lottery rules and regulations.

1060 18. Provide for the withholding of the applicable amount of state and federal income tax of persons
1061 claiming a prize for a winning ticket in excess of \$5,001.

1062 19. Participate in the Problem Gambling Treatment and Support Advisory Committee established
1063 pursuant to § 37.2-304 by the Department of Behavioral Health and Developmental Services to enable
1064 collaboration among prevention and treatment providers and operators of legal gaming in the
1065 Commonwealth on efforts to reduce the negative effects of problem gambling.

1066 C. The Director and the director of security or investigators appointed by the Director shall be
1067 vested with the powers of sheriff and sworn to enforce the statutes and regulations pertaining to the
1068 Department and to investigate violations of the statutes and regulations that the Director is required to
1069 enforce.

1070 D. The Director may authorize temporary bonus or incentive programs for payments to licensed
1071 sales agents that he determines will be cost effective and support increased sales of lottery products.

1072 **§ 58.1-4007. Powers of the Board.**

1073 A. The Board shall have the power to adopt regulations governing the establishment and operation
1074 of a lottery pursuant to this article ~~and~~, sports betting pursuant to Article 2 (§ 58.1-4030 et seq.), casino
1075 gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.), and electronic gaming devices pursuant to Chapter
1076 42 (§ 58.1-4200 et seq.). The regulations governing the establishment and operation of the lottery ~~and~~,
1077 sports betting, casino gaming, and electronic gaming devices shall be promulgated by the Board after
1078 consultation with the Director. Such regulations shall be in accordance with the Administrative Process
1079 Act (§ 2.2-4000 et seq.). The regulations shall provide for all matters necessary or desirable for the
1080 efficient, honest, and economical operation and administration of the lottery ~~and~~, sports betting, casino
1081 gaming, and electronic gaming devices and for the convenience of the purchasers of tickets or shares, the
1082 holders of winning tickets or shares, ~~and~~ sports bettors, casino gaming patrons, and the players of
1083 electronic gaming devices. The regulations, which may be amended, repealed, or supplemented as
1084 necessary, shall include the following:

- 1085 1. The type or types of lottery or game to be conducted in accordance with § 58.1-4001.
- 1086 2. The price or prices of tickets or shares in the lottery.
- 1087 3. The numbers and sizes of the prizes on the winning tickets or shares, including informing the
1088 public of the approximate odds of winning and the proportion of lottery revenues (i) disbursed as prizes
1089 and (ii) returned to the Commonwealth as net revenues.
- 1090 4. The manner of selecting the winning tickets or shares.
- 1091 5. The manner of payment of prizes to the holders of winning tickets or shares.
- 1092 6. The frequency of the drawings or selections of winning tickets or shares without limitation.

- 1093 7. Without limitation as to number, the type or types of locations at which tickets or shares may
1094 be sold.
- 1095 8. The method to be used in selling tickets or shares, including the sale of tickets or shares over
1096 the Internet.
- 1097 9. The advertisement of the lottery in accordance with the provisions of subsection E of § 58.1-
1098 4022.
- 1099 10. The licensing of agents to sell tickets or shares who will best serve the public convenience and
1100 promote the sale of tickets or shares. No person under the age of 18 shall be licensed as an agent. A
1101 licensed agent may employ a person who is 16 years of age or older to sell or otherwise vend tickets at
1102 the agent's place of business so long as the employee is supervised in the selling or vending of tickets by
1103 the manager or supervisor in charge at the location where the tickets are being sold. Employment of such
1104 person shall be in compliance with Chapter 5 (§ 40.1-78 et seq.) of Title 40.1.
- 1105 11. The manner and amount of compensation, if any, to be paid licensed sales agents necessary to
1106 provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of
1107 the public. Notwithstanding the provisions of this subdivision, the Board shall not be required to approve
1108 temporary bonus or incentive programs for payments to licensed sales agents.
- 1109 12. Apportionment of the total revenues accruing from the sale of tickets or shares and from all
1110 other sources and establishment of the amount of the special reserve fund as provided in § 58.1-4022.
- 1111 13. Such other matters necessary or desirable for the efficient and economical operation and
1112 administration of the lottery.
- 1113 14. The operation of sports betting pursuant to Article 2 (§ 58.1-4030 et seq.). In adopting such
1114 regulations, the Board shall establish a consumer protection program and publish a consumer protection
1115 bill of rights. Such program and bill of rights shall include measures to protect sports bettors, as defined
1116 in § 58.1-4030, with respect to identity, funds and accounts, consumer complaints, self-exclusion, and any
1117 other consumer protection measure the Board determines to be reasonable.
- 1118 15. The administration of a voluntary exclusion program as provided in § 58.1-4015.1.

1119 The Department shall not be subject to the provisions of ~~Chapter 43~~ the Virginia Public
1120 Procurement Act (§ 2.2-4300 et seq.) ~~of Title 2.2~~; however, the Board shall promulgate regulations, after
1121 consultation with the Director, relative to departmental procurement which include standards of ethics for
1122 procurement consistent with the provisions of Article 6 (§ 2.2-4367 et seq.) of the Virginia Public
1123 Procurement Act and which ensure that departmental procurement will be based on competitive principles.

1124 The Board shall have the power to advise and recommend; but shall have no power to veto or
1125 modify administrative decisions of the Director. However, the Board shall have the power to accept,
1126 modify, or reject any revenue projections before such projections are forwarded to the Governor.

1127 B. The Board shall carry on a continuous study and investigation of the lottery ~~and~~, sports betting,
1128 casino gaming, and electronic gaming devices throughout the Commonwealth to:

1129 1. Ascertain any defects of this chapter or the regulations issued ~~hereunder which~~ pursuant to this
1130 chapter that cause abuses in the administration and operation of the lottery ~~and~~, sports betting ~~and~~, casino
1131 gaming, or electronic gaming devices or any evasions of such provisions.

1132 2. Formulate, with the Director, recommendations for changes in this chapter and the regulations
1133 promulgated ~~hereunder~~ pursuant to this chapter to prevent such abuses and evasions.

1134 3. Guard against the use of this chapter and the regulations promulgated ~~hereunder~~ pursuant to this
1135 chapter as a subterfuge for organized crime and illegal gambling.

1136 4. Ensure that this law and the regulations of the Board are in such form and are so administered
1137 as to serve the true purpose of this chapter.

1138 C. The Board shall make a continuous study and investigation of (i) the operation and the
1139 administration of similar laws that may be in effect in other states or countries; (ii) any literature on the
1140 subject that may be published or available; (iii) any federal laws that may affect the operation of the
1141 lottery ~~and~~, sports betting, casino gaming, and electronic gaming devices; and (iv) the reaction of Virginia
1142 citizens to the potential features of the lottery ~~and~~, sports betting, casino gaming, and electronic gaming
1143 devices with a view to recommending or effecting changes that will serve the purpose of this chapter.

1144 D. The Board shall hear and decide an appeal of any ~~denial~~;

1. Denial by the Director of the licensing or revocation of a license of a lottery agent pursuant to subdivision A 10 of this section and subdivision B 5 of § 58.1-4006. ~~The Board shall hear and decide an appeal of any penalty;~~

2. Penalty, denial of a permit or renewal, or suspension or revocation of a permit imposed by the Director pursuant to Article 2 (§ 58.1-4030 et seq.);

3. Penalty, denial of a permit or license, or renewal, or suspension or revocation of a permit or license imposed by the Director pursuant to Chapter 41 (§ 58.1-4100 et seq.); and

4. Penalty, denial by the Director of a license or renewal, or suspension or revocation of a license imposed by the Director pursuant to Chapter 42 (§ 58.1-4200 et seq.).

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

F. The Board may adjust the percentage of uncollectible gaming receivables allowed to be subtracted from adjusted gross revenue, as defined in § 58.1-4030, if it determines that a different percentage is reasonable and customary in the sports betting industry.

§ 58.1-4015.1. Voluntary exclusion program.

A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

B. The regulations shall include the following provisions:

1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of this article; (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino gaming that may be allowed under the laws of the Commonwealth; (iv) playing any electronic gaming device authorized pursuant to Chapter 42 (§ 58.1-4200 et seq.); (v) participating in charitable gaming, as defined in § 18.2-340.16; ~~(v)~~ (vi) participating in fantasy contests, as defined in § 59.1-556; or ~~(vi)~~ (vii) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in administering the voluntary exclusion program pursuant to the provisions of this section.

1172 2. A person who participates in the voluntary exclusion program may choose an exclusion period
1173 of two years, five years, or lifetime.

1174 3. Except as provided by regulation of the Board, a person who participates in the voluntary
1175 exclusion program may not petition the Board for removal from the program for the duration of his
1176 exclusion period.

1177 4. The name of a person participating in the program shall be included on a list of excluded persons.
1178 The list of persons entering the voluntary exclusion program and the personal information of the
1179 participants shall be confidential, with dissemination by the Department limited to sales agents and permit
1180 holders, as defined in § 58.1-4030, and any other parties the Department deems necessary for purposes of
1181 enforcement. The list and the personal information of participants in the voluntary exclusion program shall
1182 not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In
1183 addition, the Board may disseminate the list to other parties upon request by the participant and agreement
1184 by the Board.

1185 5. Sales agents and permit holders shall make all reasonable attempts as determined by the Board
1186 to cease all direct marketing efforts to a person participating in the program. The voluntary exclusion
1187 program shall not preclude sales agents and permit holders from seeking the payment of a debt incurred
1188 by a person before entering the program. In addition, a permit holder may share the names of individuals
1189 who self-exclude across its corporate enterprise, including sharing such information with any of its
1190 affiliates.

1191 **§ 58.1-4048. Gaming Regulatory Fund.**

1192 There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming
1193 Regulatory Fund, referred to in this section as "the Fund." The Fund shall be established on the books of
1194 the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and
1195 other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest
1196 earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in
1197 the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but
1198 shall remain in the Fund. Moneys in the Fund shall be used solely to offset the Department's costs

1199 associated with (i) the conduct of investigations required by § 58.1-4032, 58.1-4043, 58.1-4104, 58.1-
1200 4109, 58.1-4116, 58.1-4120, or 58.1-4121 or any other provision of this article ~~or~~ Chapter 41 (§ 58.1-
1201 4100 et seq.), or Chapter 42 (§ 58.1-4200 et seq.) and (ii) the enforcement of regulations promulgated by
1202 the Virginia Lottery Board pursuant to subdivisions A 14 and 15 of § 58.1-4007, subdivision 2 of § 58.1-
1203 4102, and ~~§§~~ 58.1-4103, 58.1-4202, and 58.1-4204. Expenditures and disbursements from the Fund shall
1204 be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the
1205 Director.

1206 **§ 58.1-4103. Voluntary exclusion program.**

1207 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

1208 B. The regulations shall include the following provisions:

1209 1. Except as provided by regulation of the Board, a person who participates in the voluntary
1210 exclusion program agrees to refrain from (i) playing any account-based lottery game authorized under the
1211 provisions of this chapter or Chapter 40 (§ 58.1-4000 et seq.); (ii) participating in sports betting as such
1212 activity is regulated by the Board; (iii) engaging in any form of casino gaming authorized under the
1213 provisions of this chapter; (iv) playing any electronic gaming device authorized pursuant to Chapter 42 (§
1214 58.1-4200 et seq.); (v) participating in charitable gaming, as defined in § 18.2-340.16; ~~(v)~~ (vi) participating
1215 in fantasy contests, as defined in § 59.1-556; or ~~(vi)~~ (vii) wagering on horse racing, as defined in § 59.1-
1216 365. Any state agency, at the request of the Department, shall assist in administering the voluntary
1217 exclusion program pursuant to the provisions of this section.

1218 2. A person who participates in the voluntary exclusion program may choose an exclusion period
1219 of two years, five years, or lifetime.

1220 3. Except as provided by regulation of the Board, a person who participates in the voluntary
1221 exclusion program may not petition the Board for removal from the program for the duration of his
1222 exclusion period.

1223 4. The name of a person participating in the program shall be included on a list of excluded persons.
1224 The list of persons entering the voluntary exclusion program and the personal information of the
1225 participants shall be confidential, with dissemination by the Department limited to lottery sales agents

licensed under Chapter 40 (§ 58.1-4000 et seq.), owners and operators of casino gaming establishments, and any other parties the Department deems necessary for purposes of enforcement. The list and the personal information of participants in the voluntary exclusion program shall not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to other parties upon request by the participant and agreement by the Board.

5. Lottery sales agents and owners and operators of casino gaming establishments shall make all reasonable attempts as determined by the Board to cease all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall not preclude lottery sales agents and owners and operators of casino gaming establishments from seeking the payment of a debt incurred by a person before entering the program. In addition, the owner or operator of a casino gaming establishment may share the names of individuals who self-exclude across its corporate enterprise, including sharing such information with any of its affiliates.

CHAPTER 42.

ELECTRONIC GAMING DEVICES.

Article 1.

General Provisions.

§ 58.1-4200. Definitions.

As used in this chapter, unless the context requires a different meaning:

"Distributor" means any person that leases or purchases electronic gaming devices from a manufacturer and operates, maintains, and places such devices at host locations.

"Electronic gaming device" means a physical terminal, machine, or other device, including electronic or computerized devices, that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate, or play a game, the outcome of which shall be determined by the skill of the player, and that may deliver or entitle the person playing or operating the device to receive cash in excess of the cost of operating, activating, or playing the game. "Electronic gaming device" does not include any mobile telephone device, charitable games authorized pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, sports betting authorized under Article 2 (§ 58.1-4030 et seq.), casino gaming

1253 authorized under Chapter 41 (§ 58.1-4100 et seq.), or historical horse racing authorized pursuant to
1254 Chapter 29 (§ 59.1-364 et seq.) of Title 59.1.

1255 "Gaming area" means the area of the host location identified by the distributor licensee and
1256 approved by the Director in accordance with regulations promulgated by the Board for the placement and
1257 operation of electronic gaming devices.

1258 "Gaming tax" means the tax imposed on gross profits.

1259 "Gross profits" means all revenue generated from the play of electronic gaming devices minus
1260 prizes or cash winnings paid out to successful players.

1261 "Host location" means a business establishment at which electronic gaming devices are placed,
1262 operated, and offered to the public for play in the gaming area by a distributor licensee.

1263 "Independent testing laboratory" means a laboratory selected by the Director with a national
1264 reputation for honesty, independence, and timeliness that is demonstrably competent and qualified to
1265 scientifically test and evaluate electronic gaming devices for compliance with this chapter and to otherwise
1266 perform the functions assigned to it by this chapter. No independent testing laboratory shall be owned or
1267 controlled by a manufacturer, distributor, or host location licensee or by the Commonwealth.

1268 "Individual" means a natural person.

1269 "Inducement" means anything of value offered, given, transferred, or paid, directly or indirectly,
1270 by a manufacturer, distributor, procurement agent, or any employee, agent, contractor, or other person
1271 acting on behalf of any manufacturer, distributor, or procurement agent to any host location licensee or
1272 any applicant for a host location license pursuant to this chapter, or to any employee, investor, owner, or
1273 officer of a host location licensee or applicant for a host location license as an enticement to solicit, enter
1274 into, grant, execute, renew, extend, or maintain a use agreement by and between a host location licensee
1275 and a distributor licensee, including any cash, incentive, marketing or advertising cost, gift, food,
1276 beverage, loan, financing arrangement, prepayment of gross revenue, or any other contribution payment
1277 that offsets a host location licensee's capital or operational costs, or as otherwise determined by the Board.

1278 "Inducement" does not include costs paid by a distributor licensee related to:

1279 1. Costs for structural changes or modular materials or equipment used to meet minimum standards
1280 for the gaming area as required by the Board or to maintain the security of the gaming area, the electronic
1281 gaming devices, and ticket redemption terminals, provided, however, that any changes costing in excess
1282 of \$5,000 may be shared equally between the distributor licensee and the host location licensee or the
1283 applicant for a host location license.

1284 2. Surveillance equipment, alarm systems, and similar equipment or systems intended to monitor
1285 and secure the electronic gaming devices, the ticket redemption terminals, and the gaming area and the
1286 perimeter of the host location licensee's establishment, and any means of ingress and egress thereto.

1287 3. Any wiring or rewiring of the gaming area necessary to operate electronic gaming devices, ticket
1288 redemption terminals, or ancillary equipment.

1289 4. Any software updates to the electronic gaming devices or ticket redemption terminals or ongoing
1290 maintenance of electronic gaming devices, ticket redemption terminals, network connections, site
1291 controllers, chairs, tables, supports, or other ancillary equipment necessary to operate the electronic
1292 gaming devices and the ticket redemption terminals in the gaming area.

1293 5. Any requirement established by the Board regarding minimum standards for the operation of
1294 electronic gaming devices, ticket redemption terminals, or the gaming area that the Board determines may
1295 be paid for, in whole or in part, by the distributor licensee.

1296 "Licensee" or "license holder" means any person holding a manufacturer, distributor, or host
1297 location license pursuant to Article 2 (§ 58.1-4205 et seq.).

1298 "Manufacturer" means any person that manufactures and sells or leases major components or parts,
1299 including software and hardware, for electronic gaming devices to distributors.

1300 "Person" means any individual, group of individuals, firm, company, corporation, partnership,
1301 business, trust, association, or other legal entity.

1302 "Player" means an individual who plays an electronic gaming device.

1303 "Procurement agent" means a person licensed by the Board that acts as an agent, either as an
1304 employee or as an independent contractor of a distributor or distributors and shares in the gross profits, is
1305 paid a commission, or is otherwise compensated for the purpose of soliciting or procuring a use agreement

1306 between a host location licensee and a distributor licensee for the placement of an electronic gaming device
1307 by the distributor at the host location.

1308 "Single play" means the period beginning when a player activates and pays for the interactive
1309 gameplay function of an electronic gaming device and ending at the time when the gameplay function or
1310 series of free subgames thereunder will not continue without payment by the player of additional
1311 consideration.

1312 "Successful player" means an individual who wins on one or more plays of an electronic gaming
1313 device.

1314 "Ticket redemption terminal" means a terminal where a voucher dispensed by an electronic gaming
1315 device may be redeemed for cash or a cash equivalent.

1316 "Truck stop" means an establishment that (i) is equipped with fuel islands or electrical recharging
1317 stations used for the operation of commercial motor vehicles, (ii) has a convenience store, and (iii) is
1318 situated on not less than two acres of land that the establishment owns or leases.

1319 "Use agreement" means a written agreement conforming to the regulations established by the
1320 Board and those minimum requirements set forth in this chapter between the host location and the
1321 distributor of the placement, operation, and maintenance of electronic gaming devices at the host location.

1322 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4204
1323 that allows individuals to voluntarily exclude themselves from engaging in the activities described in
1324 subdivision B 1 of § 58.1-4204 by placing their names on a voluntary exclusion list and following the
1325 procedures set forth by the Board.

1326 **§ 58.1-4201. Powers and duties of the Director related to electronic gaming devices;**
1327 **reporting.**

1328 A. The Director shall have the following powers and duties related to the regulation of electronic
1329 gaming devices:

1330 1. Issue licenses under Article 2 (§ 58.1-4205 et seq.) and supervise all activities licensed under
1331 the provisions of this chapter, including the manufacture, distribution, operation, hosting, and playing of
1332 electronic gaming devices;

1333 2. Suspend, revoke, or refuse to renew any license issued pursuant to Article 2 (§ 58.1-4205 et
1334 seq.) or the rules and regulations adopted pursuant to this chapter;

1335 3. Inspect, investigate, and have free access to the offices, facilities, or other places of business of
1336 any licensee and compel the production of any books, documents, records, or memoranda of any licensee
1337 for the purpose of satisfying himself that this chapter and Board regulations are strictly complied with;

1338 4. Order such audits as deemed necessary;

1339 5. Certify monthly to the State Comptroller and the Board a full and complete statement of
1340 electronic gaming device revenues for the previous month;

1341 6. Assess and collect civil penalties for violations of this chapter and Board regulations;

1342 7. Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate
1343 Committee on Finance and Appropriations, House Committee on Finance, and House Committee on
1344 Appropriations the total electronic gaming device revenues and expenses for the previous month and make
1345 an annual report, which shall include a full and complete statement of electronic gaming device revenues
1346 and expenses, to the Governor and the General Assembly, including recommendations for changes in this
1347 chapter as the Director and Board deem prudent; and

1348 8. Do all acts necessary and advisable to carry out the purposes of this chapter.

1349 B. Upon request by the assessing official of a locality, the Director shall provide to such assessing
1350 official of such locality a statement of the amount of the gaming tax collected in such locality pursuant to
1351 Article 4 (§ 58.1-4217 et seq.) from each electronic gaming device, from each host location, and from all
1352 electronic gaming devices and host locations in the aggregate.

1353 **§ 58.1-4202. Powers and duties of the Board related to electronic gaming devices.**

1354 In addition to the regulations adopted pursuant to § 58.1-4007, the Board shall promulgate
1355 regulations related to electronic gaming devices that:

1356 1. Develop such forms, licenses, identification cards, and applications as are necessary or
1357 convenient for the administration of this chapter;

1358 2. Establish requirements for all licensees under this chapter for the form, content, and retention
1359 of all records and accounts;

1360 3. Establish procedures for the collection of all fees levied pursuant to this chapter and set due
1361 dates for the payment of such fees;

1362 4. Establish a process for the approval or disapproval of electronic gaming devices and games
1363 offered on such devices;

1364 5. Establish cash handling procedures for distributor and host location licensees that require such
1365 licensees to keep separate accounts for gaming and nongaming transactions;

1366 6. Require inspections of all licensees at a frequency determined by the Board;

1367 7. Require adequate surveillance equipment, alarm systems, or similar equipment or systems
1368 intended to monitor and secure the gaming area and electronic gaming devices, ticket redemption
1369 terminals, electronic identification terminals, and the perimeter of the host location licensee's
1370 establishment, and any means of ingress and egress thereto;

1371 8. Establish a program of periodic testing and inspection for all electronic gaming devices;

1372 9. Prohibit licensees and their affiliates from advertising or marketing their products and services
1373 related to electronic gaming devices. However, (i) licensees shall be allowed to describe their products
1374 and services on a website operated and maintained by the licensee and (ii) host location licensees shall be
1375 allowed to advertise on one sign located at the host location, provided such sign is no larger than three
1376 feet in height by three feet in width; and

1377 10. Require host location licensees to post at least one sign in a conspicuous location at the entrance
1378 of any gaming area on the premises of its establishment. Such sign shall include (i) language that makes
1379 it clear that only individuals 21 years of age or older may play an electronic gaming device, (ii) a toll-free
1380 telephone number for problem gambling assistance that has been approved by the Virginia Council on
1381 Problem Gambling or another organization that provides assistance to problem gamblers, and (iii) the toll-
1382 free telephone number and website for the illegal gaming tip line established by the Office of the Gaming
1383 Enforcement Coordinator in the Department of State Police for members of the public to report concerns
1384 about, or suspected instances of, illegal gaming activities.

1385 **§ 58.1-4203. Adoption of local ordinance or local referendum required.**

1386 A. The Director shall not grant any license to a host location authorizing the host location to allow
1387 the placement and offering for play by the public of electronic gaming devices at the host location's
1388 business establishment in a locality until (i) the governing body of the locality adopts an ordinance
1389 permitting electronic gaming devices in such locality or (ii) a referendum on the question of whether
1390 electronic gaming devices shall be permitted in such locality is approved by the voters of such locality.

1391 B. The governing body of a locality that seeks to hold a referendum pursuant to clause (ii) of
1392 subsection A shall petition the court, by resolution, asking that a referendum be held on the question of
1393 whether electronic gaming devices shall be permitted within the locality. The court, by order entered of
1394 record in accordance with Article 5 (§ 24.2-681 et seq.) of Chapter 6 of Title 24.2, shall require the regular
1395 election officials of the locality to open the polls and take the sense of the voters on the question as herein
1396 provided.

1397 The clerk of such court of record of such locality shall publish notice of such election in a
1398 newspaper of general circulation in such locality once a week for three consecutive weeks prior to such
1399 election.

1400 The regular election officers of such locality shall open the polls at the various voting places in
1401 such locality on the date specified in such order and conduct such election in the manner provided by law.
1402 The election shall be by ballot, which shall be prepared by the electoral board of the locality and on which
1403 shall be printed the following question:

1404 "Shall electronic gaming devices be permitted at establishments licensed to sell alcoholic
1405 beverages and truck stops in _____ (name of locality) as may be approved by the Virginia
1406 Lottery Board?

1407 ☐ Yes

1408 ☐ No"

1409 In the blank shall be inserted the name of the locality in which such election is held. Any voter
1410 desiring to vote "Yes" shall mark in the square provided for such purpose immediately preceding the word
1411 "Yes," leaving the square immediately preceding the word "No" unmarked. Any voter desired to vote

"No" shall mark in the square provided such purpose immediately preceding the word "No," leaving the square immediately preceding the word "Yes" unmarked.

The ballots shall be counted, the returns made and canvassed as in other elections, and the results certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an order proclaiming the results of such election and a duly certified copy of such order shall be transmitted to the Department and to the governing body of such locality.

C. No such referendum held pursuant to subsection B shall be held more often than once every three years in the same locality.

D. No license requirement, license fee, permit fee, sticker fee, or tax shall be imposed by any locality upon an electronic gaming device manufacturer, distributor, or host location relating to the ownership, placement, use, or operation of electronic gaming devices or associated equipment.

§ 58.1-4204. Voluntary exclusion program.

A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

B. The regulations shall include the following provisions:

1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of Chapter 40 (§ 58.1-4000 et seq.) or 41 (§ 58.1-4100 et seq.); (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino gaming authorized under the provisions of Chapter 41 (§ 58.1-4100 et seq.); (iv) playing any electronic gaming device authorized under the provisions of this chapter; (v) participating in charitable gaming, as defined in § 18.2-340.16; (vi) participating in fantasy contests, as defined in § 59.1-556; or (vii) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in administering the voluntary exclusion program pursuant to the provisions of this section.

2. A person who participates in the voluntary exclusion program may choose an exclusion period of two years, five years, or lifetime.

1437 3. Except as provided by regulation of the Board, a person who participates in the voluntary
1438 exclusion program may not petition the Board for removal from the program for the duration of his
1439 exclusion period.

1440 4. The name of a person participating in the program shall be included on a list of excluded persons.
1441 The list of persons entering the voluntary exclusion program and the personal information of the
1442 participants shall be confidential, except that dissemination of such information by the Department to the
1443 entity that manages its central monitoring system established pursuant to § 58.1-4216 and any other parties
1444 the Department deems necessary for purposes of enforcement shall be allowed. The list and the personal
1445 information of participants in the voluntary exclusion program shall not be subject to disclosure under the
1446 Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list
1447 to other parties upon request by the participant and agreement by the Board.

1448 Article 2.

1449 Licenses and Requirements of Licensees.

1450 **§ 58.1-4205. Licenses that may be granted by the Director; fees.**

1451 A. The Director may grant the following licenses:

1452 1. Manufacturer license, which shall authorize the licensee to manufacture and sell or lease to
1453 distributors major components or parts, including software and hardware, for electronic gaming devices.

1454 2. Distributor license, which shall authorize the licensee to (i) buy or lease electronic gaming
1455 devices from a manufacturer, (ii) supply such devices to host locations, and (iii) maintain and service such
1456 devices.

1457 3. Host location license, which shall authorize the licensee to allow the placement and offering for
1458 play by the public of electronic gaming devices at such licensee's establishment.

1459 B. An applicant for a manufacturer, distributor, or host location license shall submit an application
1460 to the Director on forms provided by the Director. An applicant for a host location license shall be required
1461 to submit a copy of a valid use agreement entered into between such applicant and a distributor licensee,
1462 as a condition of licensure.

1463 C. A nonrefundable fee of \$1 million shall be paid by an applicant for a manufacturer license to
1464 the Department upon issuance of such license, and annually thereafter as a condition of licensure renewal
1465 or continued licensure.

1466 A nonrefundable fee of \$250,000 shall be paid by an applicant for a distributor license to the
1467 Department upon issuance of such license, and annually thereafter as a condition of licensure renewal or
1468 continued licensure.

1469 A nonrefundable fee of \$3,000 per electronic gaming device offered for play by an applicant for a
1470 host location license shall be paid by such applicant to the Department upon issuance of such license. Each
1471 such host location licensee shall thereafter pay to the Department an annual fee of \$125 per electronic
1472 gaming device offered for play by the licensee.

1473 All fees collected by the Department pursuant to this subsection shall be deposited into the Gaming
1474 Regulatory Fund established pursuant to § 58.1-4048.

1475 **§ 58.1-4206. General licensing requirements; penalty.**

1476 A. The Department, in conjunction with an accredited law-enforcement agency, shall conduct a
1477 background investigation, including a criminal history records check and fingerprinting, of the following
1478 individuals: (i) every individual applying for a license pursuant to this article; (ii) every individual who is
1479 an officer, director, or principal of a licensee or applicant for a license and any employee of the licensee,
1480 as determined by the Director, who is directly involved in the manufacture, distribution, operation, or
1481 hosting of any electronic gaming device; and (iii) all security personnel of any licensee. Each such
1482 individual shall submit his fingerprints and personal descriptive information to the Central Criminal
1483 Records Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records
1484 search and to the Department of State Police for a Virginia criminal history records check. The results of
1485 the background check and national and state criminal records check shall be returned to the Department.

1486 B. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license
1487 issued pursuant to this chapter to any person who has been (i) convicted of a crime involving moral
1488 turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any fraud

or misrepresentation in any connection, (iv) convicted of a felony, or (v) found to have engaged in conduct prejudicial to public confidence in electronic gaming devices.

C. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license issued pursuant to this article to a partnership or corporation if he determines that any general or limited partner, or officer or director of such partnership or corporation, has been (i) convicted of a crime involving moral turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any fraud or misrepresentation in any connection, (iv) convicted of a felony, or (v) found to have engaged in conduct prejudicial to public confidence in electronic gaming devices.

D. The Director may also refuse to grant a license pursuant to this article if:

1. The Director reasonably believes that the applicant or any general or limited partner, or officer or director of such applicant lacks good character, honesty, or integrity;

2. The Director reasonably believes that the applicant's prior activities, criminal record, reputation, or associations are likely to either (i) pose a threat to the public interest, (ii) impede the regulation of electronic gaming devices, or (iii) promote unfair or illegal activities in the conduct of electronic gaming devices;

3. The applicant or any general or limited partner or any officer, or director of such applicant knowingly makes a false statement of material fact or deliberately fails to disclose information requested by the Director;

4. The applicant or any general or limited partner or any officer or director of such applicant knowingly fails to comply with the provisions of this chapter or any requirements of the Director;

5. The applicant's license to manufacture, distribute, operate, or offer to the public for play an electronic gaming device issued by any other jurisdiction has been suspended or revoked; or

6. The applicant's application is incomplete.

E. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or knowingly and willfully makes a false, fictitious, or fraudulent statement or representation in any application pursuant to this article is guilty of a Class 1 misdemeanor. The Director shall revoke the license

of a licensee if, subsequent to the issuance of the license, the Director determines that the licensee knowingly or recklessly made a false statement of material fact to the Director in applying for the license.

§ 58.1-4207. Distributor licensees.

A. No distributor licensee shall own, place, or operate an electronic gaming device unless such device (i) is approved by the Director, (ii) has been manufactured by a manufacturer licensee, and (iii) is purchased or leased from a manufacturer licensee or distributor licensee. No contract between a distributor licensee and a manufacturer licensee shall grant the distributor licensee exclusive rights to own, maintain, or place a type, model, or brand of electronic gaming device or ticket redemption terminal in the Commonwealth.

B. No distributor licensee shall place or maintain an electronic gaming device at any establishment where it is offered to the public for play for a charge, directly or indirectly, unless such establishment is a host location licensee.

C. No distributor licensee shall place or maintain any electronic gaming device upon the premises of any host location licensee whose establishment is located within 2,500 feet of any public, private, or parochial school offering instruction to children in kindergarten through grade 12 or any child day center, as defined in § 22.1-289.02.

D. Any distributor licensee that places an electronic gaming device at any host location licensee establishment shall also install in the gaming area on such host location licensee's premises an electronic terminal that allows for the verification of the identity of any individual who seeks to play any such electronic gaming device on the premises. The electronic identification terminal shall require any such individual to scan a valid driver's license or state-issued photo identification card for the purpose of verifying the individual's identity and identifying the individual's legal age. Upon successfully verifying that such individual is 21 years of age or older, the electronic terminal shall issue such individual a player's card with a barcode or other similar feature. A player's card shall contain data specific to the individual it was issued to, but in no case shall contain any personally identifiable information, and shall be nontransferable. A properly issued player's card shall be necessary for a player to play an electronic gaming device on the premises of the host location licensee. Upon insertion of the player's card into or

scanning of the player's card by the electronic gaming device, a verification shall be made via the central monitoring system to ensure that the player is not a participant in the voluntary exclusion program established pursuant to § 58.1-4204. The Board may promulgate additional regulations in regard to the requirements for electronic terminals and players' cards.

§ 58.1-4208. Host location licensees.

A. The following locations are eligible to receive a host location license:

1. Establishments licensed to sell alcoholic beverages pursuant to Chapter 2 (§ 4.1-200 et seq.) of Title 4.1; and

2. Truck stops.

B. No more than two electronic gaming devices may be located in an establishment listed in subdivision A 1. No more than five electronic gaming devices may be located in an establishment listed in subdivision A 2.

C. No host location licensee shall allow an electronic gaming device to be placed upon the premises of such licensee's establishment unless such device is owned, placed, and maintained by a distributor licensee. The primary business of a host location licensee shall not be the offering for play of electronic gaming devices. No host location licensee shall derive more than 20 percent of its annual gross receipts from its share of the gross profits derived from the play of electronic gaming devices at such location.

D. No host location licensee shall use the term "casino" in its entity name, in any advertisement in association with its product or service, or in any manner prohibited by Board regulation. Any host location licensee that violates the provisions of this subsection shall be subject to a civil penalty of not more than \$50,000. The Director shall enforce the provisions of this subsection. All penalties collected pursuant to this subsection shall accrue to the general fund.

E. In an effort to promote responsible gaming by players, host location licensees shall:

1. Affix to a clearly visible and conspicuous location on each electronic gaming device a label that bears a toll-free number for problem gambling assistance that has been approved by the Virginia Council on Problem Gambling or other organizations that provide assistance to problem gamblers;

1568 2. Provide informational leaflets or other similar materials in the gaming area on the dangers
1569 associated with problem gambling;

1570 3. If the licensee holds a license from the Virginia Alcoholic Beverage Control Authority to sell
1571 alcoholic beverages pursuant to Chapter 2 (§ 4.1-200 et seq.) of Title 4.1, train its employees to identify
1572 patrons who have consumed excessive amounts of alcohol to prevent such patrons from continuing to
1573 engage in wagering activity while impaired; and

1574 4. Comply with any Board regulations regarding player self-exclusion programs.

1575 Nothing contained in this subsection shall be construed to create any cause of action against the
1576 Board or Department for the failure of a host location licensee to comply with the requirements of this
1577 section.

1578 F. All host location licensees shall comply with the provisions of this chapter and regulations
1579 adopted by the Board.

1580 **§ 58.1-4209. License posting; expiration.**

1581 A. Each license granted by the Director shall designate the place where the business of the licensee
1582 will be carried out.

1583 B. Each license shall be posted in a location conspicuous to the public at the place where the
1584 licensee carries out the business for which the license is granted.

1585 C. The privileges conferred by any license granted by the Director shall continue until the last day
1586 of the twelfth month next ensuing or the last day of the designated month and year of expiration, except
1587 that the license may be sooner terminated for any cause for which the Director would be entitled to refuse
1588 to grant a license or by operation of law, voluntary surrender, or order of the Director.

1589 D. The Director may grant licenses for one year or for multiple years, not to exceed five years.
1590 Qualifications for a multiyear license shall be determined on the basis of criteria established by the
1591 Director. Fees for multiyear licenses shall not be refundable.

1592 E. Sixty days before the expiration of a license, the license holder may submit a renewal application
1593 on forms prescribed by the Director. The Director may deny a license renewal if he finds grounds for
1594 denial as described in § 58.1-4206.

§ 58.1-4210. Prohibition against the issuance of multiple licenses to one person.

A. For purposes of this section, "interest" means the direct or indirect ownership of any equity ownership interest or a partial equity ownership interest or any other type of financial interest, including being an investor, shareholder, member, lender, or employee.

B. No licensee that has been issued a manufacturer license or a distributor license shall be issued a host location license or have any interest in a host location licensee.

C. A licensee that has been issued a manufacturer license may also be issued a distributor license or have an interest in a distributor licensee. A licensee that has been issued a distributor license may also be issued a manufacturer license or have an interest in a manufacturer licensee.

D. No licensee that has been issued a host location license shall be issued a manufacturer license or distributor license or have any interest in a manufacturer licensee or distributor licensee.

§ 58.1-4211. Prohibition against transferring licenses or interests.

No licensee shall transfer its license or assign responsibility for compliance with the conditions of its license to any party, including a transfer of effective control of the licensee. No distributor licensee shall transfer any electronic gaming device or any interest in a use agreement.

§ 58.1-4212. Suspension and revocation of licenses; civil penalties; hearing and appeal.

A. If the Director determines that any provision of this chapter or any regulation or condition of the Board has not been complied with or has been violated by a licensee, he may, with at least 15 days' notice and a hearing, (i) assess a civil penalty against the holder thereof in a sum not to exceed \$100,000 and (ii) suspend or revoke the license holder's license. If any license is suspended or revoked, the Director shall state his reasons for doing so, which shall be entered of record. Any civil penalties collected pursuant to this section shall be paid into the state treasury and credited to the Literary Fund.

B. Any person aggrieved by a refusal of the Director to issue any license, the suspension or revocation of a license, the imposition of a fine, or any other action of the Director may seek review of such action in accordance with Department regulations and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025 et seq.) of the Administrative Process Act.

C. Suspension or revocation of a license by the Director for any violation shall not preclude criminal liability for such violation.

§ 58.1-4213. Minimum requirements for use agreements between host location licensee and distributor licensee; division of revenue.

A. No distributor licensee may place, operate, or maintain an electronic gaming device on the premises of a host location licensee unless the distributor licensee and the host location licensee have entered into a use agreement that sets forth the terms and conditions for the placement, operation, and maintenance of such devices in compliance with this chapter and the regulations adopted by the Board.

B. A copy of the use agreement shall be maintained in the business office of both the distributor licensee and the host location licensee and shall be available at all times for inspection by the Director. A distributor licensee shall file a copy of any such use agreement with the Director within 30 days after the execution of such agreement.

C. The use agreement shall be exclusive between one host location licensee and one distributor licensee.

D. The use agreement shall be valid for a term of not less than three years, and not more than five years, and shall not contain an automatic renewal clause or any clause requiring the host location licensee to provide notice of such host location licensee's intent to renew or not renew such use agreement.

E. The use agreement shall provide that of the amount of gross profit remaining after remittance of the gaming tax to the Department by the distributor, at least half shall be distributed to the host location licensee.

F. No person shall receive any portion of gross profits generated from a host location licensee's premises except for the distributor licensee and host location licensee that are parties to the use agreement, except as approved by the Director in compliance with applicable regulations adopted by the Board.

G. Pursuant to a written commission agreement approved by the Board in accordance with regulations adopted by the Board, a procurement agent may be paid a commission, the maximum amount of which may be set by regulations adopted by the Board, for the solicitation and procurement of a use agreement for each year that the use agreement is in place between the host location licensee and the

distributor licensee. The Director is authorized to increase or decrease the amount of such commission by regulation adopted by the Board.

H. No use agreement or any other agreement, contract, or similar instrument regarding the placement, operation, or maintenance of an electronic gaming device that was entered into or executed by the distributor licensee or the host location licensee prior to January 1, 2025, or more than one year before the issuance of a license to the host location shall be valid for the purposes of meeting the requirements of this chapter.

I. Any provision in a rental agreement between a distributor licensee and host location licensee for the placement and operation of electronic gaming devices that directly or indirectly links the rental amount to the amount of gross profit generated by a device or to the play of or amount of revenue generated from a device shall be void and unenforceable.

J. No distributor or any affiliate of any distributor shall lease real property to a host location licensee.

Article 3.

Authorization of Electronic Gaming Devices.

§ 58.1-4214. Approval of electronic gaming devices by the Director; minimum requirements.

A. No electronic gaming device shall be offered for play by the public in the Commonwealth unless such electronic gaming device has first been approved by the Director.

B. Before selling, leasing, or otherwise providing an electronic gaming device to a distributor, a manufacturer shall provide a prototype or production sample of such electronic gaming device to an independent testing laboratory that has been approved by the Director, which shall evaluate and certify whether such electronic gaming device meets the definition of electronic gaming device under § 58.1-4200, the requirements of § 58.1-4215, and any other requirements established in Board regulations.

A prototype or production sample of each type, version, or model of electronic gaming device being operated in the Commonwealth shall be tested by an independent testing laboratory approved by the Director to ensure its integrity and proper working order. This evaluation shall include a review of installed software periodically within a timeframe established by the Director.

1676 The independent testing laboratory's software may be embedded within the game software, utilize
1677 an interface port to communicate with the device, or require the removal of device media for external
1678 verification.

1679 C. Along with the prototype or production sample of the electronic gaming device, the
1680 manufacturer shall provide the following information concerning the electronic gaming device to the
1681 independent testing laboratory:

- 1682 1. The method of determining the game outcome;
1683 2. The available wagering denominations;
1684 3. The minimum wager amount;
1685 4. The maximum wager amount per play, which shall not exceed \$1;
1686 5. The amount of payout for each wager;
1687 6. The method of calculating winning payouts;
1688 7. Payout calculations set forth in sufficient detail to audit a payout through manual calculation;
1689 8. The minimum payouts and the method of guaranteeing minimum payouts; and
1690 9. Any other information requested by the independent testing laboratory or required by the Board
1691 for use in the testing of the electronic gaming device.

1692 D. The report of the independent testing laboratory shall be submitted by the manufacturer to the
1693 Director. The Director shall use the report in evaluating whether the electronic gaming device shall be
1694 approved under this chapter.

1695 E. If at any time a manufacturer makes a substantive change to any electronic gaming device that
1696 has previously been approved by the Director, such manufacturer shall resubmit the electronic gaming
1697 device to the Director in a manner prescribed by Board regulation.

1698 F. The manufacturer licensee shall pay the cost of the independent testing laboratory's review and
1699 testing, and the reports of the same shall be delivered to the licensee and the Director.

1700 **§ 58.1-4215. Minimum requirements of electronic gaming devices.**

1701 In addition to meeting the definition of electronic gaming device established in § 58.1-4200,
1702 electronic gaming devices shall:

- 1703 1. Show the rules of play for each game in a way that adequately describes or displays such
1704 information so that a reasonable person could understand the game prior to placing a wager;
- 1705 2. Accept only cash wagers or tickets generated from electronic gaming devices that may be
1706 redeemed for play at another electronic gaming device located on the same premises;
- 1707 3. Prohibit the modification of the rules of play for a game, including the probability and award of
1708 a game outcome, once a game is initiated;
- 1709 4. Prohibit the remote modification or manipulation of games, except as required or approved by
1710 the Director pursuant to the provisions of this chapter;
- 1711 5. Pay out no more than \$500 in winnings for a single play of a game;
- 1712 6. Have a power switch that is located inside of the device to prevent power from being switched
1713 off from outside of the device;
- 1714 7. Be designed such that power and data cables into and out of the device are routed so that they
1715 are not accessible by the general public;
- 1716 8. Have an identification badge affixed to the exterior of the device by the manufacturer that is not
1717 removable without leaving evidence of tampering. Such badge shall include the following information:
- 1718 a. The name of the manufacturer;
- 1719 b. A unique serial number;
- 1720 c. The device model number; and
- 1721 d. The date of manufacture;
- 1722 9. Be constructed of materials that are designed to allow only authorized access to the interior of
1723 the device. Such materials shall be designed to show evidence of tampering if unauthorized access occurs;
- 1724 10. Have seals between the device and the doors of a locked area that are designed to resist the use
1725 of tools or other objects used to breach the locked area by physical force;
- 1726 11. Have external doors that are locked and monitored by door access sensors;
- 1727 12. Have a currency storage area that is secured by two locks before the currency can be removed
1728 and that is only accessible by the distributor licensee;

- 1729 13. Make payments to successful players by issuing a voucher that can be redeemed for cash at the
1730 host location's ticket redemption terminal;
- 1731 14. Have the ability to allow for an independent integrity check by an independent testing
1732 laboratory approved by the Director of all software that may affect the integrity of the game;
- 1733 15. Be connected to the central monitoring system established and operated by the Department
1734 under the provisions of § 58.1-4216;
- 1735 16. Conform to all requirements of federal law and regulations, including the Federal
1736 Communications Commission's Class A emissions standards;
- 1737 17. Have the ability to detect and display the device's complete play history and winnings for the
1738 previous 10 games;
- 1739 18. Contain a non-resettable meter, which shall be located in a locked area of the device that is
1740 accessible only by a key;
- 1741 19. Have the capability of storing the meter information for a minimum of 180 days after a power
1742 loss to the device; and
- 1743 20. Comply with such other requirements as adopted by the Board.
- 1744 **§ 58.1-4216. Requirement for central monitoring system.**
- 1745 Each electronic gaming device and ticket redemption terminal being operated in the
1746 Commonwealth shall be connected to a central monitoring system established and operated by the
1747 Department. All electronic gaming devices shall automatically disable upon being disconnected from the
1748 central monitoring system.
- 1749 The central monitoring system shall, at a minimum, collect the following information from each
1750 device: (i) cash in; (ii) payouts; (iii) points, credits, or amounts played; (iv) points, credits, or amounts
1751 won; (v) gross profit; (vi) the number of plays of the game; (vii) the amounts paid to play the game; (viii)
1752 the amount of gaming tax accrued; (ix) door openings; (x) power failures, disconnections from the central
1753 monitoring system, and malfunctions; (xi) remote activations and disabling; and (xii) any other
1754 information required by Board regulations.

1755 The central monitoring system shall not provide for the monitoring or reading of personal or
1756 financial information concerning players of electronic gaming devices.

1757 Article 4.

1758	<u>Taxation.</u>
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1759 § 58.1-4217. Gaming tax on gross profits.

1760 A. 1. A gaming tax equal to 30 percent shall be imposed upon all gross profits generated from the
1761 play of electronic gaming devices.

1762 2. The gaming tax imposed pursuant to this section shall not apply to any activity regulated under
1763 Article 2 (§ 58.1-4030 et seq.) of Chapter 40 or Chapter 41 (§ 58.1-4100 et seq.).

1764 B. The gaming tax imposed pursuant to this section shall be collected by the Department at a
1765 frequency established by Board regulations.

1766 C. The gaming taxes collected by the Department pursuant to this section shall be distributed
1767 pursuant to § 58.1-4218.

1768 D. After the remittance of the gaming tax by the distributor, at least half of the remaining gross
1769 profit shall be distributed to the host location licensee.

1770 § 58.1-4218. Distribution of gross profits and gaming tax revenue.

1771 A. An amount equal to 10 percent of the gross profits generated from the play of electronic gaming
1772 devices shall be deposited in the Gaming Regulatory Fund established pursuant to § 58.1-4048 to cover
1773 the costs of administration and oversight of electronic gaming devices in accordance with the provisions
1774 of this chapter.

1775 B. The remainder of the gaming tax revenue collected pursuant to § 58.1-4217 shall be distributed
1776 as follows:

1777 1. Twenty-five percent to the Department of Taxation for distribution to the locality in which the
1778 host location operates;

1779 2. Five percent to the Problem Gambling Treatment and Support Fund established pursuant to §
1780 37.2-314.2;

1781 3. Ten percent to the Department of Conservation and Recreation for state parks deferred
1782 maintenance;

1783 4. Ten percent to provide additional basic aid funding for public schools, which shall be
1784 apportioned to local school boards pursuant to Article 1 (§ 22.1-88 et seq.) of Chapter 8 of Title 22.1;

1785 5. Fifteen percent to pre-kindergarten programs for at-risk three-year-olds and four-year-olds;

1786 6. Five percent to the Virginia Indigenous People's Trust Fund established pursuant to subsection
1787 C of § 2.2-401.01;

1788 7. Ten percent to the Department of State Police to be used by the Office of the Gaming
1789 Enforcement Coordinator established pursuant to § 52-54; and

1790 8. The remainder to the general fund.

1791 C. Allocation of funds by the Department pursuant to this section shall occur no later than 60 days
1792 after such funds are collected, and only after the Department has verified the accuracy of the collected
1793 balances.

1794 Article 5.

1795 Prohibited Acts; Penalties, Etc.

1796 **§ 58.1-4219. Illegal manufacture, distribution, or hosting; penalty.**

1797 A. No person shall:

1798 1. Manufacture, sell, or lease to any person electronic gaming devices or major components or
1799 parts, including software and hardware, for electronic gaming devices without a manufacturer license
1800 issued by the Director.

1801 2. Distribute, sell, or lease to any person electronic gaming devices or major components or parts,
1802 including software or hardware, for electronic gaming devices, or purchase, own, operate, possess, or
1803 place in the Commonwealth electronic gaming devices, or maintain and service such devices without a
1804 distributor license issued by the Director.

1805 3. Operate an establishment where one or more electronic gaming devices are made available for
1806 play by the public without a host location license issued by the Director.

1807 4. Solicit, offer, or enter into any contract or agreement for the placement of an electronic gaming
1808 device until the distributor, host location, and procurement agent, if applicable, are all issued a license by
1809 the Director pursuant to this chapter.

1810 B. A violation of this section is a Class 6 felony.

1811 **§ 58.1-4220. Underage play prohibited; penalty.**

1812 A. No person shall play any electronic gaming device unless such person is 21 years of age or
1813 older.

1814 B. No person shall redeem any evidence of winnings from any person who is not 21 years of age
1815 or older.

1816 C. A violation of this section is a Class 1 misdemeanor.

1817 **§ 58.1-4221. Prohibited acts by host location licensees; penalty.**

1818 A. No host location licensee shall:

1819 1. Permit any person who is not 21 years of age or older to play any electronic gaming device;

1820 2. Give any reward for the play of an electronic gaming device that is not authorized by this
1821 chapter;

1822 3. Give any reward for the play of an electronic gaming device that is redeemable at a location
1823 other than the host location's ticket redemption terminal;

1824 4. Accept any inducement from a distributor licensee; or

1825 5. Extend credit to any person for the purpose of playing any electronic gaming device.

1826 B. A violation of this section is a Class 1 misdemeanor.

1827 **§ 58.1-4222. Illegal tampering with electronic gaming devices; penalty.**

1828 No person other than a distributor licensee shall possess or use any key or device designed for the
1829 purpose of opening, entering, or affecting the operation of an electronic gaming device or otherwise
1830 tamper with an electronic gaming device. A violation of this section is a Class 6 felony.

1831 **§ 58.1-4223. Conspiracies and attempts to commit violations; penalty.**

1832 A. Any person who conspires, confederates, or combines with another, either within or outside of
1833 the Commonwealth, to commit a felony prohibited by this chapter is guilty of a Class 6 felony.

B. Any person who attempts to commit any act prohibited by this chapter is guilty of a criminal offense and shall be punished as provided in § 18.2-26, 18.2-27, or 18.2-28, as appropriate.

§ 58.1-4224. Exclusion from the applicability of this chapter.

This chapter shall not apply to sports betting authorized under Article 2 (§ 58.1-4030 et seq.) of Chapter 40 or casino gaming authorized under Chapter 41 (§ 58.1-4100 et seq.).

§ 58.1-4225. Certain provisions in Article 1 (§ 58.1-4000 et seq.) of Chapter 40 to apply mutatis mutandis.

Except as provided in this chapter, the provisions of Article 1 (§ 58.1-4000 et seq.) of Chapter 40 shall apply mutatis mutandis to electronic gaming devices under this chapter. The Board shall promulgate regulations to interpret and clarify the applicability of Article 1 to this chapter.

2. That, to the extent practicable, the Board of Directors of the Virginia Alcoholic Beverage Control Authority shall provide assistance to the Virginia Lottery Board (the Board) in identifying any potential regulatory modifications necessary to assist the Board in promulgating regulations necessary to implement the provisions of this act.

3. That the initial adoption by the Virginia Lottery Board (the Board) of regulations necessary to implement the provisions of this act shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), except that the Board shall provide an opportunity for public comment on the regulations prior to adoption.

4. That the initial procurement by the Virginia Lottery of the central monitoring system required by § 58.1-4216 of the Code of Virginia, as created by this act, shall be exempt from the departmental procurement regulations promulgated by the Virginia Lottery Board pursuant to § 58.1-4007 of the Code of Virginia, as amended by this act.

5. That any contract, or portion of a contract, entered into prior to January 1, 2025, that does not comply with the provisions of this act shall not be given consideration in connection with the submission of any application for a license pursuant to Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1 of the Code of Virginia, as created by this act.

1860 6. That the provisions of the first and fifth enactments of this act shall become effective on January
1861 1, 2025.

1862 7. That the provisions of this act may result in a net increase in periods of imprisonment or
1863 commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary
1864 appropriation is _____ for periods of imprisonment in state adult correctional facilities;
1865 therefore, Chapter 1 of the Acts of Assembly of 2023, Special Session I, requires the Virginia
1866 Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000. Pursuant to § 30-
1867 19.1:4 of the Code of Virginia, the estimated amount of the necessary appropriation is _____ for
1868 periods of commitment to the custody of the Department of Juvenile Justice.

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