

**INTERIM REPORT OF THE  
JOINT SUBCOMMITTEE STUDYING**

**VIRGINIA'S CURRENT BINGO AND  
RAFFLE STATUTES**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**SENATE DOCUMENT NO. 57**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1995**

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**Report of the  
Joint Subcommittee Studying  
Virginia's Current Bingo and Raffle Statutes**

**To  
The Governor  
and  
The General Assembly of Virginia**

**Richmond, Virginia  
May, 1995**

**I. STUDY AUTHORITY AND SCOPE**

Senate Joint Resolution No. 195 (Appendix A), agreed to during the 1993 Session of the General Assembly, established a joint subcommittee to study the Commonwealth's statutes relating to bingo and raffles. The resolution directed the subcommittee to study the (i) rental fees paid to bingo facility owners, (ii) percentages of profits actually returned to charitable organizations, and (iii) bogus charities acting as fronts for illegal bingo operations. Senate Joint Resolution No. 12 (Appendix B), agreed to during the 1994 Session of the General Assembly, continued the subcommittee and directed it to determine the feasibility of (i) transferring control of bingo and raffle operations to an agency of state government and (ii) licensing charities, bingo operators and suppliers, to ensure integrity in bingo operations, uniform enforcement and regulatory consistency.

The original membership of the subcommittee continued to serve in the subcommittee's second year of study and was comprised of nine members: three members of the Senate appointed by the Senate Committee on Privileges and Elections; four members of the House of Delegates appointed by the Speaker of the House; and two members appointed by the Governor, one of whom is a representative of local government and one a citizen of the Commonwealth at large.



## II. BACKGROUND

The operation of bingo games by charitable organizations was legalized by the General Assembly in 1973. At that time, an exception to the general prohibition against gambling was created for bingo games and raffles under certain circumstances. As originally drafted, voluntary fire departments and rescue squads, recognized by an ordinance or resolution as part of the safety program of the political subdivision where the voluntary fire department or rescue squad was located, were authorized to conduct bingo games and raffles. Additionally, certain nonprofit organizations which had been in existence continuously for two years immediately prior to seeking a bingo or raffle permit were authorized to conduct bingo games and raffles under the original law. These nonprofit organizations were identified as:

1. A corporation, trust, church, association, community chest, fund or foundation organized and operated exclusively for religious, charitable, scientific, literary, community or educational purposes;
2. Posts or associations of war veterans or auxiliary units or societies of any such posts or associations, if such posts, associations, units or societies are organized in the United States or any of its possessions;
3. A fraternal society, order or association operating under the lodge system; or
4. A corporation or association organized and operated exclusively for the restoration and maintenance of historic gardens and the general promotion of beautiful gardens.

Under the 1973 law, annual permits issued by local governing bodies were required as a condition precedent to the conduct of bingo games or raffles. No part of the gross receipts derived from any bingo games or raffles could inure, directly or indirectly, to the benefit of any private shareholder, member, agent or employee of the authorized organization (including voluntary fire departments and rescue squads, hereinafter included as organizations). Further, no organization could enter into any contract with any outside party for the purpose of organizing, managing or conducting bingo games or raffles, although an organization could delegate the authority of organizing, managing, or conducting bingo games or raffles to natural persons who were bona fide members of the organization. The original law also contained a prohibition on the use of signs advertising the game on the premises or within 100 yards of the premises of the organization. Organizations were required to file records of all receipts and disbursements annually with the local commissioner of accounts, and such records were made a matter of public record. Penalties for violations included permit revocation, criminal sanctions (misdemeanor penalty with a fine up to \$1,000), and, in addition to the criminal penalty, the local Commonwealth's attorney could seek an injunction for up to three years.

House Joint Resolution No. 115, agreed to during the 1978 Session of the General Assembly, directed a joint subcommittee of the House and Senate Committees on General Laws to undertake a comprehensive study of the bingo laws of the Commonwealth. The passage of House Joint Resolution No. 115 grew out of concern that large amounts of money were exchanged during bingo games and that there was a significant lack of uniformity among localities in the control of bingo operations. Inconsistencies, ranging from permit issuance procedures and the conduct of bingo games, to variations in records of receipts when compared to reports of disbursements, also contributed to the creation of the study. It was felt that the looseness with which the original bingo law was drafted was the primary cause of the lack of uniformity. As a result, bingo operations were essentially an unregulated exchange of large sums of money.<sup>1</sup>

In its final report, the joint subcommittee found that although most organizations conducting bingo games did so within the intent and spirit of the law, a small percentage of organizations took advantage of the lack of regulation and used the law for personal gain. As a result, the joint subcommittee recommended the repeal of the original bingo law and replaced it with a more comprehensive statutory scheme which is still the law today.

The 1979 rewrite of the Commonwealth's bingo laws included provisions which (i) added working definitions of the terms "bingo," "organization," "instant bingo," and "raffle"; (ii) created formal permitting procedures, operating rules, record-keeping, and the use of standardized forms; (iii) limited the conduct of bingo games to two days per week; (iv) restricted the playing of instant bingo to being a part of any regular bingo game; (v) established a cap on the amount of prize awards; (vi) required audits by the local governing body; (vii) added a criminal penalty (Class 6 felony) for violations with the intent to defraud; and (viii) gave any person or organization aggrieved by the denial, issuance, suspension or revocation of a permit a right to a hearing before the local governing body.<sup>2</sup>

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<sup>1</sup>Report of the Joint Subcommittee of the House and Senate General Laws Committees on the Bingo Laws of the Commonwealth, House Document No. 39 (1979).

<sup>2</sup>Ibid.

### **III. WORK OF THE JOINT SUBCOMMITTEE**

#### **A. 1993 Activities**

The 1994 interim report of the joint subcommittee (Senate Document No. 63) recounts the joint subcommittee's work during its first year of study. The work of the joint subcommittee culminated in the passage of SB 210 (Chapter 506 of the 1994 Acts of Assembly), which addressed bingo abuses such as skimming proceeds, leasing facilities to charities at greatly inflated rental rates, and requiring charities to purchase bingo supplies from the bingo hall operator. To prevent these abuses, the bill:

- ◆ Defined "landlord" as any person who owns or leases any premises devoted to the conduct of bingo games. The landlord is prohibited from (i) participating in the conduct, management, or operation of any bingo games; (ii) selling, leasing or otherwise providing, for consideration, any bingo supplies; and (iii) requiring as a condition of a lease that a particular bingo manufacturer, distributor or supplier be used by the organization. An exemption to this was carved out for organizations which own their own buildings and conduct bingo games on their own behalf.
- ◆ Increased from three to five years the length of time a charitable organization has to be in existence to get a permit.
- ◆ Required localities to set a minimum percentage of proceeds which must be given over to a charity.
- ◆ Required at least 50 percent of the organization's membership to be Virginia residents.
- ◆ Limited participation by corporate sponsors of a charity to one raffle per year.
- ◆ Increased the age from 16 to 18 years to buy instant bingo tickets.
- ◆ Prohibited the use of post dated checks and the extension of lines of credit for payment to play bingo.
- ◆ Clarified that city or county attorneys are responsible for enforcement of bingo laws.

The joint subcommittee also focused on state regulation and enforcement of bingo games and raffles, state administration of bingo laws, and the consequent displacement of local control. The State Police, the Lottery Department, and the Department of Taxation were briefly discussed as existing state agencies under which the control of bingo and raffles would fit. It was noted, however, that the function and goals of the Lottery Department and state regulation of bingo and raffles are different since the Lottery Department serves as an operator/promoter of the state lottery, while the state interest in the regulation of bingo and raffles would be purely regulatory. It was also suggested that a separate state agency be established to administer bingo games and raffles. Aware of the complexities and attendant issues of transferring control of bingo to state government, the joint subcommittee concluded that the study should be continued to determine the feasibility of transferring control of bingo and raffles from local government to state government.

## B. 1994 Activities

1. *October 5, 1994, Meeting.* Convening its first meeting of the 1994 interim, the joint subcommittee heard testimony from citizens, business representatives, and local government officials concerning the desirability of state regulation of bingo and raffles, as well as other related issues.

A representative of Vegas Time Associates discussed Virginia's bingo and raffle statutes as they apply to that company. Vegas Time Associates, an equipment and services company, provides "Las Vegas Nights" for three types of customers: commercial, nonprofit, and private parties. Vegas Time Associates organizes approximately 250 events annually in Virginia, Maryland, and the District of Columbia. The biggest problem Vegas Time Associates has encountered in Virginia is in the permitting process because of conflicting statutory interpretations from one locality to the next. The joint subcommittee was urged to develop one set of bingo and raffle regulations that could be applied uniformly.

A representative of the Hanover Society for the Deaf also described difficulties with the permitting process. He opined that local officials have too much authority and urged the joint subcommittee to strengthen the due process requirements in the permitting statutes.

Others also cited the problem in Hanover County with the permitting process. Small organizations' speakers suggested they may be experiencing discrimination in the issuance or denial of permits because state law gives the final authority in the permitting process to the locality, which is subject to political influences and varying interpretations.

The Audit Director for Chesterfield County discussed some enforcement aspects of Virginia's bingo and raffle statutes. Because the law does not differentiate between organizations on the basis of gross revenue, smaller grossing organizations must meet the same extensive reporting requirements as higher grossing organizations. The reporting requirements are particularly burdensome to these smaller grossing organizations (i.e., a \$500 Girl Scout-sponsored raffle). [Additionally, there are always instances where a bingo or raffle event is held for which no permit was obtained.] The joint subcommittee was urged to examine two additional issues. The revision of the current statute to exempt from the permit and financial filing process nonprofits who expect or actually gross less than \$10,000 annually to allow resources to be concentrated on larger gambling operations; and changing the fiscal reporting year to a calendar basis to clear up reporting deadline confusion for small organizations.

The Audit Manager of Fairfax County also commented on enforcement concerns. Concurring with the remarks of the Chesterfield County Auditor, he suggested that the joint subcommittee establish a standard threshold exemption amount under which no permit to conduct bingo games or raffles would be required. Additionally, the joint subcommittee was urged to raise the current audit exemption threshold from \$2,000 to \$10,000.

Other recommendations made at the meeting included:

- ◆ Strengthening the statutory requirements to prevent professional ventures;
- ◆ Providing more uniformity among the jurisdictions in the issuance of permits;
- ◆ Relaxing the reporting requirements for small operations;
- ◆ Providing an exemption for service clubs which conduct internal raffles;
- ◆ Allowing more flexibility on how proceeds of games are utilized; and
- ◆ Striking a balance between the needs of the state and the organizations as they relate to bingo facility owners and their relationship with not-for-profit organizations.

Staff presented a review of (i) the joint subcommittee's 1993 work, (ii) 1993 carryover legislation related to bingo games and raffles (HBs 590, 758 and 884), and (iii) issues involved with state control of bingo. In an effort to make current law more "user-friendly," staff also presented the joint subcommittee with a proposed redraft. The redraft, adopted by the joint subcommittee, contained no substantive changes, but reorganized current law and made necessary housekeeping changes. The subcommittee encouraged interested parties to submit their comments about the changes. The redraft served as the basis for all regulatory models considered by the joint subcommittee. It also introduced a new term -- charitable gaming -- both as a housekeeping measure to more easily refer to bingo games, instant bingo, and raffles, and to distinguish this type of legalized gambling from other kinds of gambling currently authorized by Virginia law. A copy of the redrafted bingo and raffle statute, along with annotations explaining the reorganization of the law, is attached as Appendix D.

In the area of state control of charitable gaming, the joint subcommittee reviewed testimony gathered in its first year from the North American Gaming Regulators Association (NAGRA) to learn how bingo is regulated in other states. Testimony from bingo regulators from the States of Montana, Massachusetts, Nebraska, Washington, and Minnesota indicated that charitable gaming programs in these states shared three principal characteristics: (i) charitable gaming is regulated at the state level which requires full funding for administration and enforcement; (ii) owners of commercial bingo halls are removed from all operation and management of bingo; and (iii) comprehensive licensing programs are in place, providing for the licensure of bingo supply manufacturers, distributors, and professional employees, as well as the charity itself.

In discussing the desirability of state regulation of bingo, the joint subcommittee reviewed the following policy issues.

- ◆ What is the compelling state interest in regulation of charitable gaming at the state level?
- ◆ Would enhanced local regulation solve the identified problems?
- ◆ Would state regulation be more effective?
- ◆ How effective is state regulation in other states?
- ◆ What is the appropriate scope of state regulation--should licensure extend to manufacturers, distributors, bingo employees and charities?
- ◆ What administrative/enforcement costs are involved in state regulation--special fund vs. general fund?

- ◆ Who should be responsible for enforcement? Will enforcement lie with the controlling agency or the State Police?
- ◆ If the state regulates bingo, which agency should house the state regulatory body, or should a new agency?

2. *November 15, 1994, Meeting.* Focusing its attention on the desirability of state regulation of charitable gaming, the joint subcommittee convened its second meeting of the 1994 interim. In response to complaints about inconsistent regulation and enforcement by localities throughout the state, the joint subcommittee solicited comment from bingo industry representatives, bingo operators, facility owners and charitable organizations on their view of possible state control of the operation and conduct of bingo games and raffles.

Representatives from the National Association of Fundraising Ticket Manufacturers (NAFTM) reported that while NAFTM took no position of the question of state regulation of bingo, they could provide an overview of other state bingo regulatory models.

Bingo has been legalized in 46 states, with pull tabs legally played in 34 states. Twenty-three states reported 1993 gross revenues of \$7 billion of which \$750 million was returned to charities, representing an average 11 percent return of gross receipts to charities. In 1993, bingo accounted for 44 percent of the gross receipts; pull tabs contributed 55 percent; and raffles contributed the remainder. By way of example, in Minnesota, \$1.25 billion is wagered annually among 1650 charitable organizations. Of that amount, \$200 million is attributable to the operation of bingo games.

With regard to regulatory structures, other states employ widely divergent models:

- ◆ 6 states regulate at the local level.
- ◆ 16 states regulate through the Department of Revenue.
- ◆ 9 states regulate through a Gaming Commission or Gaming Board.
- ◆ 3 states regulate through the Attorney General's Office.
- ◆ 4 states regulate through the State Police/Justice Department.
- ◆ 3 states regulate through the Lottery Board.

On a national average, state administration of bingo games and raffles requires funding for 30 staff positions with an annual budget of \$1.5 million or 1.6 percent of gross revenues.

Advantages of state regulation include uniformity in the (i) type of games allowed, (ii) rules of play, (iii) participants, and (iv) enforcement. As a result, there is a single voice to develop charitable gaming policy for the state in addition to the ability to share policy concerns and other related problems with sister states.

Adding to state bureaucracy and restricting local government involvement in bingo regulation were identified as the disadvantages of state regulation. Additionally, a state regulatory program under-funded and under-staffed is a formula for disaster.

The Virginia Bingo Association, comprised of bingo operators, landlords, and charitable organizations, offered four regulatory options to the joint subcommittee: first, statewide licensing and enforcement of charitable gaming; second, state regulation (i.e., the state sets up the minimum standards for the operation and conduct of bingo games and raffles) with local enforcement of such standards, as is required for the Uniform Statewide Building Code and the Chesapeake Bay Preservation Act; third, removal of local options in the current statute, a method that would do little to solve the problems which occasioned the creation of the joint subcommittee; and finally, preservation of the status quo (i.e., leave the statute as is), also an alternative that would do little to remedy problems already identified.

Other issues presented to the joint subcommittee for consideration included:

- ◆ Excluding prize payout from the calculation of the minimum percentage of the gross receipts required to be returned to a charitable organization;
- ◆ Changing the audit fee basis from a percentage of gross receipts to a percentage of gross receipts less prize payout;
- ◆ Removing the restriction on instant bingo proceeds;
- ◆ Increasing jackpot limits to \$5,000; and
- ◆ Strengthening enforcement procedures.

In reviewing regulatory models, the subcommittee sought a form that would ensure uniformity of charitable gaming regulation yet would preserve the intent of the 1973 exception to Virginia's prohibition against gambling; i.e., to allow an income stream to charitable organizations to fulfill the religious, charitable, community, and educational purposes for which they were specifically chartered or organized. The joint subcommittee, however, expressed concern that with the move toward shrinking government, the climate was not amenable to the creation of a new state agency to regulate charitable gaming.

Mindful of the undisputed testimony that the current regulatory approach would have to change to exert more control over the conduct of charitable gaming to eliminate the numerous abuses in this area and the fact that there is precedent in Virginia law for local enforcement of certain programs with oversight authority vested in the state government, the joint subcommittee requested that a draft be developed which would follow the model of the Chesapeake Bay Preservation Act. This "state control/local enforcement" model would be considered at the joint subcommittee's next meeting.

**3. December 13, 1994, Meeting.** The third meeting of the joint subcommittee examined the regulatory model of state control/local enforcement patterned after the Chesapeake Bay Preservation Act. Considering whether greater state oversight of the local administration of charitable gaming may be a better way of regulation, the joint subcommittee identified the benefits as uniform administration and enforcement, removal of certain local regulatory options, state-imposed regulatory standards, and local accountability to state government. Local governments would continue to administer and enforce charitable gaming laws, but with direct accountability to the state government for the manner in which they did so. An overview of the state control/local

enforcement model considered by joint subcommittee follows. An annotated copy of the state control/local enforcement draft considered by the joint subcommittee is attached as Appendix E.

### **State Control/Local Enforcement of Bingo and Raffle Statutes -- Overview**

#### ***Statement of Intent:***

- ◆ Cooperative state-local program to protect the public interest in charitable gaming and the promotion of the general welfare of the people of the Commonwealth by requiring that:
  - (i) the counties, cities, and towns of Virginia administer and enforce the charitable gaming law in accordance with criteria established by the Charitable Gaming Board to ensure that the conduct of charitable gaming in Virginia is of the highest quality and free of any corrupt, incompetent, dishonest or unprincipled practices, and
  - (ii) the Commonwealth make its resources available to local governing bodies by providing technical assistance, policy guidance, and oversight when requested or otherwise required to carry out and enforce the charitable gaming law of the Commonwealth.
- ◆ The Commonwealth shall act primarily in a support role by providing oversight for local governmental charitable gaming programs.

#### ***Regulatory structure:***

- ◆ Creation of Charitable Gaming Board as supervisory Board over Department of Charitable Gaming (created in the Secretary of Finance) to oversee administration and enforcement of bingo and raffles at local level.
- ◆ Powers of Board (promulgate regulations in accordance with APA).
- ◆ Authority of Board to institute legal actions to ensure compliance by localities.
- ◆ Creation of Department of Charitable Gaming to carry out directives of the Board.
- ◆ Compliance by local governments.
- ◆ Advisory state review of local government decisions.

#### ***Regulatory framework:***

- ◆ Exemption from permit requirement for organizations grossing less than \$10,000/year.
- ◆ Pull tabs (defined to include instant bingo) are restricted to instant bingo standards. Pull tabs are no longer defined as raffles.
- ◆ Application and reporting forms updated to include pull tabs.
- ◆ Locality to send certified copy of charitable gaming ordinances to Charitable Gaming Board.
- ◆ Audit exemption for organization grossing less than \$10,000/year.
- ◆ Audit fee for localities increased to 6% of gross (defined as receipts before expenses but minus prize payouts).
- ◆ Board determines independent accounting procedures to be used.
- ◆ Local option removed on issues on granting permit/ suspension and revocation.
- ◆ Search and seizure of supplies and equipment used in violation of law added.



- ◆ Delayed effective date for legislation, except for creation of Board and Department, to give them time to adopt regulations.
- ◆ Provision made for “status quo” to be maintained until Board implements its regulations.

Also discussed at this meeting were pull-tabs and instant bingo cards. Depending on one’s perspective, instant games, including instant bingo and pull-tabs can be viewed as big moneymakers for charities or big embezzlement opportunities for operators. The joint subcommittee recommended adherence to existing law -- pull-tabs and instant bingo games are legal but each locality may, by ordinance, prohibit the conduct of such games in its jurisdictions.

By the meeting’s end, the joint subcommittee rejected the state control/local enforcement model, citing inadequate funding for localities to meet their charge of increased enforcement. Additionally, the joint subcommittee believed that charitable gaming proceeds should continue to be used by charitable organizations for charitable purposes and not as a revenue stream for government.

**4. January 11, 1995, Meeting.** At the final meeting of its second year of study, the joint subcommittee, having rejected the status quo (local administration and enforcement) even with statutory enhancement and a state control/local enforcement regulatory model, discussed state control of charitable gaming in Virginia. Feeling strongly that this was the best means to address the charitable gaming abuses outlined and documented during its two-year study, the joint subcommittee reviewed a regulatory model which transferred control of all charitable gaming from local to state government. Throughout its second year, the joint subcommittee had solicited and received oral and written comments on the issue of state control of charitable gaming; testimony favored state control of charitable gaming. Under a state control/state enforcement regulatory model, a charitable gaming commission would be created to oversee all charitable gaming in the Commonwealth. An overview of this regulatory model follows.

#### **Charitable Gaming Commission -- Overview**

- Created as a seven-member commission in the Office of the Secretary of Administration; Commission members must be residents of the Commonwealth; and Commission members appointed by the Governor.
- Created as a “supervisory board”--(i.e., power to promulgate regulations and responsible for agency operations).
- Vested with control of all charitable gaming in Virginia with plenary power to prescribe regulations and conditions under which charitable gaming is conducted.
- Confidential records of all investigations of applications for licenses and permits exempted from the disclosure provisions of the Freedom of Information Act.

#### ***Powers of the Charitable Gaming Commission:***

1. Employ persons, including an Executive Secretary, necessary to ensure that charitable gaming is conducted in accordance with law and Commission regulations.

2. Commission and its agents and law enforcement to have free access to the offices, facilities or other place of business of any organization authorized to conduct charitable gaming (See definition of “qualified organization”).
3. Compel the production of books, documents and other records of any qualified organization.
4. Promulgate regulations under which charitable gaming shall be conducted in the Commonwealth.
5. Issue subpoenas for the attendance of witnesses, administer oaths, and compel production of records, etc. of a qualified organization.
6. Issue interim certification of tax-exempt status.
7. Perform audits of qualified organizations.
8. Limit the number of organizations for which a person may manage, operate or conduct charitable games.
9. Deny, suspend, or revoke a permit after notice and opportunity to be heard.
10. Report annually to the Governor and the General Assembly.

***Definitions Added:***

- “*Charitable gaming*” means bingo, including instant bingo, and raffles.
- “*Qualified organization*” means any organization to which a valid permit has been issued by the Commission to conduct charitable gaming or any organization which is exempt from the permit requirements.

***Conduct of Charitable Gaming Generally:***

- “Redrafted” version of bingo and raffle statutes adopted by the joint subcommittee the same as existing law [Article 1.1 (§ 18.2-340.1 et seq.) of Chapter 8 of Title 18.2] except as noted below.
- Exemption from permit requirement and financial reporting and audit requirements-- any organization realizing gross receipts of \$10,000 or less in any 12-month period and any volunteer fire department or rescue squad or auxiliary unit thereof recognized by the ordinance of the local governing body in which such fire department or rescue squad is located. (NOTE: The exemption for volunteer fire departments and rescue squads was added as an amendment on the floor of the House of Delegates.) The Commission still retains authority to investigate or audit such exempted organization to ensure compliance with law and Commission regulations.
- Annual permit required (unless organization exempt) accompanied by a fee as determined by the Commission.
- Annual report of gross receipts and disbursements required (unless organization exempt) accompanied by a fee as determined by the Commission, not to exceed the actual cost of the audit.

***Prize Limits:***

- Bingo door prize--\$25.
- Regular or special bingo game prize--\$100.
- Instant bingo prize for a single card--\$500.
- Bingo jackpot--\$1,000.

- Raffle prize--\$100,000.
- Pull-tab devices prize for a single card--\$500 (change from current law).

***Enforcement:***

- State Police shall have the authority to investigate any violation of charitable gaming laws or regulations, and shall assist in the conduct of investigations by the Commission. (change from current law)
- Immediate suspension of a permit upon finding of probable cause that charitable gaming is being conducted in violation of law or regulations of the Commission. Hearing to follow within 16 days of suspension. (change from current law)
- Criminal penalties--Class 1 misdemeanor; each day in violation is a separate offense.

Effective date of legislation, including the repeal of the current bingo and raffle statute: July 1, 1996, except that the Commission will come into existence on July 1, 1995, to promulgate regulations for the conduct of charitable gaming.

The initial state control/state enforcement draft outlined above was circulated by the joint subcommittee for comment by those interested persons who had participated in the joint subcommittee's study since its inception. The Virginia Bingo Association, represented by Ralph L. "Bill" Axselle, Jr., and comprised of charitable organizations, suppliers, and bingo facility operators, met with the local government officials of the Counties of Henrico and Chesterfield, and the City of Richmond, as well as the Virginia Municipal League to review and propose changes to the state control draft adopted by the joint subcommittee. The group assured the joint subcommittee that their recommended changes were matters where consensus had been reached among the parties.

What follows is an excerpt from a handout prepared by the Axselle group on their proposed changes to the state control of charitable gaming draft adopted by the joint subcommittee.

***Other Improvements to Law:***

More controls on purchase and possession of charitable gaming supplies and the vendors selling such supplies, so as to better establish an audit control regarding bingo gross receipts and proceeds; increases criminal penalties for fraudulent activities; provides authority to law enforcement officials to search premises associated with charitable gaming and to immediately suspend games if reasonable cause to believe violation of law; allows some flexibility to organizations in type of games permitted, but still consistent with bingo, raffle and pull tab concepts; etc. These improvements are effective July 1, 1995.

***Purpose of Modifications:***

- (i) To provide more uniform, consistent and thorough regulation of charitable gaming; and
- (ii) To provide better mechanisms for control of the millions of dollars being spent each year in charitable gaming.

***Other, Less Substantive Improvements of Existing Law:***

More accurately defining jackpot; providing definition of bona fide member; clearly defining that charitable gaming includes all aspects of bingo, raffles, pull tabs, instant bingo by charitable organizations; etc.

***State Regulation:***

Provides Charitable Gaming Commission with full regulatory and enforcement authority. Some of provisions now spelled out in statute ultimately being handled in regulations (e.g., forms for application and final reporting, amounts of filing fees and audit fees, timing of permits and filings, etc.). Continue in place the basic restrictions on charitable gaming (e.g., eligibility criteria; requirements of permits, reports, audits; nature and frequency of games and prizes; numerous prohibited activities by organizations, landlords, suppliers; provisions regarding operation of games, etc.).

***Local Government Role:***

In addition to continuing its regulatory and enforcement role until July 1, 1996, local government even under state regulation/enforcement system will have the right to pass an ordinance banning the playing of instant bingo and establishing reasonable hours during which charitable games may be played within such jurisdiction.

***Specific Issues:***

- ◆ **Pull tabs** -- does not change current law regarding sale of pull tabs to members of charitable organizations as currently permitted; does allow pull tabs to also be sold as part of bingo games, under the same restrictions as instant bingo.
- ◆ **Instant Bingo** -- continues the current 50 percent restriction; proceeds from instant bingo and pull tabs sold during bingo cannot exceed 50 percent proceeds from bingo; requires Commission to report to General Assembly by January 1, 1996 as to appropriate statutory and regulatory framework regarding instant bingo, with goal that more than 50 percent of proceeds may come from instant bingo when appropriate statutory and regulatory framework in place July 1, 1996. (It appears Virginia is the only state to so restrict proceeds from instant bingo.)
- ◆ **Gross Receipts/Net Receipts Issue** -- retains current law regarding calculations made on gross receipts, but allows Commission flexibility so that fees and required percentages may reflect the nature and extent of the charitable gaming activity involved.

***Conclusion:***

A number of improvements in applicable law now, with transition to state regulation/enforcement on July 1, 1996.

In addition, the Axselle group recommended:

- ◆ Change in the "intent/purpose" statement from "...for charitable purposes..." to "funding qualified organizations."
- ◆ New definitions added--"bona fide member", "charitable gaming supplies", "supplier".
- ◆ Amended definitions--"instant bingo" now defined to include other instant games, including pull-tabs.

- ◆ State Police role reduced to discretionary reporting of criminal violations to the Commonwealth's Attorney or upon the request of the Charitable Gaming Commission. Charitable Gaming Commission and its employees and agents directly responsible for enforcement of the charitable gaming laws and are vested with law-enforcement authority.
- ◆ Conduct of raffles broadened to allows drawings anywhere in Virginia.
- ◆ Charitable Gaming Commission authorized to determine when reports of gross receipts are to be filed.
- ◆ Registration of bingo suppliers with Charitable Gaming Commission required.
- ◆ Search warrant, arrest, seizure and forfeiture of contraband provisions removed.
- ◆ Charitable Gaming Commission to make recommendation on removal of the 50% limitation on proceeds from instant bingo.

The joint subcommittee discussed the amendments proposed by the Axelle group and recommended that the state control/state enforcement regulatory model be changed to incorporate the proposals made by the Axelle group, and further, that the draft be prepared for introduction in the 1995 Session of the General Assembly. A copy of SB 1020 as recommended by the joint subcommittee and passed by the General Assembly is attached as Appendix F.

## IV. GOVERNOR'S AMENDMENTS

Upon the passage of SB 1020 by the 1995 Session of the General Assembly, the bill was sent to the Governor for his signature. The Governor proposed amendments to SB 1020 which, in addition to several technical amendments:

1. Increased the exemption from the permit and financial reporting requirement from \$10,000 to \$25,000;
2. Exempted from the disclosure of membership lists those organizations which (a) do not consist of bona fide members and (b) are exempt under § 501 (c) (3) of the IRS Code;
3. Removed the authority of the Charitable Gaming Commission for charging an audit fee; and
4. Provided for certain transitional provisions by exempting the Commission's initial regulations from the Administrative Process Act for twelve months following July 1, 1995 and authorizing the Commission to issue temporary licenses upon conditions it may deem necessary for a duration not to extend beyond July 1, 1997.

A copy of the full text of the Governor's proposed amendments is attached as Appendix G.

At the Reconvened Session held on April 5, 1995, the General Assembly adopted all of the Governor's amendments except the amendment which would have removed the Charitable Gaming Commission's ability to charge a fee for auditing the financial reports required to be submitted by a charitable organization. Under current law, local governing bodies are authorized to charge an audit fee which represents the actual cost to the locality of such an audit.

## **V. CONTINUATION OF THE STUDY**

Because the state control/state enforcement model (SB 1020, 1995) recommended by the joint subcommittee contained a provision for delayed implementation (effective date of July 1, 1996), at which time the control of charitable gaming in the Commonwealth would be transferred from the local government level to the state Charitable Gaming Commission, the joint subcommittee felt that continuation of the study was warranted. The continuation will enable the joint subcommittee to consider amendments to Chapter 837 of the 1995 Acts of Assembly which may be required to fine tune the legislation. A copy of SJR 266 (1995) continuing the study of the joint subcommittee is attached as part of Appendix F.

## VI. CONCLUSION

The members of the joint subcommittee received materials and heard testimony from a vast number of groups and individuals, and the process educated all. The joint subcommittee extends its gratitude to all participants for their work and dedication.

Respectfully submitted,

Charles J. Colgan, **Chairman**  
Jay W. DeBoer, **Vice Chairman**  
Joseph B. Benedetti  
Edgar S. Robb  
Clifton A. Woodrum  
Glenn R. Croshaw  
Eric I. Cantor  
Christine G. Ballard  
Jaydeep "Jay" R. Doshi



## **VII. APPENDICES**

- A. Senate Joint Resolution No. 195 (1993)**
- B. Senate Joint Resolution No. 12 (1994)**
- C. Bingo and Raffles in the News: Selected Articles**
- D. Redrafted Version of Current Bingo and Raffle Statute, *with annotations***
- E. State Control/Local Enforcement Draft, *with annotations***
- F. Recommended Legislation (SB 1020 as enrolled and SJR 266)**
- G. Governor's Amendment Letter for SB 1020**
- H. Chapter 837, 1995 Acts of Assembly**

## **Appendix A**

### **Senate Joint Resolution No. 195 (1993)**

## SENATE JOINT RESOLUTION NO. 195

*Establishing a joint subcommittee to study Virginia's current bingo and raffle statutes.*

Agreed to by the Senate, February 2, 1993

Agreed to by the House of Delegates, February 25, 1993

WHEREAS, in Article 1.1 of Chapter 8 of Title 18.2, the Commonwealth authorizes bingo and raffle operations under certain circumstances; and

WHEREAS, an 18-month investigation by the Pennsylvania Crime Commission revealed that bingo operations are riddled with fraud and are "the perfect white-collar crime"; and

WHEREAS, bingo operations gross over four billion dollars nationwide each year; and

WHEREAS, very little of the proceeds is actually donated to charitable causes such as in the City of Richmond where less than two percent of the four million dollars in the city's bingo gross receipts for last year went to charity; and

WHEREAS, unscrupulous bingo operators skim proceeds, lease property to charities at greatly inflated rental prices, form bogus charities as fronts for illegal bingo operations and control companies that supply bingo equipment; and

WHEREAS, in October 1992, a special grand jury was impaneled in Henrico County to investigate bingo abuses; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the Commonwealth's statutes concerning bingo and raffles. As part of its study, the joint subcommittee shall address the issues of (i) rental fees paid to bingo facility owners, (ii) percentages of profits actually returned to charitable organizations, and (iii) bogus charities acting as fronts for illegal bingo operations.

The joint subcommittee shall consist of nine members to be appointed as follows: three members of the Senate to be appointed by the Senate Committee on Privileges and Elections; four members of the House of Delegates to be appointed by the Speaker of the House; two members to be appointed by the Governor as follows: one representative of local government and one citizen at large.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1994 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The indirect costs of this study are estimated to be \$8,885; the direct costs of this study shall not exceed \$4,860.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

## **Appendix B**

### **Senate Joint Resolution No. 12 (1994)**

## SENATE JOINT RESOLUTION NO. 12

*Continuing the Joint Subcommittee Studying Virginia's Current Bingo and Raffle Statutes.*

Agreed to by the Senate, February 1, 1994  
Agreed to by the House of Delegates, February 25, 1994

WHEREAS, Senate Joint Resolution No. 195, agreed to by the 1993 Session of the General Assembly, established a joint subcommittee to study Virginia's current bingo and raffle statutes; and

WHEREAS, in exploring the challenges facing the Commonwealth in the lawful conduct of bingo games and raffles, the joint subcommittee created by Senate Joint Resolution No. 195 worked diligently in reviewing the current operation of bingo and raffles across the Commonwealth and held two public hearings to receive comment by interested persons, in addition to several other meetings and work sessions; and

WHEREAS, testimony before the joint subcommittee confirmed a number of disturbing trends in the conduct of bingo games, including bogus charities acting as fronts for illegal bingo operations, exorbitant rental fees paid to bingo facility owners, and lack of consistency in the enforcement of bingo and raffle statutes; and

WHEREAS, the joint subcommittee desires to consider further the concerns and issues raised by charitable organizations, local government officials who regulate the playing of bingo, and the bingo supply manufacturers; and

WHEREAS, the joint subcommittee is interested in studying the feasibility of switching the regulation of bingo from the local governments to state control; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Subcommittee Studying Virginia's Current Bingo and Raffle Statutes be continued. As part of its continued study, the joint subcommittee shall (i) determine the feasibility of transferring control of bingo and raffle operations to an agency of state government; (ii) review the percentage of profits actually returned to charitable organizations; (iii) determine the feasibility of licensing charities, bingo operators and bingo suppliers to ensure integrity in bingo operations; and (iv) consider further the issues of fair market rental value, uniform enforcement, and statutory consistency.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 1995 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

The direct costs of this study shall not exceed \$5,000.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

## **Appendix C**

### **Bingo and Raffles in the News: Selected Articles**

# Cashing in on bingo

Daily Press Wednesday, May 10, 1995



Photos by Scott Kingsley and Kenneth Silver/Daily Press

## Playing for keeps in Hampton

Last year 16 nonprofit organizations brought in \$5.5 million at Hampton bingo games. Here's where the money went:

- Prizes — 75 percent
- Rent — 9 percent
- Supplies — 3 percent
- Other expenses — 5 percent
- Charitable causes — 3 percent

### COMPLAINTS

Commissioner of the Revenue Ross Mugler has questioned some practices at the city's two commercial bingo halls.

■ Buckroe Plaza Bingo Hall ran the games for the three charities that used the hall, he said. State law forbids that.

While a representative of the hall denies the allegation, representatives of two of the charities say it did happen. They say they stopped the practice after being told it was illegal.

■ A part-owner of American Legion Hall, Anna Gear, was "substantially involved" in running some of the games at the hall, paying bills and making bank deposits for the charity. That violates state laws designed to keep charities and the for-profit bingo landlords separate, Mugler said. Representatives of the charity said Mrs. Gear was simply a volunteer and she did not run the games.

■ The legion hall may be charging too much rent, Mugler said. On a square-foot basis, rent at the hall is on a par with the city's highest-priced office property.

The rent is fair and appropriate given the costs involved, the hall's owners say.

### CONNECTIONS

The Gear family is involved in both ownership of a hall where games are played and active in some of the groups renting space in the hall. These connections are not violations of bingo rules:

■ Tom Gear is vice-president of T.N.T. Entertainment Inc., which owns the hall.

■ Donald Gear, Tom's brother, is on the board of the Phoebus Civic Association, which also has games at the hall.

■ Kathy Owens, their sister, is the legal representative for T.N.T. and Paper Inc., which sells supplies to bingo operators. She is also an attorney for the civic association and American Legion Post 48, both of which have games at the hall.

■ Collins Owens, her husband, owns Paper Inc.

### REGULATIONS

The Hampton City Council will consider adopting 40 pages of accounting guidelines proposed by Mugler at a meeting tonight. The meeting begins at 7:30, in the City Hall council chambers, 22 Lincoln St.

The American Legion Bingo Hall on East Mercury Boulevard is Hampton's busiest, accounting for nearly half of the bingo business in the city. Regulators question whether the rent the hall collects is excessive.



Tom Gear, the vice president of T.N.T. which owns the American Legion Hall, said the rent his company charges for bingo is not excessive.

## Prosecutor says the numbers don't add up

By Steve Toloken  
Daily Press

### HAMPTON

Hampton officials that oversee the city's \$5.5 million-a-year charity bingo bonanza say some operators have been breaking the rules.

They also question whether the owners of some of the bingo halls are making too much money from what is supposed to be a charitable activity.

Citywide, only about 3 percent of the bingo money is making its way to charities. In some cases, less than 1 percent of the proceeds are going to charity.

At the request of Commissioner of the Revenue Ross Mugler, city prosecutor Chris Hutton is looking into the matter. Hutton declined to provide specifics and said he still wants to talk to the people involved before deciding whether any prosecution is necessary.

Mugler has also proposed a 40-page book of guidelines to beef up accounting practices used by the 16 charitable, civic and veterans groups that run bingo games in Hampton.

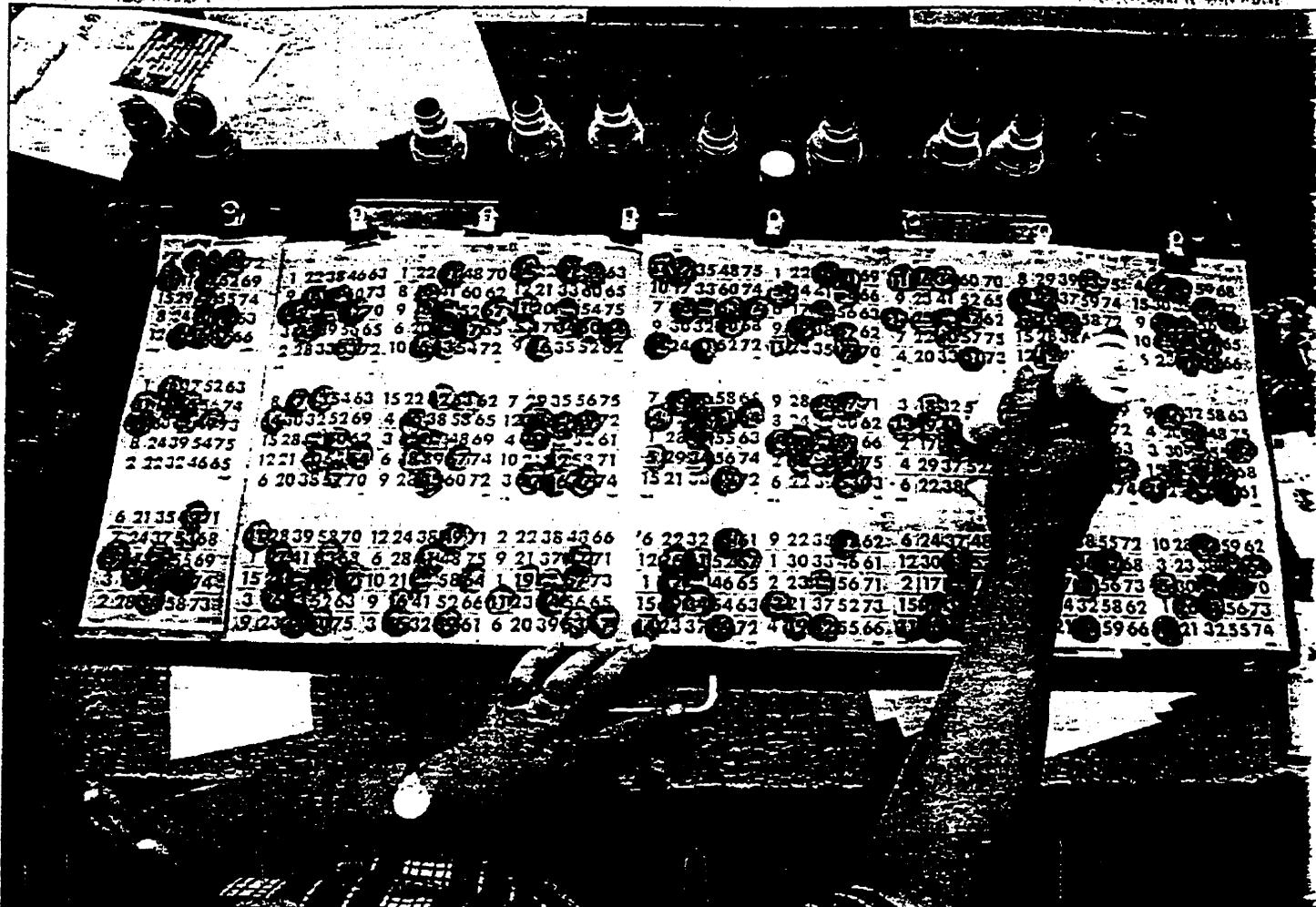
Some bingo operators say those guidelines are too cumbersome. They plan to appear at tonight's City Council meeting to oppose them.

The state legislature legalized gambling on bingo solely for the purpose of providing money for charities. Groups that sponsor the games are required to be nonprofit organizations and must be separate from the businesses that rent bingo halls and sell bingo supplies.

Mugler says he's concerned that the legally required separation isn't being honored in all cases in Hampton's bingo games. In addition to bookkeeping, he says, there are other problems:

■ The landlord at the Buckroe Plaza Bingo Hall, at 1933 E. Pembroke Ave., ran the games for the three charities that used the hall, he said. State law says the charities have to operate their own games.

■ A part-owner of the city's other commercial bingo hall, American Legion Hall at 227 E. Mercury Blvd., was "substantially involved" in running some charitable bingo games at the hall, paying bills and making bank deposits for the char-



ity. That violates state laws designed to keep charities and the for-profit bingo landlords separate, Mugler said.

■ The American Legion Hall may be charging too much rent to charities, a violation of state law designed to keep the for-profit landlords from getting rich from legalized gambling for charity, Mugler said.

Some of the organizations paying rent at the legion hall have close family ties to the corporation that owns the bingo hall.

Officers of the charities at the Buckroe Hall say they inadvertently broke the law. And representatives of the games and the landlord at the American Legion Hall say that regulators have overstated the connections between the charities and the landlord. They also contend their rent is fair because it includes all the costs associated with running the hall.

Some of the problems, particularly questions about inadequate bookkeeping, stem from poor communication between the city and the bingo operators, Mugler said.

Almost 50 percent of the city's bingo business takes place at the

Though named "American Legion Hall," the building is not owned by the American Legion post. The owner is T.N.T. Entertainment Inc.

T.N.T.'s president is Nick Tibbitt, the owner of Nick's Auto Super Mart at Pembroke and Armistead avenues. The vice president is Hampton businessman Tom Gear, and the secretary is his mother, Anna Gear.

The Gear family is well known in Hampton. Anna is the widow of former Hampton Mayor Tom Gear.

A March 30 memo from Mugler to Deputy Assistant Commonwealth Attorney Rob Wilson charged that the rent collected there is "excessive" because the annual rent nearly equals the total value of the building.

In the 12-month reporting period ending Sept. 30, 1994, the hall collected about \$330,000 rent from four bingo operations. The building, which measures 21,700 square feet, is worth \$358,000 and its parking lot is assessed at \$162,000; the city's real estate tax records show.

State law prohibits bingo landlords from charging more than the "fair market rental value" for their

vent private operators from becoming wealthy from what is supposed to be a charitable activity.

The \$14 per square foot rental fee charged to the bingo charities puts T.N.T.'s rental rate on a par with the city's highest-priced office property, said Alan Lynch, the chief commercial appraiser with the city.

Some officials argue the fair rent clause in the bingo regulations means one cannot collect more than what is reasonable given the location and type of building. But others say that bingo halls are unusual uses that put a lot of strain on buildings and interpret "fair market rent" to be whatever a renter is willing to pay.

Bill Hamner, the president of Hamner Development Co., said a building that earns 60 percent of its total \$520,000 value in rent each year "is a pretty strong return." But he said it is difficult to evaluate without a detailed look.

Rick Nowitzky, the first vice-president in Divaris Real Estate Inc.'s Newport News office, said, including utilities and other expenses in the rent puts it "a little on the high side, but it doesn't jump off the page."



Tom Gear, the vice-president of T.N.T., said the rent his company charges is not excessive because it includes all expenses associated with running the property, including utilities, custodial expenses and maintenance. Those expenses take up half the rent, he said.

"The groups in there are making a lot of money," he said. "The upkeep on that building is a lot."

The charitable groups that run bingo agree to pay that rent and are free to leave whenever they want, said Kathy Owens, Gear's sister and the registered agent for T.N.T. Owens is also the attorney for several of the groups that sponsor bingo at the hall.

Some of the rent paid to T.N.T. comes from organizations that have other family ties to the officers of the corporation, according to state documents and bingo permits filed with the commissioner of revenue.

State law prohibits bingo parlor owners from playing any role in running the bingo games, but does not prohibit a bingo hall owner or employee from being a member of an organization that plays bingo there. The law is intended to keep the landlords and the charities separate and reduce the risk of money flowing under the table to landlords.

Anna Gear is listed on a bingo permit as treasurer for the American Legion Auxiliary Unit #48, one of the organizations that rents space at the hall owned by T.N.T.

Mugler warned Anna Gear in a March 30 letter that she needed to choose between acting as bookkeeper for the landlord and participating in the operation of the bingo games.

Owens said her mother would stop acting as the treasurer for the auxiliary unit.

"It was perceived that she was operating or managing the games," Owens said. "She's not. She's a volunteer."

Anna Gear had no role in running the games or deciding where the auxiliary post played its bingo games, Owens added.

Donald Gear, Anna's son, is listed as a board member of the Phoebus Civic Association on another permit to play bingo at the American Legion Hall. He signed the civic association's permit for a bingo operation.

The company that sells bingo supplies to the charities at the American Legion Hall also has Gear family links.

The president of that company is Collins Owens, a senior assistant city attorney in Newport News and the husband of Kathy Owens.

That is a legal business relationship, regulators say, as long as the charities do not have to buy from that supplier in order to lease space at a hall. Tom Gear said the bingo operators are free to buy supplies from any company they want.

The other commercial bingo parlor in the city, Buckroe Plaza Bingo Hall, is owned by the Portsmouth-based 4 Leaf Corp. The company ran the bingo games for the non-profit groups that rent there, which violates state law, Mugler said in letters to the groups.

Frank Bullock, president of 4 Leaf, denies that his company participated in the operation of the bingo games, but representatives of two of the charities say 4 Leaf did run the bingo games.

"They told us they run the games, but we were to provide the volunteers to help out," said Lillian Chatman, speaking for the Association for the Restoration of Historic Cemeteries and the Coalition for Community Pride and Progress. Hampton Del. Mary Christian is listed as the interim president of the coalition.

Chatman said the groups were unaware of state regulations and were told by 4 Leaf that was how bingo was conducted.

William Dodson, a volunteer legislative aide to Del. Mary Christian and an officer in the cemetery association, said both the cemetery association and the coalition took over all of the bingo operations after they met with city officials in late February and were told that the law prohibited the landlord from being involved in the bingo games.

The charities that played at the hall reported identical revenue figures. Dodson said that's because 4 Leaf simply split up the bingo money evenly among them.

The other organization with bingo games at the hall is a civic organization called the Mighty O'Jays Club Inc.

Herman Hester, treasurer for the club, said the O'Jays run the games themselves. Some 4 Leaf board members are members of the O'Jays, but they do not participate in running bingo games, Hester said.

Of the \$1 million in bingo receipts at the hall from all the non-profit groups that sponsor bingo there, only \$3,956, or less than 1 percent, went to charitable causes, city reports show.

At the time, city law did not require bingo organizations to give any money to charity. That changed in November, and now bingo sponsors are required to give at least 5 percent of their total revenues to charities. They risk losing their bingo licenses for failure to comply.

All of the charities that sponsor games at the Buckroe hall reported paying nearly 90 percent of their revenue back out in prizes because they started playing in September 1993 and wanted to attract bingo players in the very competitive industry.

"Since we offer more money, we'll generate more people and in the long run, be successful," Hester said.

Daily Press

Wednesday, May 10, 1995

# We're not accountants, bingo operators protest

By Steve Tolokan  
Daily Press

**HAMPTON**

Charities that conduct bingo games in Hampton say it's easy to lose sight of all the good they do in the city, sending deserving students to leadership training seminars, helping churches make mortgage payments, buying school equipment and supporting hospitals.

And that's what worries the city's 16 charity, civic and veterans groups who run games in Hampton.

They fear that having to comply with 40 pages of new guidelines for accounting for bingo revenues will drown their all-volunteer organizations and drive them out of business.

Members of some of the groups that hold bingo games say they will go to City Council tonight to get the guidelines overturned or at least relaxed.

However, the guidelines were

issued by the Commissioner of the Revenue, Ross Mugler, who is an elected official not subject to direct control by City Council.

"What they are asking for is valid for a CPA," said Ron Williams, the secretary of the Kecoughtan High School Athletic Booster Club and a bingo volunteer for 18 years. "It maintains an audit trail.

"But the individuals that are tied in with the booster club are volunteers," said Williams. His group reported generating \$126,000 in gross revenues and paying \$20,129 to charitable causes from October of 1993 to September of 1994. "This is too cumbersome."

In response to the new guidelines, the city's largest charitable bingo operator has already pulled out.

St. Mary Star of the Sea School, at 14 Willard Ave., has suspended its bingo games at the American Legion Bingo Hall, blaming the new guidelines. Officials from the

school declined to comment. They informed parents of their decision in a recent letter.

"The complexities of the new regulations far exceed our capabilities," wrote Sister Mary Rose, principal, and Ted Cors, president of the school's board.

Last year, the school's bingo games generated \$994,000 and returned \$114,000 to the school, city records show. From those revenues, they paid \$146,800 in rent to T.N.T. Entertainment Inc., the owners of the American Legion Bingo Hall on Mercury Boulevard.

Williams said the Kecoughtan High booster club might follow St. Mary's lead if the guidelines remain in place.

That would mean a loss of \$20,000 to Kecoughtan athletics, he said.

Hiring an accountant to comply with the new rules would take too much of that money and not make it worth the volunteers' time, said Leonard Thomas, the athletic direc-

## WHERE THE BINGO MONEY GOES

Sixteen groups run bingo games in Hampton. Based on their reports to the city, here's how much the games brought in, how much they paid in rent and how much they had left for charitable causes. The reports cover October 1993 through September 1994.

Organization	Revenue	Rent	Charity	% to charity
<b>Games at the American Legion Hall, 227 E. Mercury Blvd.:</b>				
American Legion Post 48	\$530,469	\$73,950	\$44,394	8.4%
American Legion Aux. 48	\$530,622	\$73,950	\$45,105	8.5%
Phoebus Civic Association	\$451,802	\$41,528	\$25,050	5.5%
St. Mary Star of the Sea	\$994,755	\$146,800	\$114,568	11.5%
<b>Games at Buckroe Plaza Bingo Hall, 1933 E. Pembroke Ave.:</b>				
Association for Historic Cemeteries	\$345,343	\$28,474	\$2,789	0.8%
Coalition for Community Pride	\$345,343	\$30,701	\$750	0.2%
Mighty O'Jays Club Inc.	\$345,343	\$28,474	\$417	0.1%
<b>Games played at their own facilities:</b>				
American Legion Post 31	\$138,448	\$0	\$13,000	9.4%
Elks Lodge 366	\$367,797	\$40,800	\$18,667	5.1%
VFW Post 3219	\$104,827	\$3,480	\$1,351	1.3%
FOP Lodge 26	\$110,596	\$16,000	\$3,950	3.6%
Immaculate Conception Catholic Church	\$253,897	\$0	\$29,350	11.6%
Kecoughtan Booster Club	\$126,022	\$0	\$20,129	16%
Hampton Moose Lodge 1514	\$105,485	\$10,400	\$5,819	5.5%
Moose Lodge 1119	\$612,970	\$0	\$124,629	20.3%
St. Rose of Lima Catholic Chrch	\$123,891	\$0	\$21,000	17%

Source: Hampton commissioner of revenue

tor of Kecoughtan High School.

Commissioner of the Revenue Mugler initially proposed making the rulebook mandatory, but has since backed away and said he will treat the rules as guidelines, as long as there are sufficient records to trace the cash and make sure no money is missing.

Mugler said the groups need to make sure their accounting practices are up to speed because the state is taking over bingo licensing from local officials on July 1, 1996, and will likely make similar demands for accountability.

Better record keeping will also make sure the city gets all of the bingo tax revenue it is due, more than \$250,000 in 1994, he said.

Some of the groups that run bingo games, and who were accused in letters from Mugler of not having adequate accounting practices, say that they can account for their cash.

"There's no doubt we have the records," said Lloyd Jobson, the

junior vice commander of the Veterans of Foreign Wars Post 3219. "It's just not in the form he wants."

The VFW's accounting is cleared by its auditors, he said.

Mugler's office never asked some of the groups about their procedures and instead simply sent out letters telling them they did not have adequate accounting, said Kathy Gear Owens, an attorney who represents four organizations who run bingo in the city.

Owens is also the registered agent for T.N.T. Entertainment Inc., the owner of the American Legion Bingo Hall. Her brother and mother are officers on T.N.T.'s board of directors.

The problems cited by the civic groups who don't like Mugler's rulebook include:

- Requiring 14 forms to be filled out each night, more than double what some groups say they use now.

- Checking each bingo worker's cash several times each session.

- Keeping closer track of supplies, which will require the groups to find more volunteers to work the games, a tough task for bingo organizations.

- Requiring that all payments be made by check.

The new guidelines left the Immaculate Conception Catholic Church bingo chairman feeling like the city assumes the groups are riddled with accounting problems.

"The presumption I took from the manual is that the city goes in with the presumption that everybody is stealing money," said Joe Paulus. "I took exception to that."

In the 15 years Paulus has been involved with the church's bingo, he said, he could recall two instances where the church suspected someone was stealing bingo funds.

The church simply tightened its procedures to make each bingo worker accountable and the theft stopped, he said.

TITLE: PARLOR MANAGER GETS JAIL, NOT PRISON HIS BINGO TESTIMONY INDICTED  
KINGPIN  
BYLINE: Deborah Kelly Times-Dispatch Staff Writer  
EST. PAGES: 2  
DATE: 04/14/95  
DOCID: RCHD51040587  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1995)  
EDITION: City; SECTION: AREA/STATE; PAGE: B-1  
NOTES: (lka)

The man who turned in the honcho of Henrico County's bingo thievery in exchange for leniency for himself was rewarded yesterday with a four-year jail sentence and work release.

Allen L. Bowdoin, who prosecutors said stole hundreds of thousands of dollars that should have gone to charity while he was manager of the Mountain Road Expo bingo parlor, was also ordered to repay \$60,000 to the charities.

Bowdoin will serve his sentence in the county jail instead of prison. That will enable him to leave during the day for outside employment. He will be eligible for parole in about a year.

By contrast, Expo owner Kenneth E. Graham, Bowdoin's former boss and the man prosecutors call the Henrico kingpin of bingo theft, was sentenced to 17 years in prison and must repay \$700,000 to his victims.

In explaining why prosecutors were willing to recommend the much-lighter sentence for Bowdoin, Commonwealth's Attorney Toby Vick said that's the cost of breaking up a conspiracy.

"Conspiracy of that nature can only be penetrated through the cooperation of insiders," Vick said after Bowdoin's 10-minute sentencing hearing. "It was Al Bowdoin's testimony that allowed us to indict Kenny Graham. . . . And Kenny was the constant in the bingo fraud. Al Bowdoin was just someone Kenn used." Graham, who has previous drug and prostitution convictions, opened Mountain Road Expo in 1987. The parlor was a cash cow for five years, prosecutors said, until police cracked down on corrupt bingo operations.

Capping a two-year investigation begun in late 1992, police determined that huge sums were being systematically stolen from Henrico bingo games, which generated about \$10 million annually in gross receipts.

Prosecutors eventually obtained dozens of felony convictions against 16 bingo operators and workers. They also proved that hundreds of thousands and perhaps millions of dollars in bingo profits that should have gone to charity were funneled into the pockets of crooks.

Bowdoin, 48, of the 10200 block of Wolfe Manor Court in Glen Allen, was the last bingo conspirator to be sentenced. He pleaded guilty in September to five counts of grand larceny, conspiracy to

commit grand larceny, one count of tax evasion and a charge of subornation of perjury.

Retired Richmond Circuit Judge James E. Lumpkin sentenced him yesterday to 15 years with 11 suspended on each of the grand larceny and conspiracy charges, but allowed the sentences to run concurrently. Bowdoin received 12 months on the tax charge, which also will run concurrent to the other sentences.

Lumpkin gave Bowdoin a long weekend of freedom before he must report to jail at 10 a.m. Monday.

When Lumpkin announced Bowdoin's sentence, Graham's wife, sitting in back of the courtroom, muttered something and stomped out.

Graham and Bowdoin will be held at the Henrico Jail until Graham is transferred to prison. Vick said they will be held in separate areas.

Most of the bingo larceny was accomplished by pocketing the proceeds from sales of instant bingo tickets, which are similar to scratch-off lottery tickets. Some operators also underreported the number of admissions and kept the proceeds.

Bowdoin has repaid \$32,404.89 in stolen funds. Assistant Commonwealth's Attorney Duncan P. Reid said the money will be divided among the charities based on how long each charity sponsored games at Mountain Road Expo.

TITLE: **BINGO OPERATOR RECEIVES 17 YEARS ORDERED TO REPAY CHARITIES**  
\$690,000  
BYLINE: DEBORAH KELLY Times-Dispatch Staff Writer  
EST. PAGES: 2  
DATE: **03/31/95**  
DOCID: RCHD50900411  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1995)  
EDITION: City; SECTION: AREA/STATE; PAGE: A-1  
NOTES: (lko)

Bingo kingpin Kenneth E. Graham will pay the price in prison time and cash -- for failing to help Henrico County prosecutors investigating suspected public corruption and the skimming of millions in bingo profits.

Graham, 51, was sentenced yesterday to serve 17 years after Commonwealth's Attorney Toby Vick told the judge that Graham refused to come through with the "substantial assistance" called for in a four-page, sealed plea agreement signed in November and made public yesterday.

Retired Richmond Circuit Judge James M. Lumpkin also ordered Graham to repay \$690,000 to the six charities he bilked from 1983 to 1985 and from 1989 to 1992. All six charities had sponsored games at Graham's bingo parlor, Mountain Road Expo in Henrico.

Graham was ordered to report to the Henrico jail at 10 a.m. on Monday. He has been free on a \$350,000 bond since shortly after his arrest on July 12 but was handcuffed and taken to the jail for processing after yesterday's hearing.

Graham will be eligible for parole in about four years, said defense lawyer John S. West.

Despite Graham's lack of cooperation, tion, Vick said the county's probe into public corruption in bingo operation will continue. "Information is still being pursued that came to us through channels other than Graham," Vick said.

Graham's sentencing was the crowning point for investigators in their three-year probe into bingo corruption in Henrico. The investigation resulted in dozens of felony convictions against bingo businessmen who systematically stole millions in cash that should have gone to sponsoring charities.

The probe also led to the formation of a state Charitable Gaming Commission to improve monitoring of bingo games and raffles, now regulated by local governments. The commission takes effect July 1, 1996.

Defense lawyer James C. Roberts argued yesterday that Graham's sentence should be in the five-year range and that he should pay restitution of no more than \$136,000. Roberts also sought work release so Graham can continue to operate Kenny Graham's Overhill Lake, a recreation park in Hanover County.

Roberts provided a glimpse of Graham's personal life, noting that his parents sent him to live with his grandparents when he was 3 days old. He said Graham has a big heart and allowed the congregation of a burned-out church to conduct services at Overhill Lake free of charge.

"What the commonwealth wants to do is to take every sin, every evil, every transgression associated with bingo in Henrico County and put it to rest on the shoulders of this one man," Roberts said.

But Lumpkin sided with prosecutors on all counts, imposing a sentence of 67 years with 50 suspended for life and ordering the \$690,000 in restitution.

"What you have done is to steal from charities," Lumpkin told Graham. "The court makes no finding on whether the charities were pure as driven snow or not -- but it's still stealing from charitable organizations, and that's reprehensible."

Graham, his face flushed and haggard, leaned forward with his hands clasped on the defense table while Lumpkin spoke, but showed no emotion when the sentence was announced. He declined the judge's invitation to speak and would not comment to reporters.

Graham pleaded guilty Nov. 15 to six counts of grand larceny and a felony conspiracy charge. The charges carried a total maximum sentence of 130 years. In return for the pleas, prosecutors withdrew 13 other felony counts.

Lumpkin said Graham's sentence also reflected the seriousness of his prior convictions. In July 1985, Graham pleaded guilty to conspiring to procure females for prostitution. Court documents say Graham operated several massage parlors that were fronts for prostitution from 1979 until 1983.

Graham was sentenced to seven years with the condition it would be suspended for 20 years if he served eight months in jail. Vick said that next week he will seek to have the suspended sentence imposed.

Graham also was arrested in April 1979 and charged with felony possession and distribution of 4,000 Quaaludes, a controlled substance. Three months later, he pleaded guilty to a misdemeanor drug charge and was sentenced to 12 months in jail, with eight months suspended.

After yesterday's sentencing, Vick said Graham has "lived the past 20 years on the underside of life in Richmond. We had hoped to get a glimpse of that underside from his perspective. But he is apparently unable to tell the truth."

Roberts said Graham was truthful, but he simply had no one to turn in.

"Cooperation does not mean satisfaction," Roberts said.

Roberts told Lumpkin that Graham's financial statement shows assets of about \$1.8 million, including Overhill Lake, Mountain Road Expo and his home in Mechanicsville.

"But it does not tell you that there is approximately just under \$1 million of secured debt on those properties," Roberts continued.

Lumpkin did not set a timetable for when restitution must be made.

Maj. Henry W. Stanley of the Henrico Division of Police, who headed the bingo investigation when it began in 1992, called the probe "very productive."

"Our officers . . . had a difficult task, and they performed their work in an excellent manner," Stanley said.



TITLE: IRS takes hard look at **bingo** charities  
\$130,000 fine levied on Workers for Blind  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 2  
DATE: 01/07/95  
DOCID: RCHD243225  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1995)  
SECTION: AREA/STATE; PAGE: b-1

The Internal Revenue Service is cracking down on charities that sponsored illegal bingo games in the Richmond area.

And the IRS apparently is not accepting the explanation that such charities were merely victims of corrupt bingo operators.

The IRS this week collected \$130,000 from the Virginia Association of Workers for the Blind, which sponsored games at the Mountain Road Expo bingo parlor until police arrested the manager of the parlor last January. The arrest followed a 16-month investigation.

Since then, the manager of Mountain Road, Allen L. Bowdoin, and the owner, Kenneth E. Graham, have pleaded guilty to felonies related to the theft of hundreds of thousands of dollars in bingo profits that should have gone to sponsoring charities. Both men are scheduled to be sentenced in March in Henrico Circuit Court.

Domenic LaPonzina, public affairs officer for the IRS' Baltimore Key District, said the federal Privacy Act prohibited him from discussing specifics about on-going investigations.

"I don't know if this is the first in a long list . . . or the first of several cases that will be coming to the fore in the next 12 to 18 months," LaPonzina said.

He added that it's too soon to project how much money the IRS is likely to receive from the targeted charities. "It could exceed a million when we're done -- it could be more than that," he said.

A consent agreement between the IRS and Virginia Association of Workers for the Blind called for the association to pay \$130,000 in "taxes, penalties, interest and other amounts" to the IRS.

The IRS originally proposed revocation of the association's tax-exempt status because of "numerous violations of Virginia law in the conduct of its bingo operations," but didn't in the final compromise.

The IRS contended that the association failed to file several tax forms, including payroll taxes for workers who were illegally paid for working bingo games. In addition, the IRS cited the association's failure to file an "exempt organization business income tax return" related to income from bingo and lottery earnings, which were subject to those taxes since the workers were paid.

Robert E. Lee, a Richmond tax lawyer who represents the association, called the IRS' action "completely unreasonable" but said the organization agreed to pay the IRS bill because it was easier -- and probably cheaper -- than fighting them.

"It would have cost probably \$100,000 in legal fees to take it all the way to the 4th Circuit Court of Appeals," Lee said. "The burden of proof would have been on the organization. And it's a difficult burden to carry . . . So on balance we thought it best to settle."

The IRS initially claimed the association owed more than \$250,000 in taxes and penalties, Lee said.

Lee said the association's membership consists almost entirely of blind people who in good faith tried to raise money through bingo.

The association "had no reason not to trust" the operators at Mountain Road Expo, Lee said. "They may have been gullible," Lee said. "They were certainly duped."

LaPonzina countered that it's up to a charity's board of directors to "make wise decisions on behalf of the charity and the people supporting that charity."

Without commenting specifically on the association, LaPonzina said that a charity's officers, before entering into a contract, "should know what you're paying for and how much of the take you're going to get." The board should also question whether "it seems fair (for the charity) to take 5 cents on the dollar when the operator is making 95 cents," he said.

LaPonzina said that generally speaking, the IRS "is uncovering situations where it's less than an arms-length relationship between the hall operators and the charities. In some cases we're finding evidence that the hall owners are creating the charity."

Lee said the IRS "made some vague allegations" along those lines when Lee argued that his organization should not be responsible for the actions of outsiders involved in a criminal conspiracy.

"There are lots of reported cases of collusion between operators and charitable organizations," Lee said. "But I don't think it's true in this case. And the IRS was never able to produce" any such evidence against the association, Lee said.

The association's president, Ed S. Phillips Jr., was released from the hospital Thursday and was unavailable for comment, said Betty Meredith, office manager for the organization. But she read a statement approved by Phillips that said the \$130,000 payment "will be a substantial blow to our organization's finances. We hope with our good name and the work we have done for the community for the last 75 years will keep the donations coming in to take care of our needs and the people with needs in our community."

The statement added that "our board will have to decide what actions if any will be taken against Mr. Graham," such as a lawsuit to recover the funds it had to pay to the IRS.

TITLE: **Bingo** regulations attaining results  
Operators earning more for charities  
BYLINE: GORDON HICKEY  
Times-Dispatch Staff Writer  
EST. PAGES: 3  
DATE: **12/23/94**  
DOCID: RCHD241919  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
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Bingo has been a booming business in Richmond for years, but now the games are starting to do what they always were supposed to do -- raise a lot of money for charity.

The latest reports from a dozen bingo operators who ran games in the city this year showed their profits were up, and in some cases way up. That was exactly what was supposed to happen when the City Council tightened bingo regulations last year.

Bingo is allowed under state law only to raise money for charities.

Annual reports show that city bingo operators did just that, earning about \$420,000 for charity during the fiscal year that ended Sept. 30. That is about 9.4 percent of gross bingo receipts of \$4.5 million.

During the 1993 fiscal year -- before the current rules were in effect -- 12 bingo operators earned about \$297,000 for charity, or about 6.8 percent of gross receipts. The year before that, they earned about 2.4 percent.

Jaydeep R. Doshi, tax audit manager for the city, said the bingo reports were encouraging. "We feel the City Council and General Assembly did the right thing" in passing bingo regulations, he said.

Last fiscal year, which ended Sept. 30, city bingo operators were for the first time required to earn at least 6 percent of their gross income for charity. All but two did, and those two are no longer in business.

Starting this year, which runs Oct. 1 through Sept. 30, 1995, operators must earn at least 5 percent a year for charity, and an average of 10 percent over three years. Those numbers were agreed to by the city and the surrounding counties.

Meanwhile, a special subcommittee of the General Assembly has been meeting and will recommend statewide regulations of bingo. Doshi, who is a member of that panel, said the details have yet to be worked out by the board that will be appointed by the governor.

Doshi pointed out that the public attitude toward bingo has changed dramatically in just two years.

In 1992, the city asked state legislators to pass a law allowing localities to require bingo operators to earn a minimum for charity.

But, the law that was passed was so narrowly written it applied only to Richmond.

In 1993, after Henrico County and city officials began investigating the games, that law was expanded to take in the rest of the state.

Now the state will take over regulating the games.

Three of the bingo operators from last fiscal year have been officially put out of business by the city because they failed to file year-end reports. But all three had earlier indicated that they had quit sponsoring games, and two of them didn't make enough money for charity to qualify for license renewal anyway.

The three organizations, and the percentage of gross income they earned for charity, are Impact on Youth, 8.7 percent; Livingstone Alumni, 1.7 percent; and North Carolina Central University Association, 3 percent.

All three played at the Metropolitan Junior Baseball League building at 1700 Broad Rock Blvd. Two other groups continue to play there: the Fraternal Committee of St. Olga and The Fraternal Committee of St. John. They each earned more than 9 percent for charity.

A special Richmond grand jury is continuing to investigate bingo operations. Sources have said that probe centers on Metropolitan and some of the games played there.

James Ingraham, senior license and tax auditor for the city, said that though profits are up he is concerned that some organizations' bank accounts seem to be fluctuating. Some seem to be stockpiling cash.

One group that plays at Metropolitan, the Fraternal Committee of St. Olga, for example, started the year with \$4,944 cash on hand and ended it with \$19,940. That is an increase of almost \$15,000.

Richard Anderson, a member of St. Olga's, said the money is a hedge against future legislation and possible bad times. "They're keeping some aside because they're not expecting a good year," he said.

Anderson said times are getting harder for bingo organizations. He pointed out that bingo laws were set up when gambling was illegal in Virginia. "Now that it's legal they need to look at the legislation," he said.

Bingo charities "do a lot of good with that money," he said. The St. Olga group gives money to scholarship funds, the Metropolitan Junior Baseball League teams, and other worthy causes.

The Fraternal Committee of St. John also has seen its bank balance change, but downward. It started the year with \$11,615 and ended it with \$7,768, a decrease of more than \$3,800.

Both organizations earned more than 9 percent for charity.

Another group, Temple Beth-El, increased its reserves during the year from \$52,972 to \$119,813, or 126 percent. Doshi said the temple intends to use the money to help pay for a school addition.

Doshi said state law allows bingo operators to keep money in the bank, as sort of an operating reserve. After the organization stops running bingo games, though, it isn't required to report to anyone what it is doing with the money.

But, that isn't allowed in Richmond where the City Council passed a local ordinance requiring the organizations to continue to file quarterly reports until the money is gone.

Doshi also said he was pleased that the new regulations seem to be working. "Charities have to be held accountable for their primary purpose," Doshi said. "Clearly, this is working."

#### Bingo in Richmond

\* September 1992: The Times-Dispatch reports that city bingo operators earned much less, as a percentage of gross income, than operators in surrounding counties. The city began investigating rents paid to bingo halls after studies showed some groups paid five times more in rent than they earned for charity.

\* October 1992: The Richmond Commonwealth's Attorney's office filed a court complaint against the Metropolitan Junior Baseball League Inc. over rents it was charging charitable organizations. Rents were \$400 per game.

\* December 1992: The City Council considered and rejected requiring bingo operators to pay 10 percent of gross income for charity.

\* January 1993: The Metropolitan Junior Baseball League admits in court that it had overcharged and agrees to cut rent in half.

\* February 1993: The City Council sets the minimum profit bingo charities must earn at 6 percent of gross income, effective Sept. 1, 1993.

\* August 1993: The city and surrounding counties agree that all bingo operators must earn at least 5 percent of gross income for charity in any one year, and at least 10 percent over three years. Those regulations took effect Oct. 1, 1994. A General Assembly subcommittee began to discuss statewide regulations of the games.

\* December 1993: Bingo operators earned 6.8 percent of gross income for charity in the fiscal year that ended Sept. 30, 1993.

\* May 1994: Three bingo operators surrender their permits to

play at the Metropolitan Junior Baseball League parlor.

\* June 1994: A special grand jury begins investigating bingo operations, including those conducted at Metropolitan Junior Baseball League. The investigation is continuing.

\* December 1994: Bingo operators earned 9.4 percent of gross income for charity in the fiscal year that ended Sept. 30, 1994.

TITLE: Henrico moves **bingo** auditor in with police  
BYLINE: WENDY WAGNER  
Times-Dispatch Staff Writer=  
EST. PAGES: 1  
DATE: 12/22/94  
DOCID: RCHD241827  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-3

The bingo auditor for Henrico County has been moved from the Department of Internal Audit to the county police department.

"Now that the grand jury is past and all the indictments and the trials have passed, we're not going to let up as a county government," said police Command Sgt. Jan Stem. "We're going to stay close to bingo and monitor it both with the police and the auditor. Putting him here makes it a more efficient way to do that."

Bingo auditor Gary L. Crumpton said he was notified Dec. 8 that he was being assigned to the Division of Police. Crumpton, who has been the county bingo auditor since October 1993, said his duties are the same.

Crumpton audits all bingo operations in Henrico to make sure games are being conducted legally and conducts announced and unannounced visits to games to observe and do audit work. But he has no law enforcement authority.

Crumpton said the police department has been aiding him in his on-site work for several months.

"To (audit) a large bingo game, it takes more than one person," Crumpton said. "And since I was just one person, (the police) were providing personnel to assist me. Evidently that was one of the reasons that I was moved over to the police to give us a better line of communication."

Finance Director Dennis W. Kerns said about 15 organizations in the county are licensed to conduct bingo games. The county is reviewing license renewal applications, Kerns said. Only 13 organizations have applied for a license to conduct bingo games in 1995.



TITLE: **Bingo** case figure pleads guilty  
Pleabargain made as probe continues  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 2  
DATE: **11/16/94**  
DOCID: RCHD238046  
SOURCE: Richmond Times-Dispatch; RCHD  
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SECTION: AREA/STATE; PAGE: a-1

The key figure in Henrico County's two-year investigation into bingo corruption admitted his guilt yesterday in a secret plea agreement.

Kenneth E. Graham, 51, pleaded guilty to seven felonies that carry a total maximum sentence of 130 years. Commonwealth's Attorney Toby Vick said investigators' evidence showed that Graham stole more than \$1 million from charities that sponsored games at his bingo halls since 1981.

Retired Richmond Circuit Judge James M. Lumpkin sealed the four-page plea agreement, but a source said it calls for a substantial suspended sentence and an active sentence of 17 years. Cooperation with investigators could reduce the sentence.

Lumpkin allowed Graham, owner of Kenny Graham's Overhill Lake recreation park in Hanover County, to remain free on a \$300,000 property bond and \$50,000 surety bond until his March 7 sentencing.

Lumpkin said in court that the plea "provides for incarceration -- some of it would be suspended -- conditioned upon the defendant making restitution in an amount to be agreed upon" by Graham and prosecutors.

After the hearing, Vick said Henrico's investigation into bingo abuses is continuing, although "no arrests are imminent." The county's probe into possible corruption by public officials is also continuing.

"I don't want to get into specifics -- but there have been certain things uncovered through this investigation which still need to be followed up on," Vick said. "Some of it is allegations of misconduct on the part of elected officials," not only in Henrico but also Richmond, he said. He declined to elaborate.

When asked whether he expected Graham to cooperate in future investigations, Vick replied: "No comment. But obviously Kenny Graham has information we would be interested in knowing about if he would choose to share it with us."

Graham said little during the hearing and declined to comment afterward. Sources suggested that Graham's willingness to cooperate could be related to health problems that include diabetes and heart disease. Graham recently underwent angioplasty to clear blocked arteries.

Indicted in July on 20 felony counts, Graham was scheduled to begin a weeklong trial Monday. Prosecutors and defense lawyers reached a tentative agreement late last week.

Graham is owner of Mountain Road Expo, a now-vacant building that once was Henrico's largest and most lucrative bingo parlor. Through his guilty pleas Graham admitted that since Mountain Road Expo opened in 1987, he stole from six different charities that sponsored bingo games there.

Those groups include the Central Virginia Council for the Blind, American Legion Post 361, the Virginia Association of Workers for the Blind Inc., the Innerspace Foundation, the Virginia Foundation for the Blind, and the Institute for Higher Healing.

Each of the six grand larceny charges carry a maximum 20-year sentence.

Graham also pleaded guilty to a conspiracy charge related to illegal bingo operations that began in January 1981, when he ran a bingo parlor in the Laurel Park Shopping Center. That charge carries a maximum 10-year sentence.

In his summary of the prosecution's evidence, Vick told Lumpkin that former managers of Graham's bingo operations were prepared to testify that he instructed them on how to skim money from bingo games and how to falsify records without tipping off county auditors.

From 1989 to 1993, Vick said, Graham's operation received more than \$1,062,000 from the unreported sale of instant bingo tickets, which are similar to scratch-off lottery tickets.

Defense lawyer James C. Roberts disagreed but declined to specify another amount. "I'm not going to talk about any lesser figure -- but that figure is not correct," Roberts said.

Vick also told Lumpkin that the county's financial analysis shows that from 1989 until 1992, Graham spent \$738,000 more than was produced by his known sources of income. Most of that money was spent on paying other bingo co-conspirators and on construction projects at Overhill Lake, Vick said.

In return for the guilty pleas, the remaining felony charges were withdrawn by prosecutors.

Yesterday's felony convictions were not Graham's first. In July 1985, Graham pleaded guilty to conspiring to procure females for prostitution. Court documents say Graham operated several massage parlors that were fronts for prostitution from 1979 until 1983.

Henrico Circuit Judge Buford M. Parsons Jr. sentenced Graham to seven years but suspended it for 20 years on the condition that he serve eight months in jail. With his new convictions, Parsons could order Graham to serve the suspended time. That probably will be decided after sentencing, Vick said.

TITLE: **Bingo** figure gets two-year sentence  
She was convicted of stealing funds  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 1  
DATE: **09/28/94**  
DOCID: RCHD232826A  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-6

A woman accused of skimming more than \$30,000 from bingo games sponsored by the Central Virginia Council of the Blind was sentenced yesterday to two years.

Myra Lee Custalow, 59, faced a maximum 25-year prison term after being convicted in Henrico Circuit Court of grand larceny and misappropriating bingo funds.

Retired Richmond Circuit Judge James M. Lumpkin gave her a 10-year suspended sentence for the grand larceny conviction and five years with three suspended for the misappropriation charge.

Chief Deputy Commonwealth's Attorney Duncan P. Reid said Custalow took at least \$31,200 over a 30-month period from sales of "instant bingo" games, similar to scratch-off lottery tickets. She used the money illegally to pay bingo workers at West End Manor, where the Council of the Blind held its games.

State law says only charitable organizations may sponsor bingo games, and only volunteers of those organizations may work the games. The law was modified in 1992 so that organizations whose members are handicapped may hire workers. But that law was not in effect when Custalow managed the games from mid-1987 through 1990.

Three former bingo workers testified during Custalow's June trial that they were paid between \$40 and \$50 for virtually every game worked.

Custalow, who had no criminal record, was allowed to remain free on a \$17,500 bond pending an appeal.

Defense lawyer Murray J. Janus said after the hearing that one of the grounds for appeal is that the two charges Custalow was convicted of are duplicative because the money taken from instant sales was the same money used to pay workers. That issue was raised during her trial, but Reid successfully argued before Lumpkin that stealing the proceeds and illegally paying workers were two separate and distinct acts.

Also yesterday, a former bingo worker at Crossroads bingo near West Broad Street and Staples Mill Road pleaded guilty to two counts of perjury.

Edward Lee Collins, 57, admitted that he lied twice to the special grand jury that investigated bingo abuses in Henrico. Collins, of the 2300 block of Aiken Drive in Henrico, perjured

himself when he told the grand jury on April 16, 1993, and Dec. 10, 1993, that no bingo workers at Crossroads were paid.

Lumpkin approved a plea agreement that called for Collins, who had no criminal record, to receive a suspended sentence in return for his guilty plea. Collins also was ordered to pay a \$500 fine and perform 30 hours of community service.

TITLE: Organizations get proceeds from **bingo**  
\$57,000 dispensed for various causes  
BYLINE: BILL WASSON  
Times-Dispatch Staff Writer  
=  
EST. PAGES: 1  
DATE: 07/22/94  
DOCID: RCHD226006  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-1

Hanover County's volunteer rescue squads and fire departments, adults in need of day care, and disabled veterans reaped the benefits of bingo last night.

Veterans of Foreign Wars Battlefield Post 9808 in Mechanicsville gave \$57,000 in bingo proceeds to 13 organizations.

"Without your support, we would be at a loss," said a volunteer firefighter.

The Hanover Sheriff's Department, the Hanover Adult Center, the Ashcake and East Hanover volunteer rescue squads, and the Mechanicsville, Henry, Eastern Hanover, Black Creek and Hanover Courthouse volunteer fire departments received \$5,000 each.

The post also gave \$5,000 to McGuire Veterans Affairs Medical Center to buy special telephones for disabled veterans, and \$5,000 went to the VFW state headquarters to buy a computer for the Veterans Administration.

The Hanover Fraternal Order of Police also was given \$2,000.

"If it were not for the hard work of (the post's members), this would not have been possible," Post Commander Vic Weaver told representatives of the organizations on hand to pick up their checks at the VFW post last night.

The contributions have been earmarked for a variety of items, including special equipment of the Sheriff's Department's crash team and pagers for the Black Creek volunteer firefighters.

Jeanette L. Schoder, executive director of the Hanover Adult Center, said part of the money will be used to buy a large-screen television set.

Many of the center's clients have hearing and vision problems, she said.

"Most of these are people who cannot afford to pay for their care" during the day, she added.

Weaver said last night the post already had given about \$18,000 this year and plans to give more before the year is out.

Under a new Virginia law, a minimum of 5 percent of a bingo

operation's annual gross receipts must be used for charitable purposes, but the amount must average 10 percent of the gross over a three-year period.

Post 9808's gross bingo receipts through June 30 totaled \$515,635, according to the Hanover County Department of Finance.

Twelve Hanover nonprofit organizations are licensed to conduct bingo games in the county.

From last Oct. 1 through June 30, the nine organizations that have conducted games this year, including Post 9808, reported gross receipts totaling \$2.3 million.

As of June 30, \$210,000 went for charitable purposes.

TITLE: **Bingo** ordinance restricts landlords  
EST. PAGES: 1  
DATE: **07/14/94**  
DOCID: RCHD225169  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-7

The Henrico Board of Supervisors has approved more changes to the county's bingo ordinance to bring the code in line with laws passed by the General Assembly this year.

The major changes define a landlord and what landlords are not allowed to do.

Landlords cannot take part in the conduct of bingo games, sell or lease bingo supplies, or require contracts with particular bingo suppliers or manufacturers. In addition, if equipment or services are included in a lease with bingo operators, the new laws require contracts to be itemized to show the charges for each in the lease.

The landlord provisions do not apply to charitable organizations that conduct bingo and own the premises where such bingo games are held.

A 15-month grand jury investigation into bingo operations in the county revealed in late January that landlords had been charging excessive rents to organizations holding bingo games.

Karen M. Adams, assistant county attorney, said the county changes stem directly from state action and take effect immediately.

Another change includes a provision that prohibits extending credit to bingo players in any way, including accepting post-dated checks.

Adams said the county had already taken the position that a post-dated check is an extension of credit.

TITLE: Owner faces **bingo** charges  
Graham accused of embezzling at least \$700,000 from charities  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 2  
DATE: 07/13/94  
DOCID: RCHD225035  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: a-1

Kenneth Euzell Graham, whose activities triggered an ongoing probe into bingo corruption in Henrico County, is expected to turn himself in to police today on charges that he skimmed at least \$700,000 from bingo proceeds.

Graham is the owner of Mountain Road Expo, a now-vacant building that once was Henrico's most lucrative bingo parlor. He was indicted Monday by a Henrico grand jury on 20 felonies. The indictments were unsealed yesterday.

Graham, 50, is accused of systematically stealing money since 1987 from charities that sponsored bingo games at his facility. Those groups include the Central Virginia Council for the Blind, American Legion Post 361, the Virginia Association of Workers for the Blind Inc., the Innerspace Foundation and the Virginia Foundation for the Blind.

"Kenny Graham ran bingo not for the charities but for himself," Henrico Commonwealth's Attorney Toby Vick said.

"We see this as the most significant indictment out of this bingo probe. We see him as being a leader of the corruption of the bingo process here in Henrico County." After a special grand jury issued a final report in January, it recommended that its findings be turned over to a federal grand jury for investigation of possible corruption by public officials.

Sources said then that the federal probe could lead to charges of violations of the federal Hobbs Act, which centers on illegal payments for political favors.

Vick said he has "no idea of what is going on in the federal probe -- no idea where it stands." But he said the evidence Henrico prosecutors will present during Graham's trial on the 20 indictments "will have nothing to do with any county corruption."

Assistant U.S. Attorney John G. Douglass would not comment yesterday on the status of the federal probe.

Graham, of the 100 block of Plum Grove Circle in Mechanicsville, is charged with five counts of grand larceny related to the embezzlement of bingo profits. Each charge carries a maximum 20-year sentence.

He also is charged with five counts of misappropriating bingo proceeds. Each charge carries a maximum five-year sentence.



In addition, Graham is charged with nine counts of inducing or trying to induce bingo workers to lie to the special grand jury about bingo activities at the Expo. Each charge carries a maximum five-year sentence.

Graham also is charged with one count of conspiracy to commit a felony for allegedly conspiring with others to steal bingo proceeds. The indictment alleges the conspiracy began in 1981, when Graham ran bingo games out of the Laurel Park Shopping Center, according to Sgt. Jan Stem of the Henrico Division of Police, who is heading up the bingo investigations.

Graham's current criminal charges are not his first brush with the legal system. In January 1985, he was charged in Henrico Circuit Court with conspiracy to procure females for prostitution and procuring females for prostitution.

Those charges resulted from an 18-month police investigation into prostitution in the Richmond area. Court documents say Graham operated several massage parlors that were fronts for prostitution from 1979 until 1983.

He pleaded guilty in July 1985 to conspiring to procure females for prostitution. In a plea agreement, the second charge was dismissed.

Henrico Circuit Judge Buford M. Parsons Jr. sentenced Graham to seven years but suspended it for 20 years on the condition that he serve eight months in jail. Parsons also approved work release while Graham served his jail time.

Graham also had been arrested in April 1979 and charged with felony possession and distribution of Quaaludes, a controlled substance. Almost 4,000 pills and tablets were confiscated.

He pleaded guilty three months later to possessing and distributing a Schedule 6 drug -- a misdemeanor -- and was sentenced to 12 months in jail, with eight months suspended.

Police tried to arrest Graham yesterday at Overhill Lake, a recreation facility he owns in Hanover County. But employees there said he was on vacation.

One of Graham's lawyers, James C. Roberts of Mays & Valentine, said yesterday afternoon that he was trying to reach Graham to inform him of the indictments. Roberts confirmed that Graham is vacationing.

"I'm not going to tell you where," Roberts said. "We will be getting him back here tomorrow, I hope. He will turn himself in."

A special grand jury began investigating bingo corruption in Henrico in October 1992. The investigation was requested by the Henrico Board of Supervisors, which was stung by a report in The Times-Dispatch that chronicled the amount of rent Graham charged

charities to sponsor bingo games at Mountain Road. That report also investigated Graham's relationship with Henrico Supervisor John A. Waldrop Jr., who in 1992 helped kill proposed county bingo laws that would have adversely affected Graham. At the time, Graham and Waldrop jointly owned a Lincoln stretch limousine.

One of the proposed reforms would have halved the number of charities that could play bingo at Mountain Road. That, in turn, would have cut in half the rent Graham could collect. It was killed before the supervisors got to vote.

In 1991 alone, Graham received \$429,595 in rent on a 14,498-square-foot building that has an assessed value of \$490,700, according to county licensing information. That works out to about \$29 a square foot.

Mountain Road Expo currently is for sale.

#### BINGO PROBE

\* Sept. 20, 1992

The Times-Dispatch reports on rents charged at Mountain Road Expo, Henrico County's most lucrative bingo parlor, and on the friendship between Expo owner Kenny Graham and Fairfield District Supervisor John A. Waldrop Jr.

\* Sept. 23, 1992

Supervisors ask commonwealth's attorney to set up a bingo task force.

\* Sept. 25, 1992

Supervisors and then Commonwealth's Attorney James S. Gilmore III seek special grand jury to probe bingo abuses. Circuit Judge James E. Kulp says he will impanel grand jury.

\* Dec. 9, 1992

Grand jury asks supervisors to consider legislative reforms on bingo. Supervisors expand application process for charities to sponsor bingo.

\* February 1993

Richmond City Council requires bingo operators to turn over at least 6 percent of gross receipts to charity. General Assembly sets \$250,000 as minimum gross receipts for mandatory audit of a bingo game or raffle.

\* Dec. 16, 1993

Special grand jury recommends that a federal grand jury investigate suspected corruption by county officials.

\* Jan. 24, 1994

68 indictments are lodged against 13 bingo operators, some of whom are accused of embezzling \$1 million to \$2 million from charities. Convictions were obtained against all 13 defendants.

\* Feb. 3, 1994

Henrico police seize a 1989 Mercedes-Benz owned by Graham, but a judge orders the car returned. Police believed the car transported money stolen from Mountain Road Expo.

\* July 11, 1994

Henrico Circuit Court grand jury indicts Graham on charges of embezzling from charities that sponsor bingo games.

TITLE: Ex-bingo manager convicted  
Misappropriation of funds was alleged  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 2  
DATE: 06/21/94  
DOCID: RCHD222839  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-1

A former bingo manager for the Central Virginia Council of the Blind was convicted yesterday in Henrico Circuit Court of misappropriating bingo funds by illegally paying workers.

Myra Lee Custalow, 58, faces five years when she is sentenced by retired Richmond Circuit Judge James M. Lumpkin.

Custalow also was tried on charges of grand larceny and perjury, but Lumpkin postponed judgment until July 22. Those charges carry a total maximum of 30 years.

Custalow, of the 5500 block of Limestone Drive in Richmond, is accused of lying on May 7, 1993, to a special grand jury that investigated bingo corruption in Henrico. Custalow told the grand jury that bingo workers at West End Manor, where the Council of the Blind held its bingo games, were not paid.

State law says only charitable organizations may sponsor bingo games, and only volunteers of those organizations may work the games. The law was modified in 1992 so that organizations whose members are handicapped may hire workers. But that law was not in effect when Custalow is alleged to have violated the law -- from mid-1987 through 1990.

Three former bingo workers each testified yesterday that Custalow paid them between \$40 and \$50 for virtually every game they worked. The money was taken primarily from sales of "instant bingo," which is similar to scratch-off lottery tickets, they testified.

Since each bingo game needed at least four workers, and the Council sponsored from two to four games each week, the amount of money taken illegally from the instant sales to pay workers would range from roughly \$72,000 to \$140,000, testimony showed.

Defense lawyer Murray Janus argued that Custalow should not be convicted of grand larceny because the charge was duplicative of the misappropriation charge. The money that was allegedly taken from instant sales was the same money allegedly used to pay workers, Janus argued.

Chief Deputy Commonwealth's Attorney Duncan P. Reid said the grand larceny and misappropriation charges were not duplicative because paying bingo workers and stealing the proceeds from cash instants are "two separate and distinct acts."

Lumpkin plans to further research the issue before determining

guilt or innocence.

Janus also argued that Custalow should not be convicted of perjury because the transcript of the grand jury proceeding on the day she is alleged to have lied did not make it entirely clear which organization she was referring to when she said bingo workers were not paid. The transcript contained references to the Virginia Foundation of Workers for the Blind as well as the Central Virginia Council of the Blind.

Reid countered that "nothing could be clearer -- she said she didn't pay workers."

Lumpkin said he will read the entire transcript -- which covers more than 20 pages -- before ruling.

Also yesterday, Lumpkin gave suspended sentences to three former bingo workers at Mountain Road Expo bingo parlor who pleaded guilty in March to perjury.

Those three workers -- Wanda Martin, 32, of the 10000 block of Family Lane in Chesterfield County; Cindy Naegle, 31, of the 1300 block of Edgeworth Road in Mechanicsville; and Paula Perks, 28, of the 6300 block of Clover Lane in Richmond -- each admitted that they lied to the special grand jury when they said they were not paid for working bingo.

All three received five-year suspended sentences, \$500 fines, and were ordered to perform 30 hours of community service and pay court costs of about \$100.

TITLE: Synagogue's bingo permit request refused  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 1  
DATE: 06/14/94  
DOCID: RCHD222068  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: B-3

Hanover County authorities have refused to issue a bingo permit to a Henrico County synagogue that wants to move its games out of Henrico.

The Congregation Or Atid, which sponsors bingo games at the Crossroads Shopping Center in Henrico, applied for a permit to play bingo at the Jamaica Club, which has its own problems with Hanover regulators.

Hanover County Administrator John F. Berry said last week the biggest problem with the congregation's application was the \$550 rent for every game it sponsored at the Jamaica Club.

That amount "is considered materially higher than the average rent currently paid in the county," Berry wrote in a letter outlining the county's concerns.

The average rental rate in Hanover is \$340, Berry said, and the highest rent paid is \$400 per game.

Murray D. Rosenberg, president of the congregation, said his organization was willing to pay the high rent because "it's the price of doing business."

Rosenberg also said his organization wants to move its games out of Henrico because of the upcoming ban on instant bingo.

Instant bingo is similar to scratch-off lottery tickets and is highly profitable to the sponsoring charity. Henrico supervisors in March voted to ban instants after a special grand jury found that dishonest bingo operators had skimmed hundreds of thousands of dollars from unaccounted-for boxes of instant bingo cards.

The Congregation Or Atid will appeal Hanover's decision denying them a bingo permit, Rosenberg said. A hearing date has not been set.

Rosenberg said he believes the congregation was turned down because of "political considerations" and the contentious relationship between the owners of the Jamaica Club and Hanover authorities.

Until last year, the Jamaica Club was the site of bingo games sponsored by the Hanover Society for the Deaf. But the society lost its permit in March 1993, after Berry cited "gross and excessive violations" of state bingo laws.

Berry said the society had gross bingo receipts of \$800,152 in 1992, but spent just \$322 during that time to directly assist hearing impaired people. He also said the society "is not a legitimate charity, with members who are devoted to assisting the deaf, but rather a bingo operation created by and for the Eddleton family."

The Jamaica Club is owned by Beauford and Evelyn Eddleton. Their three children, Norman D. Eddleton, Janet Henderson and Robert D. Eddleton, make up the society's board of directors.

Hanover Commonwealth's Attorney Ed Vaughn said yesterday the sheriff's department is still investigating the relationship between the Eddletons and the Society for the Deaf.

TITLE: **Bingo** corruption figure convicted of three felonies  
Waldrop is 1st suspect to opt for trial  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 1  
DATE: **06/04/94**  
DOCID: RCHD220996  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-6

The first person to opt for a trial instead of a guilty plea in Henrico County's on-going investigation into bingo corruption was convicted yesterday of three felonies.

William E. Waldrop, 52, was convicted in Henrico Circuit Court by retired Judge James M. Lumpkin of perjury and two counts of misappropriation of bingo funds, which carry a total maximum sentence of 20 years.

Lumpkin reserved judgment on whether Waldrop is guilty of two counts of grand larceny, although he did say he found there was "sufficient evidence to show embezzlement." But Lumpkin said he wants Chief Deputy Commonwealth's Attorney Duncan P. Reid and defense lawyer John M. Schilling to submit legal briefs on the grand larceny charges before he renders a verdict on June 29.

Each grand larceny charge carries a maximum 20-year sentence. Lumpkin allowed Waldrop to remain free on bond until at least June 29.

Testimony during the daylong trial indicated that during a two-year period beginning in the summer of 1987, Waldrop managed bingo games for the Virginia Association of Workers for the Blind and the American Legion Post 361.

In his opening statement, Reid said Waldrop stole roughly \$120,000 annually in proceeds from the sale of instant bingo tickets, which are similar to scratch-off lottery tickets.

When Waldrop bought his instant bingo tickets from CMO Supply Inc., a local supplier, he paid for one batch with a check from a sponsoring organization. But he paid cash for a second supply of instant tickets, and kept no record of those sales.

"That money was never reported to the county, never given to charity, and it ended up in Mr. Waldrop's pocket," Reid said.

In addition, Reid said, Waldrop "paid virtually every last worker" approximately \$30 per three-hour game to work the bingo games, in violation of a state law that requires games to be run by volunteers.

Finally, Waldrop committed perjury when he told a special grand jury investigating bingo abuses that none of his workers was paid.

The games were played at the Glen Allen Youth Center and the

Mountain Road Expo bingo hall.

Schilling argued that the grand larceny charges should be thrown out because there was no evidence that the instant bingo tickets that were bought with cash were ever sold.

Schilling also argued that there had been "no evidence that (Waldrop) personally benefitted" from the sale of the instant tickets that were bought with cash.

The defense lawyer noted that Waldrop has not been involved in bingo in any way in more than five years.

Eight people have pleaded guilty in the bingo investigation. The crimes they admitted to include perjury, grand larceny and conspiracy to commit grand larceny.



TITLE: **Bingo** sentence is 10-year term and \$250,000  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 1  
DATE: **05/07/94**  
DOCID: RCHD217842  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-3

Anyone who still thought bingo was a nickel-and-dime business would have had a rude awakening in Henrico County Circuit Court yesterday.

Franklin Fred Kirwin, the former manager of the Crossroads bingo parlor on Staples Mill Road, was ordered to repay \$250,000 in stolen bingo money and was sentenced to 10 years in prison.

Henrico authorities had charged that Kirwin stole three times that amount -- \$750,000 -- during a four-year period beginning in 1989 while managing bingo games for the Virginia Chess Federation and the Virginia Chess Federation Women's Auxiliary.

Kirwin, 57, pleaded guilty to one count of conspiracy to commit grand larceny and two counts of grand larceny. Retired Richmond Circuit Judge James M. Lumpkin sentenced Kirwin to 50 years in prison with 40 suspended for life, meaning that, if Kirwin is ever again convicted of a felony, his suspended sentence could be imposed.

Kirwin's plea agreement, signed by Assistant Commonwealth's Attorney Duncan P. Reid and defense lawyer Robert G. Cabell Jr., also specified that he be banned for life from any business involvement in Virginia bingo games.

Kirwin, of the 2400 block of Crowncrest Drive, is to report to the Henrico Jail on May 22 to begin serving his sentence.

Meanwhile, the chess groups have filed suit in Henrico Circuit Court seeking the return of \$750,000 in allegedly stolen proceeds from "instant bingo," a pull-tab game.

The groups also allege that Kirwin and his son, Robert Edward Kirwin, defrauded them of \$237,250 by lying about the lease arrangement on the building where bingo games sponsored by the chess groups were played, and by overcharging the chess groups on rent.

The groups also are seeking \$500,000 in punitive damages.

Whether the elder Kirwin will repay the court-ordered \$250,000 is questionable, according to sources. The plea agreement specified only that, six months after Kirwin is released from prison, he must begin paying a minimum of 20 percent of his gross income toward restitution.

Kirwin still faces trial on five misdemeanor charges of failing to file income tax returns. A court date has not been set.

Robert Kirwin, 36, of Ashland, is facing trial May 18 on seven felony charges related to alleged theft from the same two chess groups. The charges are conspiracy to commit grand larceny, two counts of grand larceny and four counts of grand larceny of sales tax.

State tax records, subpoenaed by a special grand jury that in September 1992 began a 15-month investigation into bingo corruption in Henrico, showed that, in August 1992, the Kirwins formed a partnership called Crossroads Carpet Outlet, according to court records. The store was in the same Staples Mill Road shopping center as Crossroads bingo.

Search warrant affidavits made public yesterday accuse the Kirwins of using Crossroads Carpet as a "money-laundering scheme" for embezzled bingo funds.

The Kirwins have been involved in the management or operation of bingo games since 1987, first at the West End Manor Community Center and then at the Crossroads location at 2020 Staples Mill Road.

The bingo investigation is continuing, Henrico police said.

The special grand jury has passed its findings to a federal grand jury, which is expected to investigate allegations of corruption by county officials.

TITLE: No bingo report needed, judge says  
Organization will save \$4,000 in fees  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer  
EST. PAGES: 1  
DATE: 05/03/94  
DOCID: RCHD217388  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: B-5

Hanover County Circuit Judge Richard H.C. Taylor ruled yesterday that the Hanover Society for the Deaf will not have to file a 1993 annual report on its bingo operations.

The ruling also means the group will not have to pay about \$4,000 in county auditing fees.

The society lost its permit to sponsor bingo games in March 1993 after county authorities concluded the society was not a legitimate charity.

After losing its permit, the society filed quarterly reports to cover the portion of the 1993 fiscal year during which it held bingo games. Because the quarterly reports were available for review by the county, an annual report should not be required, said Robert S. Ganey, the society's lawyer.

Senior Assistant County Attorney A. Lisa Barker argued that state law requires annual reports from any organization running bingo games. Those organizations also must pay an auditing fee of 1 percent of gross receipts.

During the 1993 fiscal year, the society took in \$412,000 in gross receipts, so its fee would have been about \$4,000, Barker said.

County authorities also wanted to find out how the society spent the \$77,000 it held in bingo profits when the society's permit was revoked, Barker said.

That money is gone now, according to County Attorney Sterling E. Rives III. He said it was spent on legal appeals, mortgage payments, and the refurbishing of the Jamaica Club, where the society played bingo. Rives questioned whether such expenditures are a legitimate use of bingo proceeds.

County Administrator John F. Berry said last year that the society's permit was revoked because the group was nothing more than "a bingo operation created by and for the Eddleton family."

The building was sold to the society by Beauford and Evelyn Eddleton. All three officers of the society are the Eddletons' children.

The society paid the Eddletons \$615,700 in mortgage payments from 1981 through 1992, according to county documents. Even so, at

the end of 1992, the society still owed a principal balance of more than \$260,000 on property that had a 1992 assessed value of \$202,945.

The deed of trust on the property specified that if the society defaulted on the mortgage payments, the deed would be returned to Beauford and Evelyn Eddleton and all payments would be considered liquidated damages. That happened on Sept. 29, and the Eddleton children conveyed the property back to their parents.

Barker said the county is considering whether to appeal Taylor's decision to the Virginia Supreme Court.

TITLE: 4 admit they lied to bingo probers  
Theyface perjury sentencing in May  
BYLINE: DEBORAH KELLY  
Times-Dispatch Staff Writer

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EST. PAGES: 1  
DATE: 03/16/94  
DOCID: RCHD212150  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: b-6

Four former workers of the Mountain Road Expo bingo parlor admitted they lied to a special grand jury investigating bingo corruption in Henrico County.

The four are Wanda Martin, 32, of the 10000 block of Family Lane in Chesterfield County; Cindy Naegle, 31, of the 1300 block of Edgeworth Road in Mechanicsville; Paula Perks, 28, of the 6300 block of Clover Lane in Richmond; and David Carr Seay Jr., 32, of the 13200 block of Vogie Drive in Chesterfield County.

Each of the four pleaded guilty in Henrico Circuit Court yesterday to a single count of perjury, which carries a maximum 10-year sentence. Retired Richmond Circuit Judge James M. Lumpkin set sentencing for May 27. All four are free on bond.

Also yesterday, former Mountain Road Expo bingo worker William E. Waldrop, 52, was arrested on four sealed felony indictments that were handed down Monday by a Henrico grand jury.

Waldrop, of the 4800 block of Belle Glade Drive in Richmond, was indicted on two counts of grand larceny and two counts of misappropriating bingo funds. He is charged with stealing or diverting money from the Virginia Association of Workers for the Blind from Feb. 6, 1987, to July 7, 1989. He also is charged with stealing bingo proceeds from American Legion Post 361 from May 1, 1987, to July 7, 1989.

Grand larceny carries a maximum sentence of 20 years. The maximum sentence for misappropriating bingo receipts is five years. Waldrop also was indicted Jan. 24 on a single perjury count.

The four former Mountain Road workers who pleaded guilty yesterday admitted they lied at different times last year when they told the special grand jury they were not paid for working bingo games at Mountain Road Expo, once the county's most lucrative bingo parlor. It was closed down shortly after the initial indictments were issued Jan. 24.

On that day, 13 people were indicted on 68 felony and misdemeanor charges related to varying degrees of bingo corruption or the alleged theft of more than \$1 million in bingo proceeds. The arrests followed a 16-month investigation.

The Mountain Road workers were paid \$30 to \$50 for each four-hour game worked, according to Chief Assistant Commonwealth's Attorney

Duncan P. Reid. The money came from proceeds from instant bingo sales or from bingo admission charges, said Henrico investigator F.X. Ferguson.

State law says only charitable organizations may sponsor bingo games, and only volunteers of those organizations may work the games.

TITLE: Couple Finds **Bingo** Provides a Big Market  
BYLINE: Deb Riechmann  
CREDIT: Associated Press  
EST. PAGES: 1  
DATE: **03/10/94**  
DOCID: WP859938  
SOURCE: The Washington Post; WP  
COPYRIGHT: (Copyright 1994)  
EDITION: FINAL; SECTION: WEEKLY - MARYLAND; PAGE: m06  
CATEGORY: NEWS MARYLAND  
ORIGIN: FREDERICK

Roger and Donna Strong don't play bingo, but signs for bingo nights kept catching their eyes as they drove around Frederick in the 1980s.

They wondered how players learned about game locations. When they found out there was no central listing, they started Bingo Bulletin, a monthly publication listing games in Maryland and surrounding states.

The first issue of Bingo Bulletin in March 1988 listed 25 games. Today, the monthly publication lists 180 games in Maryland, Pennsylvania, Virginia and West Virginia.

Bingo! The Strongs found a niche market.

"Most people have no idea how big bingo is," said Roger Strong, 46, a former teacher and insurance salesman.

"For many of the fire companies and organizations, it's their main fund-raiser," he said. "I heard of one fire company that made a half million dollars a year, but that's the exception."

The bulletin, which some players have dubbed the "Bingo Bible" or the "TV Guide of Bingo," is free. The Strongs, who print 15,000 copies a month, make their money on advertising. The churches, fire halls, clubs and private bingo halls pay to have their games, times and locations listed, by day of the week, in the bulletin.

"Just about everybody in my hall picks it up and looks at it. It gives them something to do before the games start," said Barbara Dunlap, owner of Bingo Island, which has operated the last four years in a former schoolhouse in Hagerstown.

The bulletin, published on newsprint, has pictures and stories about bingo players, information about special super jackpot bingo nights and coupons for money off on admission, bingo cards or other items.

"I always look through it to see if there are pictures of anybody I know," said Connie Gluck, of Hagerstown, who has been playing bingo for 50 years.

Even though they don't have time to play, their close connection to the bingo circuit keeps them tuned in to trends in the game. The Strongs have identified more than 500 games in the four-state

region. Jackpots are going up and players and operators are moving away from cardboard bingo cards in favor of paper ones that are marked with large ink markers.

The Strongs have met people who have been playing the game for decades. They even found a game in Gettysburg, Pa., where the prizes are grocery items instead of cash.

"There are players who play 100 cards at a time with no chips. They do it by memory," Donna Strong said.

Some players like to sit in the same seat night after night.

"People put their good luck charms down by their cards - anything from a favorite coin to the trolls," Donna Strong said. "Some have pictures of their grandchild. . . . The California Raisin men are big."



TITLE: Henrico will end instant **bingo** game  
BYLINE: WENDY WAGNER  
Times-Dispatch Staff Writer  
EST. PAGES: 1  
DATE: **03/10/94**  
DOCID: RCHD211479  
SOURCE: Richmond Times-Dispatch; RCHD  
COPYRIGHT: (Copyright 1994)  
SECTION: AREA/STATE; PAGE: a-1

Instant bingo will be a thing of the past in Henrico County come July 1, but the rancor the ordinance change already has generated may never end.

The supervisors voted 4-1 last night to pass seven bingo ordinance changes as written by county staff and recommended by the departments of finance and police.

Most of the seven reforms were recommendations of the special grand jury that investigated bingo corruption for more than 15 months. But the main item of contention -- eliminating instant bingo -- was not a direct grand jury recommendation.

A nervous county fire marshal estimated that 500 people packed the boardroom to hear what supervisors would decide about changing the ordinance.

The bingo ordinance was moved to the front of the agenda to speed the exit of the majority of the crowd, but still it took nearly two hours for the public hearing.

In the end, protests didn't matter, despite a move by the chairman, James B. Donati Jr., to form a committee to study the regulation of instant bingo.

County Attorney Joseph P. Rapisarda Jr. said the grand jury recommended eliminating instant bingo in 1995 if the county could not regulate it.

Instant bingo is a ticket game in which players pull a tab to uncover whether they've won a prize. The grand jury found unscrupulous bingo operators skimmed thousands from unaccounted-for instant bingo card lots.

But civic organizations and charities said they will be forced out of bingo without instant bingo because it generates the only guaranteed profit in a bingo session.

Rapisarda said outlawing the game was "based on the administration's view that it cannot be effectively regulated, and we do not hide from that fact."

Not so, the crowd protested hotly.

Most pointed to sweeping changes in the county's bingo accounting forms that went into effect in January. Protesters contended the county bingo auditor's accounting forms will prevent

graft from instant bingo sales.

But when Donati made the motion to amend the changes and form a study committee, it died for lack of a second.

"It's easy to make a recommendation when you're going to just say to eliminate something," Donati said. "But it's harder to make a solution."

Many in the angry crowd left muttering that the issue is not dead yet.

"They had it cut and dried before we even got a look at it," said Thomas Baffuto, bingo chairman for American Legion Post 144 in Highland Springs. "I never thought they were going to jump into it so hard after they just hired a (bingo auditor)."

## **Appendix D**

**Redrafted Version of Current Bingo and Raffle Statute**  
*with annotations*

# **BINGO REORGANIZATION**

## ***PROPOSED OUTLINE***

### **DEFINITIONS**

### **APPLICABILITY**

- ◆ what games permitted/ not gambling contract

### **ELIGIBILITY REQUIREMENTS FOR PERMIT**

### **ISSUANCE OF PERMIT**

- ◆ application fees/ application form

### **OPERATION OF GAMES**

- ◆ raffles
- ◆ bingo
- ◆ instant bingo
- ◆ special permits/joint operation

### **RECORD KEEPING**

- ◆ records to be kept/form/retention
- ◆ audit/fees

### **LOCAL CONTROL OF BINGO/RAFFLES**

- ◆ "may" by ordinance
- ◆ "shall" by ordinance
- ◆ right of entry/unannounced audits

### **DENIAL/REVOCAION/SUSPENSION OF PERMIT**

- ◆ hearing & appeal

### **PROHIBITED ACTS**

- ◆ laundry list ....no person shall ... with exceptions following

### **PENALTIES/INJUNCTION**

- ◆ all penalties are here as well as who enforces provisions

**DRAFT**

**DRAFT**

**DRAFT**

Article 1.1:1.

Bingo and Raffles.

**ARTICLE DRAFTING NOTE:**

*No substantive change in law. Technical corrections only. Current bingo/raffle law is stricken. The new "recodified" article below reorganizes current law and attempts to make the statute more user-friendly. Explanatory drafting notes follow each section in the new article. Numbers in parenthesis in the catchline denote the existing section from which the proposed section came.*

§ 18.2-340.00. Definitions.(.1)

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

"Bingo" means a specific game of chance played with individual cards having randomly numbered squares ranging from one to seventy-five, in which prizes are awarded on the basis of designated numbers on such cards conforming to a predetermined pattern of numbers selected at random. Such cards shall have five vertical rows headed respectively by the letters B.I.N.G.O., with each row having five randomly numbered squares.

"Instant bingo" means a specific game of chance played by the random selection of one or more individually prepacked cards, with winners being determined by the preprinted appearance of the letters B.I.N.G.O. in any prescribed order on the reverse side of such card.

"Jackpot" means a bingo card played as a part of a bingo game in which all numbers on the card are covered, each number being selected at random, and with no more than one free or "wild" number.

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

"Organization" means any one of the following:

1. A voluntary fire department or rescue squad or auxiliary unit thereof which has been recognized by an ordinance or resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a part of the safety program of such political subdivision;

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

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

4. A fraternal association operating under the lodge system.

"Qualified organization" means any organization for which a valid permit has been issued by a local governing body or its designated official to conduct bingo games or raffles.

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

Nothing in this article shall prohibit an organization from using the State Lottery Department's Pick-3 number as the basis for determining the winner of a lottery.

For purposes of this definition, "raffle" shall include determining the winner of a lottery by use of prepackaged pull-tab devices which are devices made completely of paper or paper products with concealed numbers or symbols that must be exposed by the player to determine wins or losses and may include the use of a seal which conceals a number or symbol that has been designated in advance as a prize winner including but not limited to pull-tab devices commonly known as tip boards or seal cards.

**Drafting Note: No substantive change in law. Technical corrections only. Definitions alphabetized. Definition of "qualified organization" added to eliminate repetitive language elsewhere in the article.**

§18.2-340.00.(.14) Only raffles, bingo and instant bingo games permitted; prizes not gaming contracts.

This article permits organizations to conduct raffles, bingo and instant bingo games. All games not explicitly authorized by this article are prohibited.

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

*Drafting Note: No substantive change in law. Technical corrections only. First paragraph from existing §18.2-340.14. The second paragraph was moved from existing §18.2-340.9 H.*

§ 18.2-340.00.(3) Requirement for permit; exceptions; where valid.

A. Prior to the issuance of any permit to conduct bingo games or raffles, an organization shall:

1. Have been in existence and met on a regular basis in the county, city or town or in a county, city or town adjacent to the county, city or town where application is made for a period of at least five years immediately prior to applying for a permit.

The provisions of this subdivision shall not apply (i) to any lodge or chapter of a national or international fraternal order or a national or international civic organization which is exempt under § 501 (c) (3) of the United States Internal Revenue Code and which has a lodge or chapter holding a bingo permit issued under the provisions of this article anywhere within the Commonwealth, (ii) where the local governing body of a county, city or town provides for the issuance of a bingo or raffle permit to booster clubs which have been operating for less than five years, and which have been established solely to raise funds for school-sponsored activities in public schools which are less than five years old, or (iii) recently established volunteer fire and rescue companies or departments, after county, city or town approval.

In no case shall an organization apply for or receive more than one permit.

2. Be operated currently and shall have always been operated in the past as a nonprofit organization and shall have been in existence as a nonprofit organization for a period of at least five years immediately prior to seeking a permit.

B. Any organization whose gross receipts from all bingo operations exceed or can be expected to exceed \$75,000 in any calendar year shall have been granted tax-exempt status pursuant to § 501 (c) of the United States Internal Revenue Code. At the same time tax-exempt status is sought from the Internal Revenue Service, the same documentation may be filed with the local governing body for an interim certification of tax-exempt status. If such documentation is filed, the local governing body may, after reviewing such documentation it may deem necessary, issue its determination of tax-exempt status within sixty days of receipt of such documentation. The local governing body may charge a reasonable fee, not to exceed \$500. This interim certification of tax-exempt status shall be valid until the Internal Revenue Service issues its determination of tax-exempt status, or for eighteen months, whichever is earlier.

C. A permit shall be valid only in the jurisdiction where the application is approved and only at the locations designated in the permit application. However, a permit may be issued to an organization which relocates its meeting place on a permanent basis from one jurisdiction to another, complies with the requirements of subdivision 1 of this section, and was the holder of a valid permit at the time of its relocation.

*Drafting Note: No substantive change in law. Technical corrections only. Existing subdivision #5 (last two sentences) have been moved to proposed which follows (§18.2-340.00). Last sentence of existing subdivision #1 of subsection C moved to proposed section on local control (§18.2-340.00). Last sentence of existing subdivision #2 of subsection C was made a separate section--§18.2-340.00.*

§ 18.2-340.00.(2) Annual permit required; application fee; form of application.

A. Prior to the commencement of any bingo game or raffle, an organization shall obtain an annual permit from the governing body or local official designated by the governing body of each county or city, or any town with a population of more than 2,500 which has adopted an ordinance pursuant to § 18.2-340.8X, in which such bingo game or raffle is to be conducted.

B. All applications for a permit shall be acted upon by the governing body, or its designated official, within sixty days from the filing thereof. Upon compliance by the applicant with the provisions of this article, and at the discretion of the governing body or its designated official, a permit may be issued. All permits shall be issued on a calendar basis and unless otherwise provided shall be valid for one calendar year beginning on January 1. The application shall be a matter of public record.

All permits shall be subject to reasonable regulation by the local governing body or its designated official in accordance with § 18.2-340.00 (x-ref to local control) to ensure the public safety and welfare in the operation of bingo games and raffles. The permit shall only be granted after a reasonable investigation has been conducted by the local governing body or its designated official.

C. Application for the annual permit shall be accompanied by a check in the amount of twenty-five dollars payable as designated by the local governing body or its designated official. The local governing body or its

1 designated official may (i) assess applicants for the cost of processing bingo and raffle applications and (ii) waive the  
2 application fee and any additional charges.

3 D. Application for an annual permit shall be made on the following form which may be expanded to include  
4 any other information desired by the local governing body or its designated official.

5 **APPLICATION FOR PERMIT TO HOLD BINGO GAMES AND RAFFLES**

6 1. Name of organization .....  
7 Address or Headquarters .....  
8 Address where bingo games will be held or raffle drawing will be conducted  
9 .....

10 .....  
11 .....  
12 NOTE: This permit is valid only at the above location  
13 Days and times on which games are to be held .....

14 2. When was your organization founded? . . . Has your organization been in  
15 existence in this city, town or county for five continuous years? .....

16 Is it a nonprofit organization? . . . Tax Exempt Status  
17 No. (if applicable) .....

18 Gross receipts from all sources related to the operation of bingo games or instant bingo by calendar quarter  
19 for 12-month period immediately prior to date of this application

20 1st Quarter . . . . . 2nd Quarter .....  
21 3rd Quarter . . . . . 4th Quarter .....

22 State the specific type and purpose of your organization.  
23 .....  
24 .....

25 .....  
26 3. Officers of organization:

27 President . . . . . Address .....  
28 Secretary . . . . . Address .....  
29 Treasurer . . . . . Address .....

30 4. Type of permit applied for: Bingo Games . . . Raffles .....

31 5. Member authorized by your organization who will be responsible for bingo or raffle operation?

32 Name .....  
33 Address .....  
34 Phone . . . . . Business Phone .....

35 6. Individual responsible for filing the financial report required by this article if your organization ceases to  
36 exist.

37 Name .....  
38 Address .....  
39 Phone . . . . . Business Phone .....

40 7. Does your organization understand that it is a violation of law to enter into a contract with any person or  
41 firm, association, organization (other than another qualified organization pursuant to § 18.2-340.13X of the Code of  
42 Virginia), partnership or corporation of any classification whatsoever, for the purpose of organizing, managing or  
43 conducting bingo games or raffles? .....

44 8. Does your organization understand that it must maintain and file complete records of receipts and  
45 disbursements pertaining to bingo games and raffles and that such records are subject to audit by . . . . . (insert  
46 designated local official)? .....

47 9. Has your organization attached a check for the annual permit fee payable to the . . . . . (insert  
48 designated local official)? .....

49 10. Does your organization understand that any organization found in violation of § 18.2-340.10X of the  
50 Code of Virginia authorizing this permit is subject to having such permit revoked and any organization or person,  
51 shareholder, agent, member or employee of such organization who violated § 18.2-340.10X or Article 1.1 (§ 18.2-  
52 340.1 et seq.) of Chapter 8 of Title 18.2 of the Code of Virginia may be guilty of a felony? .....

53 11. Does your organization understand that it will be required to furnish a complete list of its membership?  
54 .....

12. I hereby swear or affirm under the penalties of perjury as set forth in § 18.2-434 of the Code of Virginia, that all of the above statements are true to the best of my knowledge, information and beliefs. All questions have been answered.

Signed by

Name Title Address
Subscribed and sworn to before me, this . . . . . day of . . . . ., 19. . .
My commission expires:
. . . . ., 19. . . . . Notary . . . . ., 19. . . . . Notary Public.

Drafting Note: No substantive change in law. Technical corrections only. Third sentence of proposed subsection B was moved from existing subdivision #5 of §18.2-340.3. Use of "local governing body or its designated official" is standardized throughout this article.

§18.2-340.00.(3 #2) Sale of raffle tickets; drawings.

An organization which has obtained a permit under this article to conduct a raffle may sell raffle tickets both in and out of the jurisdiction issuing the permit and may conduct its drawing either in the jurisdiction in which a majority of the tickets were sold or in the jurisdiction issuing the permit, except that pull-tab devices as defined in § 18.2-340.1x used as part of a raffle may be sold only upon the premises owned or exclusively leased by such organization and at such times as it is not open to the public, except to members and their guests.

Drafting Note: No substantive change in law. Technical corrections only. This proposed section is made up of existing subdivision #2 or § 18.2-340.3.

§ 18.2-340.00.(4) Conduct of bingo games; special permits.

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

No organization or any person on the premises shall extend lines of credit or accept any credit or debit card or other electronic fund transfer in payment of any charges or assessments for players to participate in bingo.

B. Bingo games may be held by qualified organizations no more frequently than two calendar days in any calendar week.

C. A special permit may be granted an organization which entitles it to conduct more frequent operation of bingo games during carnivals, fairs and other similar events which are located in the jurisdiction issuing the permit and which are not in violation of any local zoning ordinance.

Drafting Note: No substantive change in the law. Technical corrections only. Catchline changed and section reorganized.

§ 18.2-340.00.(5) Conduct of "Instant bingo".

A. Any organization qualified to conduct bingo games pursuant to the provisions of this article is authorized to play "instant bingo" as a part of such bingo game and only at such location and at such times as are specified in the bingo application permit for regular bingo games.

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

C. Any organization playing "instant bingo" shall maintain a record of the date, quantity and card value of instant bingo supplies purchased as well as the name and address of the supplier of such instant bingo supplies. The organization shall also maintain a written invoice or receipt from a nonmember of the organization verifying any information required by this subsection.

D. No organization shall sell an "instant bingo" card to any individual below eighteen years of age

Drafting Note: No substantive change in law. Technical corrections only.

§ 18.2-340.00.(13) Joint operation of bingo games; written reports; special permit required.



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1 A. Any two qualified organizations may jointly organize and conduct bingo games provided both have fully  
2 complied with all other provisions of this article.

3 B. Any two qualified organizations jointly conducting bingo games shall (i) be subject to the same  
4 restrictions and prohibitions contained in this article that would apply to a single organization conducting bingo games  
5 and (ii) furnish the local governing body of the jurisdiction where such games will be held a written report setting  
6 forth the division of manpower, costs, and proceeds for each game to be jointly conducted.

7 Upon a finding that the division of manpower and costs for each game bears a reasonable relationship to the  
8 division of proceeds, the local governing body shall issue a special permit for the joint conduct of all approved bingo  
9 games.

10 C. No bingo game shall be jointly conducted until the special permit issued pursuant to Subsection B is  
11 obtained by the organization involved for that bingo game.

12  
13 ***Drafting Note: No substantive change in the law. Technical corrections only. Since "qualified organization" is***  
14 ***now a defined term, the requirement in existing subsection A of §18.2-340.13 that an organization have a permit***  
15 ***has been deleted. The last sentence of existing subsection B of §18.2-340.13 has been moved to the prohibited acts***  
16 ***section—proposed §18.2-340.00. Finally, existing subsections B, C and D of §18.2-340.13 were combined into***  
17 ***proposed subsection B of this section.***

18  
19 § 18.2-340.00. (.6) Reports of gross receipts and disbursements required; form of reports; failure to file.

20 A. Complete records of all receipts and disbursements shall be kept and filed annually under oath with the  
21 local official designated by the local governing body. The annual or quarterly financial report and other items required  
22 to be filed under this section shall be a matter of public record. All accountings shall be made on or before December 1  
23 of each calendar year for which a permit has been issued. The accounting shall include a record of the gross receipts  
24 and disbursements of an organization for the year period which commenced on October 1 of the previous year and a  
25 record of all money in the possession of the organization that was derived from bingo or instant bingo, regardless of  
26 when the money was received.

27 Any organization whose gross receipts exceed \$50,000 during any calendar quarter shall file an additional  
28 accounting of its receipts and disbursements during such quarter no later than sixty days following the last day of the  
29 quarter.

30 "Gross receipts," as used in this section means the total amount of money received from bingo and "instant  
31 bingo" operations before the deduction of expenses or prizes.

32 B. All reports of receipts and disbursements shall be made on the following form and acknowledged in the  
33 presence of a duly authorized notary public. The form may be expanded to include any other information desired by  
34 the local governing body or its designated official.

35 C. The financial report shall be accompanied by a certificate, verified under oath, by the board of directors  
36 that the proceeds of any bingo games or raffles have been used for those lawful, religious, charitable, community or  
37 educational purposes for which the organization is specifically chartered or organized and that the operation of bingo  
38 games or raffles has been in accordance with the provisions of this article.

39 D. Any organization having annual gross receipts from bingo games or raffles in excess of \$250,000, as  
40 shown on its annual financial report, shall attach to such report an opinion of a licensed independent certified public  
41 accountant that in all material respects (i) the annual financial report presents fairly beginning cash, receipts,  
42 operating cost, use of proceeds, and ending cash; (ii) the proceeds of any bingo games or raffles have been used for  
43 those lawful, religious, charitable, community, or educational purposes for which the organization is specifically  
44 chartered or organized; and (iii) the gross receipts have been used in accordance with the provisions of this article.  
45 The opinion required by this subsection shall be in addition to the audit and audit fee required by § 18.2-340.7X.

46 An organization shall designate an individual who shall be responsible for filing the annual or quarterly  
47 financial report required by this article if the organization goes out of business or otherwise ceases to exist.

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

53 F. The failure to file (i) reports when due in accordance with subsection B and (ii) an opinion of a licensed  
54 independent certified public accountant when required in accordance with subsection D, shall cause the automatic  
55 revocation of the permit and no organization shall conduct any bingo game or raffle thereafter until the report or the  
56 opinion is properly filed and a new permit is obtained.

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BINGO GAMES - RAFFLES

FINANCIAL REPORT

All holders of a Bingo Game-Raffle Permit, issued pursuant to § 18.2-340.3X, must file a record of all receipts and disbursements in accordance with the provisions of this article. FAILURE TO FILE A REPORT OF SUCH RECORDS WHEN DUE SHALL CAUSE THE AUTOMATIC REVOCATION OF THE PERMIT.

Name of Organization      Type of Organization      Phone

Address      Address where Bingo/Raffle is conducted

City, State, Zip Code      Person Preparing Report      Phone

Indicate Period for Which This Report Is Filed .....

Beginning Bank Balance

from Bingo/Raffle      \$....

Cash on Hand      \$....

TOTAL (A) \$....

Receipts:

Admission (Regular & Extra Cards)      \$....

Instant Bingo Sales      .....

Misc. Sales (Excluding Bev. & Food)      .....

Raffles      .....

Other      .....

TOTAL (B) \$....

TOTAL CASH AVAILABLE (A & B) \$....

Operating Cost:

(Excluding Bev. & Food)      \$....

Bingo Supplies      .....

Instant Bingo Supplies      .....

Other Supplies & Equipment      .....

Permit Fee      .....

Prizes Awarded      .....

Jackpot Award      .....

Instant Bingo      .....

Rent      .....

Audit Fee      .....

Other (Attach detailed explanation)      .....

TOTAL (C) \$....

Use of Proceeds (Attach Detailed Schedule Indicating Payment, Date, Check or Invoice Numbers and Amounts)

TOTAL (D) \$....

(C & D) \$....

Ending Bank Balance from Bingo/Raffle

(E) \$....

Cash on Hand

(F) \$....

TOTAL CASH ACCOUNTED FOR (C + D + E + F) \$....

OATH - - I, the undersigned applicant, do swear (or affirm) that the foregoing figures and statements are true, full, and correct to the best of my knowledge and belief.

Authorized Agent      Date

SUBSCRIBED AND SWORN TO BEFORE ME THIS... DAY OF....., 19..

My commission expires: .....

NOTARY PUBLIC ]

**Drafting Note: No substantive change in law. Technical corrections only. The last sentence of existing subsections B and D were moved to the end of this section as proposed subsection F. The last sentence in proposed subsection D is made up from existing §18.2-340.3 (5). Existing subsection C, E, and F were moved to the proposes section on local control (§18.2-340.00).**

§ 18.2-340.00. (.7) Audit of reports; exemption; fee.

A. All reports filed pursuant to § 18.2-340.6X shall be audited by a local official designated by the governing body.

B. Any report filed by an organization with gross receipts of less than \$2,000 for the designated reporting period shall be exempt from the audit requirement.

C. The local governing body shall establish a reasonable audit fee not to exceed the actual cost of the audit if the audit is conducted by an independent auditor or accountant, or two percent of (i) the gross receipts which an organization reports pursuant to § 18.2-340.6X and (ii) the interest income on money that the organization has received from bingo or instant bingo operations if the audit is conducted by a local official designated by the governing body. The local governing body may establish a graduated scale to determine the audit fee. The audit fee shall accompany each annual report.

C. The audit fee shall be payable to the local official who is responsible for the performance of the audit. All audit fees received shall be separately accounted for and shall be used only for the purposes of auditing and regulating bingo games and raffles.

**Drafting Note: No substantive change in law. Technical corrections only. Catchline changed. Statement that all reports are a matter of public record has been deleted as duplicative of §18.2-340.00 (.6A).**

§ 18.2-340.00. (.2:1) Local control of management and operation of bingo games and raffles; right of entry upon premises; independent accounting procedures.

A. The governing body of any county, city or town may adopt an ordinance:

1. Regulating any bingo game or raffle within such jurisdiction provided such ordinance is not in conflict with the provisions of this article.

2. Prohibiting the playing of "instant bingo".

3. Requiring an independent accounting procedure to be followed by an organization and designate a local official to promulgate such independent accounting procedures.

4. Waiving the requirements of § 18.2-340.6 B 3X, provided the local governing body has by ordinance required an independent accounting procedure to be followed by the organization and has designated a local official to promulgate such independent accounting procedures as set forth in § 18.2-340.6 E.X.

5. Limiting the number of organizations for which a person may manage, operate or conduct bingo games or raffles.

6. Establishing reasonable limitations on the number of bingo games which may be conducted in any one calendar day.

7. Establishing reasonable hours during which bingo games may be played within such jurisdiction.

In the event that the governing body of any town adopts an ordinance pursuant to the provisions of this section, such town shall not be subject to any ordinance adopted by the county within which such town lies.

B. A local governing body shall adopt an ordinance:

1. Requiring as a condition of receiving a permit, the permittee use a predetermined percentage of its gross receipts from all bingo games or raffles for (i) those lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized or (ii) those expenses relating to the acquisition, construction, maintenance, or repair of any interest in the real property involving the operation of the organization and used for lawful religious, charitable, community or educational purposes. The percentage shall be uniformly applied and shall be determined by the local governing body.

2. Requiring the organization to have a membership consisting of at least fifty percent residents of the Commonwealth, and to furnish a complete list of its membership in order for the local governing body to ascertain the percentage of Virginia residents.

C. Notwithstanding the provisions of this article requiring an annual audit, the provisions of § 18.2-340.00 (.6C) shall prohibit any local designated official from performing unannounced audits or restrict any right of such official to secure records required to be maintained by the provisions of this article. Any such official shall have the

1 authority to go upon the premises on which any organization is conducting a bingo game for the purpose of carrying  
2 out the duties imposed by this article. The application for a bingo permit shall constitute permission from, and  
3 authority granted by, such organization to any law-enforcement officer or any official designated by the local  
4 governing body pursuant to § 18.2-340.7X to enter upon such premises.  
5

6 **Drafting Note: No substantive change in law. Technical corrections only. Existing §§ 18.2-340.2:1 and 18.2-**  
7 **340.8 were merged into the above section. Proposed subsection A is made up from the following existing sections:**  
8 **Subdivision 1 from §18.2-340.8; Subdivision 2 from §18.2-340.5 C; Subdivision 3 from §18.2-340.6 E; Subdivision**  
9 **4 from §18.2-340.6 F; Subdivision 5 from §18.2-340.2:1; and Subdivisions 6 and 7 from §18.2-340.9 D. Proposed**  
10 **subsection B is made up from the following existing sections: Subdivision 1 from §18.2-340.3 (5--last two**  
11 **sentences); and Subdivision 2 from §18.2-340.3 (1). Finally, proposed subsection C is from existing §18.2-340.6 C.**

12  
13 § 18.2-340.00. (.10& .11) Denial, suspension or revocation of permit; hearings and appeals.

14 A. The local governing body or its designated official or board where a permit was issued, may deny, suspend  
15 or revoke the permit of any organization found not to be in strict compliance with the provisions of this article.

16 B. No permit to conduct bingo games or raffles shall be denied, suspended or revoked except upon notice  
17 stating the proposed basis for such action and the time and place for a hearing. After a hearing on the issues, the local  
18 governing body or it designated official or board may refuse to issue or may suspend or revoke any such permit if it  
19 determines that the organization has not complied with the provisions of this article.

20 C. Any organization aggrieved by the decision of the local governing body or its designated official or board  
21 may appeal such decision to the circuit court.  
22

23 **Drafting Note: No substantive change in the law. Technical corrections only. Existing §§18.2-340.10 and 18.2-**  
24 **340.12 have been merged together in the above section. Subsection A comes from existing §18.2-340.10, and**  
25 **Subsections B and C come from existing §18.2-340.12.**

26  
27 § 18.2-340.00. (.9) Prohibited practices; penalties.

28 In addition to those other practices prohibited by this article, the following acts or practices shall be  
29 prohibited.

30 A. No part of the gross receipts derived by a qualified organization may be used for any purpose other than  
31 (i) those lawful religious, charitable, community or educational purposes for which the organization is specifically  
32 chartered or organized and (ii) expenses relating to the acquisition, construction, maintenance, or repair of any interest  
33 in the real property involving the operation of the organization and used for lawful religious, charitable, community or  
34 educational purposes.

35 The provisions of this subsection shall not apply to organizations composed of or for deaf or blind persons  
36 may use a part of the gross receipts for reasonable and proper operating costs, including costs associated with  
37 providing clerical assistance in the conduct of bingo games or raffles, publicizing the time and place of bingo games  
38 and raffles, and prizes.

39 B. No organization shall enter into a contract with, or otherwise employ for compensation any person for the  
40 purpose of organizing, managing, or conducting bingo games or raffles.

41 The provisions of this subsection shall not prohibit the joint operation of bingo games held in accordance with  
42 § 18.2-340.00 (13X).

43 C. No person shall pay or receive for use of any premises devoted, in whole or in part, to the conduct of bingo  
44 games or raffles any consideration in excess of the current fair market rental value of such property. No fair market  
45 rental value consideration shall be based upon or determined by reference to a percentage of the proceeds derived from  
46 the operation of bingo games or raffles nor shall such consideration be based upon or determined by any reference to  
47 the number of people in attendance at such bingo games or raffles.

48 D. No building or other premises shall be utilized in whole or in part for the purpose of conducting bingo  
49 games more frequently than two calendar days in any one calendar week.

50 The provisions of this subsection shall not apply to the playing of bingo pursuant to a special permit issued in  
51 accordance with § 18.2-340.00 (.4X).

52 E. No building or other premises owned by an organization and qualified as a tax-exempt organization  
53 pursuant to § 501 (c) of the Internal Revenue Code shall be utilized in whole or in part for the purpose of conducting  
4 bingo games more frequently than four calendar days in any one calendar week.

1 One building or premises owned by any county, city, or town shall be exempt from the provisions of this  
2 subsection.

3 F. No person shall participate in the management, operation or conduct of any bingo game or raffle unless  
4 such person is a bona fide member of the organization who has been a member of such organization for at least ninety  
5 days prior to such participation.

6 The provisions of this subsection shall not apply to (i) persons employed as clerical assistants by  
7 organizations composed of or for deaf or blind persons or (ii) employees of a corporate sponsor of a qualified  
8 organization provided such participation in the management, operation or conduct of a raffle is limited to no more  
9 than one raffle per year.

10 G. No person shall receive any remuneration for participating in the management, operation or conduct of  
11 any such game or raffle, except as follows.

12 Persons employed by organizations composed of or for deaf or blind persons may receive remuneration not to  
13 exceed thirty dollars per event for providing clerical assistance in the conduct of bingo games or raffles only for such  
14 organizations.

15 Persons eighteen years of age and under who sell raffle tickets to raise funds for youth activities in which they  
16 participate may receive nonmonetary incentive awards or prizes from the organization provided that organization is  
17 nonprofit.

18 The spouse of any such bona fide member or a fire fighter or rescue squad member employed by a local  
19 governing body with which the volunteer fire fighter or rescue squad member is associated may participate in the  
20 operation and conduct of a bingo game or raffle if a bona fide member is present.

21 H. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct,  
22 management, or operation of any bingo games; (ii) sell, lease or otherwise provide for consideration any bingo  
23 supplies, including, but not limited to, bingo cards, instant bingo cards, markers, or other game pieces; or (iii) require  
24 as a condition of the lease or by contract that a particular manufacturer, distributor or supplier of bingo supplies or  
25 equipment be used by the organization. If equipment or services are included by a landlord in any lease or contract, the  
26 lease or contract shall itemize the amount attributable to the rent of the premises, equipment, and each service to be  
27 provided by the landlord.

28 The provisions of this subsection shall not apply to any organization (i) conducting bingo games on their own  
29 behalf and (ii) owning the premises where such bingo games are held.

30 I. No organization shall enter into any contract with or otherwise employ or compensate any member of that  
31 organization regarding the sale of bingo supplies or equipment.

32 J. No organization shall award any bingo prize money or any merchandise valued in excess of the following  
33 amounts:

- 34 1. No bingo door prize shall exceed \$25;
- 35 2. No regular bingo or special bingo game prize shall exceed \$100;
- 36 3. No instant bingo prize for a single card shall exceed \$500; and
- 37 4. No bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo  
38 jackpot prizes awarded in any one calendar day exceed \$1,000.

39 The provisions of this subsection shall not apply to any bingo game in which all the gross receipts from  
40 players for that game are paid as prize money back to the players provided there is no more than one such game per  
41 calendar day of play and the prize money from any such game does not exceed \$1,000.

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

43 The provisions of this subsection shall not apply to a raffle conducted no more than once per calendar year by  
44 an organization qualified as a tax-exempt organization pursuant to § 501 (c) (3) of the Internal Revenue Code for a  
45 prize consisting of a lot improved by a residential dwelling where 100 percent of the moneys received from such a  
46 raffle, less deductions for the fair market value for the cost of acquisition of the land and materials, are donated to  
47 lawful religious, charitable, community, or educational organizations specifically chartered or organized under the  
48 laws of the Commonwealth and qualified as a § 501 (c) (3) tax-exempt organization.

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

52 M. No person shall participate in the management, operation or conduct of any bingo game or raffle if,  
53 within the preceding five years, he has been convicted of a felony or crime of moral turpitude. In addition, no person  
54 shall participate in the management, operation or conduct of any bingo game or raffle if that person, within the past  
55 five years, has participated in the management, operation, or conduct of any bingo game or raffle which was found by

1 a local permitting authority or by a court of competent jurisdiction to have been operated in violation of state law or  
2 local ordinance.

3 N. No organizations jointly conducting bingo games pursuant to § 18.2-340.00 (x-ref) shall circumvent any  
4 restrictions and prohibitions which would otherwise apply if a single organization were conducting such games. These  
5 restrictions and prohibitions shall include, but not be limited to, the frequency with which bingo games may be held,  
6 the value of merchandise or money awarded as prizes, and all other practices prohibited under this section.  
7

8 **Drafting Note: No substantive change in law. Technical corrections only. "Person" (defined in Title 1 as "...any**  
9 **individual, corporation, partnership, association, company, business, trust, joint venture or other legal entity) has**  
10 **been used to eliminate unnecessary language (i.e., "person, corporation, association,...." etc. Proposed subsection**  
11 **A (vi) and (vii) are from existing §18.2-340.9 D.**

12 §18.2-340.00 (.10 & .11). Penalties for violation; injunctive relief.

13 A. Any person violating the provisions of this article shall be guilty of a Class 1 misdemeanor.

14 Any person violating the provisions of § 18.2-340.00(.9 A) shall be guilty of a Class 6 felony.

15 Each day in violation of §18.2-340.00 (.9C) shall constitute a separate Class 1 misdemeanor.

16 B. In the event an organization violates the provisions of this article, the appropriate city or county attorney  
17 of the local governing body which issued the permit may apply to the appropriate circuit court for an injunction  
18 restraining the continued operation of bingo games or raffles or any aspect thereof, in addition to the criminal  
19 penalties authorized by this section.  
20  
21

22 **Drafting Note: No substantive change in the law. Technical corrections only. Subsection A comes from existing**  
23 **§18.2-340.10 and subsection B from §18.2-340.11.**

24 #  
25  
26

## **Appendix E**

### **State Control/Local Enforcement Draft *with annotations***

# JOINT SUBCOMMITTEE STUDYING VIRGINIA'S CURRENT BINGO AND RAFFLE STATUTES

(SJR 195, 1993; SJR 12, 1994)

## State Control/Local Enforcement of Bingo and Raffle Statutes

### Overview

#### BASED ON:

- Chesapeake Bay Preservation Act (CBPA)
- Virginia Racing Commission
- "Recodified" Bingo and Raffle Statutes Draft dated October 4, 1994

#### GENERAL OUTLINE:

Pages 1 through 11	Housekeeping amendments related to formation of the Charitable Gaming Board and the Department of Charitable Gaming
Page 11 through end	New Article 1.1:1 in Title 18.2--"Charitable Gaming" instead of "Bingo and Raffles"
Page 11	Statement of Intent. Cooperative state-local program; modeled on CBPA and Racing Commission
Page 12	Definitional section; amended as follows: ◊ <b>New Definitions Added:</b> gross receipts, pull tab games, Secretary, Board, Department, qualified organization, and charitable gaming
Pages 14 through 17	<b>Regulatory structure: Charitable Gaming Board as supervisory Board over Department of Charitable Gaming (created in the Secretary of Finance) to oversee administration and enforcement of bingo and raffles at local level.</b> Creation of Charitable Gaming Board; powers of Board (promulgate regulations in accordance with APA); authority of Board to institute legal actions to ensure compliance by localities; creation of Department of Charitable Gaming to carry out directives of the Board; compliance by local governments; and advisory state review of local government decisions.



Pages 17  
through end

"recodified draft" dated October 4, 1994, amended as noted in the draft. Pertinent provisions:

- \* permit exemption for organizations grossing less than \$10,000/year.
- \* pull tabs (now defined to include instant bingo) are restricted to instant bingo standards. Pull tabs are no longer defined as raffles.
- \* application and reporting forms updated to include pull tabs.
- \* Locality to send certified copy of charitable gaming ordinances to Board.
- \* Audit exemption for organization grossing less than \$10,000/year.
- \* Audit fee for localities increased to 6% of gross (now defined as receipts before expenses but minus prize payouts).
- \* Board determines independent accounting procedures to be used.
- \* Local option removed on issues on granting permit/ suspension and revocation.
- \* Search and seizure of supplies and equipment used in violation of law added.
- \* Current bingo and raffle statute repealed in favor of this draft.
- \* Delayed effective date for legislation, except for creation of Board and Department, to give them time to adopt regulations.
- \* Provision made for "status quo" to be maintained until Board implements its regulations.

#

SENATE BILL NO. \_\_\_\_\_ HOUSE BILL NO. \_\_\_\_\_

1 A BILL to amend and reenact §§ 2.1-1.1, 2.1-1.3, 2.1-20.4, 2.1-51.34, and 9-6.25:3 of the Code of Virginia, to amend the  
2 Code of Virginia by adding in Title 18.2 an Article numbered 1.1:1, consisting of sections numbered 18.2-340.1  
3 through 18.2-340.39, and to repeal Article 1.1 of Title 18.2 consisting of sections numbered 18.2-340.1 through  
4 18.2-340.14 of the Code of Virginia, relating to the conduct of charitable gaming; bingo and raffles.

5 Be it enacted by the General Assembly of Virginia:

6 1. That §§ 2.1-1.1, 2.1-1.3, 2.1-20.4, 2.1-51.34, and 9-6.25:3 of the Code of Virginia are amended and reenacted, and that  
7 the Code of Virginia is amended by adding in Title 18.2 an Article numbered 1.1:1, consisting of sections numbered 18.2-  
8 340.1 through 18.2-340.39, as follows:

9 § 2.1-1.1. Departments generally.

10 There shall be, in addition to such others as may be established by law, the following administrative departments  
11 and divisions of the state government:

- 12 Chesapeake Bay Local Assistance Department.
- 13 Department of Accounts.
- 14 Department for the Aging.
- 15 Department of Agriculture and Consumer Services.
- 16 Department of Alcoholic Beverage Control.
- 17 Department of Aviation.
- 18 Department of Charitable Gaming.
- 19 Department of Conservation and Recreation.
- 20 Department of Corporations.
- 21 Department of Correctional Education.
- 22 Department of Corrections.
- 23 Department of Criminal Justice Services.
- 24 Department for the Deaf and Hard-of-Hearing.
- 25 Department of Economic Development.
- 26 Department of Education.
- 27 Department of Emergency Services.
- 28 Department of Employee Relations Counselors.
- 29 Department of Environmental Quality.
- 30 Department of Fire Programs.
- 31 Department of Forestry.
- 32 Department of Game and Inland Fisheries.
- 33 Department of General Services.
- 34 Department of Health.
- 35 Department of Health Professions.
- 36 Department of Historic Resources.
- 37 Department of Housing and Community Development.
- 38 Department of Information Technology.
- 39 Department of Labor and Industry.
- 40 Department of Law.
- 41 Department of Medical Assistance Services.
- 42 Department of Mental Health, Mental Retardation and Substance Abuse Services.
- 43 Department of Military Affairs.
- 44 Department of Mines, Minerals and Energy.
- 45 Department of Minority Business Enterprise.
- 46 Department of Motor Vehicles.
- Department of Personnel and Training.
- Department of Planning and Budget.

- 1 Department of Professional and Occupational Regulation.
- 2 Department of Rail and Public Transportation.
- 3 Department of Rehabilitative Services.
- 4 Department for Rights of Virginians With Disabilities.
- 5 Department of Social Services.
- 6 Department of State Police.
- 7 Department of Taxation.
- 8 Department of Transportation.
- 9 Department of the Treasury.
- 10 Department of Veterans' Affairs.
- 11 Department for the Visually Handicapped.
- 12 Department of Workers' Compensation.
- 13 Department of Youth and Family Services.
- 14 Governor's Employment and Training Department.
- 15 § 2.1-1.3. Entities subject to standard nomenclature.
- 16 The following independent administrative entities are subject to the standard nomenclature provisions of § 2.1-1.2:
- 17 Chesapeake Bay Local Assistance Department.
- 18 Department of Accounts.
- 19 Department for the Aging.
- 20 Department of Agriculture and Consumer Services.
- 21 Department of Alcoholic Beverage Control.
- 22 Department of Aviation.
- 23 Department of Charitable Gaming.
- 24 Department of Conservation and Recreation.
- 25 Department of Correctional Education.
- 26 Department of Corrections.
- 27 Department of Criminal Justice Services.
- 28 Department for the Deaf and Hard-of-Hearing.
- 29 Department of Economic Development.
- 30 Department of Education.
- 31 Department of Emergency Services.
- 32 Department of Environmental Quality.
- 33 Department of Employee Relations Counselors.
- 34 Department of Fire Programs.
- 35 Department of Forestry.
- 36 Department of Game and Inland Fisheries.
- 37 Department of General Services.
- 38 Department of Health.
- 39 Department of Health Professions.
- 40 Department of Historic Resources.
- 41 Department of Housing and Community Development.
- 42 Department of Information Technology.
- 43 Department of Labor and Industry.
- 44 Department of Medical Assistance Services.
- 45 Department of Mental Health, Mental Retardation and Substance Abuse Services.
- 46 Department of Military Affairs.
- 47 Department of Mines, Minerals and Energy.
- 48 Department of Minority Business Enterprise.
- 49 Department of Motor Vehicles.
- 50 Department of Personnel and Training.
- 51 Department of Planning and Budget.
- 52 Department of Professional and Occupational Regulation.
- 53 Department of Rail and Public Transportation.
- 54 Department of Rehabilitative Services.
- 55 Department for Rights of Virginians With Disabilities.

- 1 Department of Social Services.
- 2 Department of State Police.
- 3 Department of Taxation.
- 4 Department of Transportation.
- 5 Department of the Treasury.
- 6 Department of Veterans' Affairs.
- 7 Department for the Visually Handicapped.
- 8 Department of Youth and Family Services.
- 9 Governor's Employment and Training Department.
- 10 § 2.1-20.4. Bodies receiving compensation.
- 11 A. Notwithstanding any other provision of law, the following commissions, boards, etc., shall be those which
- 12 receive compensation from state funds pursuant to § 2.1-20.3:
- 13 Accountancy, Board for
- 14 Agriculture and Consumer Services, Board of
- 15 Air Pollution Control Board, State
- 16 Airports Authority, Virginia
- 17 Apprenticeship Council
- 18 Architects, Professional Engineers, Land Surveyors and Landscape Architects, State Board for
- 19 Athletic Board, Virginia
- 20 Auctioneers Board
- 21 Audiology and Speech-Language Pathology, Board of
- 22 Aviation Board, Virginia
- 23 Barbers, Board for
- 24 Branch Pilots, Board for
- 25 Building Code Technical Review Board, State
- 26 Charitable Gaming Board
- 27 Chesapeake Bay Local Assistance Board
- Child Day Care and Early Childhood Programs, Virginia Council on
- Coal Mining Examiners, Board of
- 30 College Building Authority
- 31 Commonwealth Transportation Board
- 32 Conservation and Development of Public Beaches, Board on
- 33 Conservation and Recreation, Board of
- 34 Contractors, Board for
- 35 Correctional Education, Board of
- 36 Corrections, Board of
- 37 Cosmetology, Board for
- 38 Criminal Justice Services Board
- 39 Deaf and Hard-of-Hearing, Advisory Board for the
- 40 Dentistry, Board of
- 41 Education, State Board of
- 42 Education Loan Authority, Virginia - Board of Directors
- 43 Elections, State Board of
- 44 Environment, Council on the
- 45 Fire Services Board, Virginia
- 46 Funeral Directors and Embalmers, Board of
- 47 Game and Inland Fisheries, Board of
- 48 Geology, Board for
- 49 Health, State Board of
- 50 Health Professions, Board of
- 51 Hearing Aid Specialists, Board for
- 52 Higher Education, State Council of
- Historic Resources, Board of
- Housing and Community Development, Board of
- Information Management, Council on

- 1 Marine Resources Commission
- 2 Medical Assistance Services, Board of
- 3 Medical Complaint Investigation Committee
- 4 Medicine, Board of
- 5 Mental Health, Mental Retardation and Substance Abuse Services Board, State
- 6 Milk Commission
- 7 Mineral Mining Examiners, Board of
- 8 Nursing, Board of
- 9 Nursing Home Administrators, Board of
- 10 Occupational Therapy, Advisory Board on
- 11 Oil and Gas Conservation Board, Virginia
- 12 Opticians, Board for
- 13 Optometry, Board of
- 14 Pesticide Control Board
- 15 Pharmacy, Board of
- 16 Physical Therapy, Advisory Board on
- 17 Port Authority, Board of Commissioners of the Virginia
- 18 Professional and Occupational Regulation, Board for
- 19 Professional Counselors, Board of
- 20 Professional Soil Scientists, Board for
- 21 Psychology, Board of
- 22 Public Defender Commission
- 23 Public School Authority, Virginia
- 24 Purchases and Supply Appeals Board
- 25 Real Estate Appraiser Board
- 26 Real Estate Board
- 27 Recreation Specialists, Board of
- 28 Rehabilitative Services, Board of
- 29 Respiratory Therapy, Advisory Board on
- 30 Safety and Health Codes Board
- 31 Seed Potato Board
- 32 Social Services, Board of
- 33 Social Work, Board of
- 34 State Health Department Sewage Handling and Disposal Appeal Review Board
- 35 Substance Abuse Certification Board
- 36 Surface Mining Review, Board of
- 37 Treasury Board
- 38 Veterans' Affairs, Board on
- 39 Veterinary Medicine, Board of
- 40 Virginia Board for Asbestos Licensing
- 41 Virginia Health Planning Board
- 42 Virginia Manufactured Housing Board
- 43 Virginia Veterans Care Center Board of Trustees
- 44 Virginia Waste Management Board
- 45 Visually Handicapped, Virginia Board for the
- 46 Waste Management Facility Operators, Board for
- 47 Water Control Board, State
- 48 Waterworks and Wastewater Works Operators, Board for
- 49 Well Review Board, Virginia
- 50 Youth and Family Services, State Board of.

51 B. Individual members of boards, commissions, committees, councils, and other similar bodies appointed at the  
 52 state level and receiving compensation for their services on January 1, 1980, but who will not receive compensation under  
 53 the provisions of this article, shall continue to receive compensation at the January 1, 1980, rate until such member's current  
 54 term expires.

55 § 2.1-51.34. Agencies for which responsible.

1 The Secretary of Finance shall be responsible for the following agencies: Department of Accounts, Department of  
2 Charitable Gaming, Department of Planning and Budget, Department of Taxation, Department of Treasury and Department  
3 of the State Internal Auditor. The Governor, by executive order, may assign any other state executive agency to the  
Secretary of Finance, or reassign any agency listed.

5 § 9-6.25:3. Supervisory boards.

6 Statute text

7 There shall be, in addition to such others as may be designated in accordance with § 9-6.25, the following  
8 supervisory boards:

- 9 Alcoholic Beverage Control Board
- 10 Board for Branch Pilots
- 11 Board of Commissioners, Virginia Port Authority
- 12 Board of Game and Inland Fisheries
- 13 Board of Regents, Gunston Hall Plantation
- 14 Board of Regents, James Monroe Memorial Law Office and Library
- 15 Board of Trustees, Chippokes Plantation Farm Foundation
- 16 Board of Trustees, Frontier Culture Museum of Virginia
- 17 Board of Trustees, Jamestown-Yorktown Foundation
- 18 Board of Trustees, the Science Museum of Virginia
- 19 Board of Trustees, Virginia Museum of Fine Arts
- 20 Board of Trustees, Virginia Retirement System
- 21 Board of Trustees, Virginia Veterans Care Center
- 22 Board of Trustees, Virginia War Memorial Foundation
- 23 (Effective July 1, 1996) Board of the Virginia Higher Education Tuition Trust Fund
- 24 Board of Visitors, Christopher Newport University
- 25 Board of Visitors, George Mason University
- 26 Board of Visitors, James Madison University
- 27 Board of Visitors, Longwood College
- 28 Board of Visitors, Mary Washington College
- Board of Visitors, Norfolk State University
- Board of Visitors, Old Dominion University
- 31 Board of Visitors, Radford University
- 32 Board of Visitors, The College of William and Mary in Virginia
- 33 Board of Visitors, University of Virginia
- 34 Board of Visitors, Virginia Commonwealth University
- 35 Board of Visitors, Virginia Military Institute
- 36 Board of Visitors, Virginia Polytechnic Institute and State University
- 37 Board of Visitors, Virginia State University
- 38 Charitable Gaming Board
- 39 Commonwealth's Attorneys' Services Council
- 40 Compensation Board
- 41 Governing Board, Virginia College Building Authority
- 42 Governing Board, Virginia Public School Authority
- 43 State Board for Community Colleges, Virginia Community College System
- 44 State Board of Education
- 45 State Certified Seed Board
- 46 State Council of Higher Education for Virginia
- 47 Virginia Agricultural Council
- 48 Virginia Bright Flue-Cured Tobacco Board
- 49 Virginia Board for People with Disabilities
- 50 Virginia Cattle Industry Board
- 51 Virginia Corn Board
- 52 Virginia Dark-Fired Tobacco Board
- 53 Virginia Egg Board
- Virginia Horse Industry Board
- Virginia Marine Products Board

- 1 Virginia Peanut Board
- 2 Virginia Pork Industry Board
- 3 Virginia Soybean Board
- 4 Virginia State Apple Board
- 5 Virginia Sweet Potato Board.

ARTICLE 1.1:1.

CHARITABLE GAMING.

§ 18.2-340.15. Cooperative state-local program.

A. Charitable gaming shall be permitted in the Commonwealth for the promotion and sustenance of organizations operated exclusively for religious, charitable, community or educational purposes. The protection of the public interest in charitable gaming and the promotion of the general welfare of the people of the Commonwealth require that: (i) the counties, cities, and towns of Virginia administer and enforce the provisions of this article, in accordance with criteria established by the Charitable Gaming Board, that ensure that conduct of charitable gaming in the Commonwealth is of the highest quality and free of any corrupt, incompetent, dishonest or unprincipled practices and (ii) the Commonwealth make its resources available to local governing bodies by providing technical assistance, policy guidance, and oversight when requested or otherwise required to carry out and enforce the provisions of this article.

B. Local governments have the responsibility for implementing the provisions of this article, and the Commonwealth shall act primarily in a supportive role by providing oversight for local governmental programs necessary to carry out and enforce the provisions of this article.

§ 10.1-2101. Definitions.

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

"Bingo" means a specific game of chance played with individual cards having randomly numbered squares ranging from one to seventy-five, in which prizes are awarded on the basis of designated numbers on such cards conforming to a predetermined pattern of numbers selected at random. Such cards shall have five vertical rows headed respectively by the letters B.I.N.G.O., with each row having five randomly numbered squares, which contain no more than one free space.

"Board" means the Charitable Gaming Board.

"Charitable gaming" or "charitable games" means those raffles and games of chance explicitly authorized by this article.

"Department" means the Department of Charitable Gaming.

"Director" means the Executive Director of the Department of Charitable Gaming.

"Gross receipts" means the total amount of money received from [bingo and "instant bingo" ] charitable gaming operations before the deduction of expenses, but less the amount of prize payouts.?

"Instant bingo" means a specific game of chance played by the random selection of one or more individually prepacked cards, with winners being determined by the preprinted appearance of the letters B.I.N.G.O. in any prescribed order on the reverse side of such card.

"Jackpot" means a bingo card played as a part of a bingo game in which all numbers on the card are covered, each number being selected at random, and with no more than one free space.

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

"Organization" means any one of the following:

1. A voluntary fire department or rescue squad or auxiliary unit thereof which has been recognized by an ordinance or resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a part of the safety program of such political subdivision;

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

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

4. A fraternal association operating under the lodge system.

"Pull tab games" mean specific games of chance played by use of prepackaged pull-tab devices which are devices made completely of paper or paper products with concealed numbers or symbols that must be exposed by the player to determine wins or losses and may include the use of a seal which conceals a number or symbol that has been designated in advance as a prize winner including but not limited to pull-tab devices commonly known as tip boards or seal cards. For the purposes of this article, "pull tab games" shall include instant bingo.

1 "Qualified organization" means any organization for which a valid permit has been issued by a local governing  
2 body or its designated official to conduct charitable gaming.

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

7 Nothing in this article shall prohibit an organization from using the State Lottery Department's Pick-3 number as  
8 the basis for determining the winner of a lottery.

9 "Secretary" means the Secretary of Finance.

10 § 10.1-2102. Charitable Gaming Board established.

11 A. There is hereby established the Charitable Gaming Board. The Board shall consist of nine members appointed  
12 by the Governor, subject to confirmation by the General Assembly. Each member of the Board shall have been a resident of  
13 the Commonwealth for a period of at least three years next preceding his appointment and his continued residency shall be  
14 a condition of his tenure in office. The Board shall consist of at least one individual from each geographic region of the  
15 Commonwealth. Members of the Board shall be representative of, but not limited to, citizens with an interest in and  
16 experience with local government, business, and charitable gaming issues. Upon initial appointment, three members shall  
17 be appointed for four-year terms, three for three-year terms, and three for two-year terms. Thereafter, all members shall be  
18 appointed for terms of four years each. Vacancies occurring other than by expiration of a term shall be filled by the  
19 Governor in the same manner as the original appointment for the unexpired portion of the term. Each Board member shall  
20 be eligible for reappointment for a second consecutive term at the discretion of the Governor. Person who are first  
21 appointed to initial terms of less than four years shall thereafter be eligible for reappointment to two consecutive terms of  
22 four years each. The Board shall elect its chairman. No member of the General Assembly while serving as a member shall  
23 be eligible for appointment to the Board.

24 B. The members of the Board shall serve at the pleasure of the Governor.

25 C. Each member of the Board shall receive fifty dollars for each day or part thereof spent in the performance of his  
26 duties and in addition shall be reimbursed for his reasonable expenses incurred therein.

27 D. A quorum shall consist of five members. The decision of a majority of those members present and voting shall  
28 constitute a decision of the Board.

29 E. The Board shall adopt rules and procedures for the conduct of its business. The Board shall establish and  
30 maintain a general business office within the Commonwealth at a place to be determined by the Board. The Board shall  
31 meet at least four times a year, and other meetings may be held at any time or place determined by the Board or upon call of  
32 the chairman or upon written request to the chairman of any two members. All members shall be duly notified of the time  
33 and place of any regular or other meeting at least ten days in advance of such meetings.

34 F. The Board shall keep a complete and accurate record of its proceedings. A copy of the record shall be available  
35 for public inspection and copying.

36 § 10.1-2103. Powers and duties of the Board.

37 The Board is responsible for carrying out the purposes and provisions of this article and is authorized to:

- 38 1. Provide information and assistance to the various local governments within the Commonwealth.
- 39 2. Consult, advise, and coordinate with the Governor, the Secretary, the General Assembly, other state agencies,  
40 and, local governments for the purpose of implementing this article.
- 41 3. Provide technical assistance and advice to local governments concerning aspects of charitable gaming using  
42 criteria established by the Board to carry out the provisions of this article.
- 43 4. Promulgate regulations pursuant to the Administrative Process Act (§ 9-6.14:1 et seq.).
- 44 5. Develop procedures for use by local governments in granting or refusing to grant applications for charitable  
45 gaming permits, suspension or revocation of outstanding permits, and establishing audit and related requirements in  
46 accordance with regulations adopted by the Board.
- 47 6. Take administrative and legal actions to ensure compliance by counties, cities and towns with the provisions of  
48 this article and any regulations adopted by the Board.
- 49 7. Perform such other duties and responsibilities related to charitable gaming as the Secretary may assign.
- 50 8. Enter into contracts necessary and convenient to carry out the provisions of this article.

51 § 10.1-2104. Exclusive authority of Board to institute legal actions.



1 The Board shall have the exclusive authority to institute legal actions to ensure compliance by local governing  
2 bodies with this article and with any regulations adopted by the Board.

3 § 10.1-2105. Creation of Department; general duties.

4 There is hereby created, in the Office of the Secretary of Finance, the Department of Charitable Gaming. The  
5 Department shall provide staff assistance to the Board and shall perform all duties incident to carrying out the purposes of  
6 this article. The Department shall be headed by an Executive Director. The Director shall be appointed by the Board.

7 § 10.1-2106. Powers and duties of Director.

8 A. The Director, under the direction and control of the Board, shall exercise such powers and perform such duties  
9 as are conferred or imposed upon him by law and shall perform any other duties required of him by the Governor or the  
10 Secretary.

11 B. In addition to the other responsibilities set forth herein, the Director shall carry out management and  
12 supervisory responsibilities in accordance with the regulations and policies of the Board.

13 § 10.1-2111. Compliance by local governments.

14 Local governments shall be required to comply with the provisions of this article and the regulations of the Board  
15 to ensure the integrity of charitable gaming in the Commonwealth.

16 § 10.1-2112. Advisory state review of local government decisions.

17 In addition to any other review requirements of this article, the Board shall, upon request by any county, city or  
18 town, review any application for a charitable gaming permit in that county, city or town for consistency with the provisions  
19 of this article. Any such review shall be completed and a report submitted to such county, city or town within ninety days of  
20 such request.

21 §18.2-340.00.(14) Only raffles, bingo and pull tab games permitted; prizes not gaming contracts.

22 This article permits organizations to conduct charitable gaming. All games not explicitly authorized by this article  
23 are prohibited.

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

26 § 18.2-340.00. Exemption from permit requirement.

27 The provisions of § 18.2-340.00 shall not apply to any organization whose gross receipts are less than \$10,000  
28 during any calendar year.

29 § 18.2-340.00.(3) Eligibility for permit; exceptions; where valid.

30 A. Prior to the issuance of any permit to conduct charitable gaming, an organization shall:

31 1. Have been in existence and met on a regular basis in the county, city or town or in a county, city or town  
32 adjacent to the county, city or town where application is made for a period of at least five years immediately prior to  
33 applying for a permit.

34 The provisions of this subdivision shall not apply (i) to any lodge or chapter of a national or international fraternal  
35 order or a national or international civic organization which is exempt under § 501 (c) (3) of the United States Internal  
36 Revenue Code and which has a lodge or chapter holding a bingo permit issued under the provisions of this article anywhere  
37 within the Commonwealth, (ii) where the local governing body of a county, city or town provides for the issuance of a  
38 charitable gaming permit to booster clubs which have been operating for less than five years, and which have been  
39 established solely to raise funds for school-sponsored activities in public schools which are less than five years old; (iii)  
40 recently established volunteer fire and rescue companies or departments, after county, city or town approval; or (iv) an  
41 organization which relocates its meeting place on a permanent basis from one jurisdiction to another, complies with the  
42 requirements of subdivision 1 of this section, and was the holder of a valid permit at the time of its relocation.

43 2. Be operated currently and shall have always been operated in the past as a nonprofit organization and shall have  
44 been in existence as a nonprofit organization for a period of at least five years immediately prior to seeking a permit.

45 B. Any organization whose gross receipts from all bingo and pull tab operations exceed or can be expected to  
46 exceed \$75,000 (gross receipt issue) in any calendar year shall have been granted tax-exempt status pursuant to § 501 (c) of  
47 the United States Internal Revenue Code. [At the same time tax-exempt status is sought from the Internal Revenue Service,  
48 the same documentation may be filed with the local governing body for an interim certification of tax-exempt status. If such  
49 documentation is filed, the local governing body may, after reviewing such documentation it may deem necessary, issue its  
50 determination of tax-exempt status within sixty days of receipt of such documentation. The local governing body may  
51 charge a reasonable fee, not to exceed \$500. This interim certification of tax-exempt status shall be valid until the Internal  
52 Revenue Service issues its determination of tax-exempt status, or for eighteen months, whichever is earlier.] (NOTE: Q:  
53 Localities to retain this authority?)

54 C. A permit shall be valid only in the jurisdiction where the application is approved and only at the locations  
55 designated in the permit application.

§ 18.2-340.00.(2) Annual permit required; application fee; form of application.

A. Except as provided for in § 18.2-340.00 (x-ref to permit exemption), prior to the commencement of any charitable game, an organization shall obtain an annual permit from the governing body or local official designated by the governing body of each county or city, or any town with a population of more than 2,500 which has adopted an ordinance pursuant to § 18.2-340.8X, in which such charitable gaming is to be conducted.

B. All applications for a permit shall be acted upon by the governing body, or its designated official, within sixty days from the filing thereof. Upon compliance by the applicant with the provisions of this article, [and at the discretion of the governing body or its designated official, a permit may be issued. (NOTE: Q: leave local option?) All permits shall be issued on a calendar basis and unless otherwise provided, shall be valid for one calendar year beginning on January 1. The application shall be a matter of public record.

All permits shall be subject to reasonable regulation by the local governing body or its designated official in accordance with § 18.2-340.00 (x-ref to local control) to ensure the public safety and welfare in the operation of charitable game. The permit shall only be granted after a reasonable investigation has been conducted by the local governing body or its designated official.

C. Application for the annual permit shall be accompanied by a check in the amount of twenty-five dollars payable as designated by the local governing body or its designated official. The local governing body or its designated official shall assess applicants for the cost of processing charitable gaming applications. (NOTE: local option removed re assessing cost of processing application and waiver of application fee and additional charges)

D. Application for an annual permit shall be made on the following form which may be expanded to include any other information desired by the local governing body or its designated official and approved by the Board.(NOTE: Approval of board for expansion of form added).

E. In no case shall an organization apply for or receive more than one permit in any single locality.

APPLICATION FOR PERMIT TO HOLD CHARITABLE GAMES

- 1. Name of organization .....
Address or Headquarters .....
Address where bingo or pull tab games will be held or raffle drawing will be conducted
.....
.....

NOTE: This permit is valid only at the above location
Days and times on which games are to be held .....

- 2. When was your organization founded? . . . Has your organization been in existence in this city, town or county for five continuous years? .....
Is it a nonprofit organization? . . . Tax Exempt Status
No. (if applicable) .....

Gross receipts from all sources related to the operation of bingo games or instant bingo by calendar quarter for 12-month period immediately prior to date of this application

- 1st Quarter . . . . . 2nd Quarter .....
3rd Quarter . . . . . 4th Quarter .....
State the specific type and purpose of your organization.

.....
.....

- 3. Officers of organization:
President . . . . . Address .....
Secretary . . . . . Address .....
Treasurer . . . . . Address .....

- 4. Type of permit applied for: Bingo Games . . . Pull Tab Games.....Raffles .....
5. Member authorized by your organization who will be responsible for charitable gaming operation?
Name .....
Address .....
Phone . . . . . Business Phone .....
6. Individual responsible for filing the financial report required by this article if your organization ceases to exist.
Name .....
Address .....

Phone . . . . . Business Phone . . . . .

7. Does your organization understand that it is a violation of law to enter into a contract with any person or firm, association, organization (other than another qualified organization pursuant to § 18.2-340.13X of the Code of Virginia), partnership or corporation of any classification whatsoever, for the purpose of organizing, managing or conducting charitable gaming? . . . . .

8. Does your organization understand that it must maintain and file complete records of receipts and disbursements pertaining to any charitable gaming and that such records are subject to audit by . . . . . (insert designated local official)? . . . . .

9. Has your organization attached a check for the annual permit fee payable to the . . . . . (insert designated local official)? . . . . .

10. Does your organization understand that any organization found in violation of § 18.2-340.10X of the Code of Virginia authorizing this permit is subject to having such permit revoked and any organization or person, shareholder, agent, member or employee of such organization who violated § 18.2-340.10X or Article 1.1 (§ 18.2-340.1 et seq.) of Chapter 8 of Title 18.2 of the Code of Virginia may be guilty of a felony? . . . . .

11. Does your organization understand that it will be required to furnish a complete list of its membership? . . . . .

12. I hereby swear or affirm under the penalties of perjury as set forth in § 18.2-434 of the Code of Virginia, that all of the above statements are true to the best of my knowledge, information and beliefs. All questions have been answered.

Signed by

Name Title Address

Subscribed and sworn to before me, this . . . . . day of . . . . ., 19. . .

My commission expires:

. . . . ., 19. . . . . Notary . . . . ., 19. . . . . Notary Public.

§18.2-340.00.(3 #2) Sale of raffle tickets; drawings.

An organization which has obtained a permit under this article to conduct a raffle may sell raffle tickets both in and out of the jurisdiction issuing the permit and may conduct its drawing either in the jurisdiction in which a majority of the tickets were sold or in the jurisdiction issuing the permit. (NOTE: Authorization for playing pull tab games removed--"..., except that pull-tab devices as defined in § 18.2-340.1 used as part of raffle may be sold only upon the premises owned or exclusively leased by such organization and at such times as it is not open to the public, except to members and their guests.)

§ 18.2-340.00.(4) Conduct of bingo and pull tab games; special permits.

A. A qualified organization shall accept only cash or, at its option, checks in payment of any charges or assessments for players to participate in bingo and pull tab games. However, no organization shall accept postdated checks in payment of any charges or assessments for players to participate in bingo or pull tab games.

No organization or any person on the premises shall extend lines of credit or accept any credit or debit card or other electronic fund transfer in payment of any charges or assessments for players to participate in bingo or pull tab games.

B. Bingo and pull tab games may be held by qualified organizations no more frequently than two calendar days in any calendar week and shall be conducted only in accordance with § 18.2-340.00 (.5). (NOTE: x-ref added for clarification).

C. A special permit may be granted an organization which entitles it to conduct more frequent operation of bingo or pull tab games during carnivals, fairs and other similar events which are located in the jurisdiction issuing the permit and which are not in violation of any local zoning ordinance. The issuance of any special permit shall be subject to the approval of the Board. (NOTE: Board approval added).

§ 18.2-340.00. (.5) Conduct of pull tab games.

A. Any organization qualified to conduct bingo games pursuant to the provisions of this article may play pull tab games as a part of such bingo game and only at such location and at such times as are specified in the bingo application permit for regular bingo games.

B. The gross receipts in the course of a reporting year from the playing of pull tab games shall not exceed fifty percent of the gross receipts of an organization's bingo operation.

C. Any organization playing pull tab games shall maintain a record of the date, quantity and card value of pull tab supplies purchased as well as the name and address of the supplier of such pull tab supplies. The organization shall also maintain a written invoice or receipt from a nonmember of the organization verifying any information required by this subsection.

D. No organization shall sell any pull tab card to an individual under eighteen years of age.

§ 18.2-340.00.(13) Joint operation of bingo games; written reports; special permit required.

A. Any two qualified organizations may jointly organize and conduct bingo and pull tab games provided both have fully complied with all other provisions of this article.

B. Any two qualified organizations jointly conducting such games shall be (i) subject to the same restrictions and prohibitions contained in this article that would apply to a single organization conducting such games and (ii) required to furnish the local governing body of the jurisdiction where such games will be held a written report setting forth the division of manpower, costs, and proceeds for each game to be jointly conducted.

Upon a finding that the division of manpower and costs for each game bears a reasonable relationship to the division of proceeds, the local governing body shall issue a special permit for the joint conduct of all approved games after obtaining the approval of the Board for such special permit. (NOTE: Board approval added).

C. No bingo and pull tab game shall be jointly conducted until the special permit issued pursuant to Subsection B is obtained by the organization involved for that bingo and pull tab game.

§ 18.2-340.00. (.6) Reports of gross receipts and disbursements required; form of reports; failure to file.

A. Complete records of all receipts and disbursements shall be kept and filed annually under oath with the local official designated by the local governing body. The annual or quarterly financial report and other items required to be filed under this section shall be a matter of public record. All accountings shall be made on or before December 1 of each calendar year for which a permit has been issued. The accounting shall include a record of the gross receipts and disbursements of an organization for the year period which commenced on October 1 of the previous year and a record of all money in the possession of the organization that was derived from bingo and pull tab games, regardless of when the money was received.

Any organization whose gross receipts exceed \$50,000 during any calendar quarter shall file an additional accounting of its receipts and disbursements during such quarter no later than sixty days following the last day of the quarter. (NOTE: Definition of "gross receipts" moved to definition section and amended to exclude prize payouts. Q: does \$50T amount above need to be lowered if definition of gross receipts stands as amended?)

B. All reports of receipts and disbursements shall be made on the following form and acknowledged in the presence of a duly authorized notary public. The form may be expanded to include any other information desired by the local governing body or its designated official, and approved by the Board. (NOTE: approval of board added)

C. The financial report shall be accompanied by a certificate, verified under oath, by the board of directors that the proceeds of any charitable gaming have been used for those lawful, religious, charitable, community or educational purposes for which the organization is specifically chartered or organized and that the operation of the charitable games has been in accordance with the provisions of this article.

D. Any organization having annual gross receipts from charitable gaming in excess of \$250,000, as shown on its annual financial report, shall attach to such report an opinion of a licensed independent certified public accountant that in all material respects (i) the annual financial report presents fairly beginning cash, receipts, operating cost, use of proceeds, and ending cash; (ii) the proceeds of any charitable games have been used for those lawful, religious, charitable, community, or educational purposes for which the organization is specifically chartered or organized; and (iii) the gross receipts have been used in accordance with the provisions of this article. The opinion required by this subsection shall be in addition to the audit and audit fee required by § 18.2-340.7X. (NOTE: Q: \$250 T amount amended b/c of new gross receipts definition?)

An organization shall designate an individual who shall be responsible for filing the annual or quarterly financial report required by this article if the organization goes out of business or otherwise ceases to exist.

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

F. The failure to file (i) reports when due in accordance with subsection B and (ii) an opinion of a licensed independent certified public accountant when required in accordance with subsection D, shall cause the automatic revocation of the permit and no organization shall conduct any bingo game or raffle thereafter until the report or the opinion is properly filed and a new permit is obtained.

CHARITABLE GAMING

FINANCIAL REPORT

All holders of a Charitable Gaming Permit, issued pursuant to § 18.2-340.3X, shall file a record of all receipts and disbursements in accordance with the provisions of this article. FAILURE TO FILE A REPORT OF SUCH RECORDS WHEN DUE SHALL CAUSE THE AUTOMATIC REVOCATION OF THE PERMIT.

Name of Organization Type of Organization Phone
Address Address where charitable gaming is conducted

City, State, Zip Code Person Preparing Report Phone

Indicate Period for Which This Report Is Filed

Beginning Bank Balance

from charitable gaming \$....

Cash on Hand \$....

TOTAL (A) \$....

Receipts:

Admission (Regular & Extra Cards) \$....

Pull tab game Sales .....

Misc. Sales (Excluding Bev. & Food) .....

Raffles .....

Other .....

TOTAL (B) \$....

TOTAL CASH AVAILABLE (A & B) \$....

Operating Cost:

(Excluding Bev. & Food) \$....

Bingo Supplies .....

Pull tab Supplies .....

Other Supplies & Equipment .....

Permit Fee .....

Prizes Awarded .....

Jackpot Award .....

Pull Tab Games .....

Rent .....

Audit Fee .....

Other (Attach detailed explanation) .....

TOTAL (C) \$....

Use of Proceeds (Attach Detailed Schedule Indicating Payment, Date, Check or Invoice Numbers and Amounts)

TOTAL (D) \$....

(C & D) \$....

Ending Bank Balance from Charitable Gaming

(E) \$....

Cash on Hand

(F) \$....

TOTAL CASH ACCOUNTED FOR (C + D + E + F) \$....

OATH - - I, the undersigned applicant, do swear (or affirm) that the foregoing figures and statements are true, full, and correct to the best of my knowledge and belief.

Authorized Agent Date

SUBSCRIBED AND SWORN TO BEFORE ME THIS... DAY OF..., 19...

My commission expires: .....

NOTARY PUBLIC ]

§ 18.2-340.00. (7) Audit of reports; exemption; fee.

A. All reports filed pursuant to § 18.2-340.6X shall be audited by a local official designated by the governing body.

1 B. Any report filed by an organization with gross receipts of less than \$10,000 for the designated reporting period  
2 shall be exempt from the audit requirement. (NOTE: amount increased from \$2T to \$10T)

3 C. The local governing body shall establish a reasonable audit fee not to exceed the actual cost of the audit if the  
4 audit is conducted by an independent auditor or accountant, or six percent of (i) the gross receipts which an organization  
5 reports pursuant to § 18.2-340.6X and (ii) the interest income on money the organization has received from bingo or pull  
6 tab operations if the audit is conducted by a local official designated by the governing body. [The local governing body may  
7 establish a graduated scale to determine the audit fee.] (NOTE: retain this local option? Remember \$10T permit and  
8 audit exemption) The audit fee shall accompany each annual report. (NOTE: audit fee percentage increased from 2%  
9 to 6%)

10 C. The audit fee shall be payable to the local official who is responsible for the performance of the audit. All audit  
11 fees received shall be separately accounted for and shall be used only for the purposes of auditing and regulating charitable  
12 gaming.

13 § 18.2-340.00. (.2:1) Local control of management and operation of bingo games and raffles; right of entry upon  
14 premises; independent accounting procedures.

15 A. The governing body of any county, city or town may adopt an ordinance consistent with this article and the  
16 regulations of the Board:

17 1. Regulating any bingo game or raffle within such jurisdiction.

18 2. Prohibiting the playing of any pull tab games.

19 3. Requiring an independent accounting procedure, as adopted by the Board, to be followed by an organization.  
20 (NOTE: Board's accounting procedures required. And deleted language—"... and designate a local official to  
21 promulgate such independent accounting procedures.

22 4. Waiving the requirements of § 18.2-340.6 B 3X, provided the local governing body has by ordinance required  
23 an independent accounting procedure to be followed by the organization. (NOTE: Language—"... and has designated a  
24 local official to promulgate such independent accounting procedures as set forth in § 18.2-340.6 E X." has been  
25 deleted).

26 5. Limiting the number of organizations for which a person may manage, operate or conduct charitable gaming.

27 6. Establishing reasonable limitations on the number of bingo and pull tab games which may be conducted in any  
28 one calendar day.

29 7. Establishing reasonable hours during which bingo and pull tab games may be played within such jurisdiction.

30 In the event that the governing body of any town adopts an ordinance pursuant to the provisions of this section,  
31 such town shall not be subject to any ordinance adopted by the county within which such town lies.

32 B. A local governing body shall adopt an ordinance:

33 1. Requiring as a condition of receiving a permit, the applicant use a predetermined percentage of its gross  
34 receipts from all charitable gaming for (i) those lawful religious, charitable, community or educational purposes for which  
35 the organization is specifically chartered or organized or (ii) those expenses relating to the acquisition, construction,  
36 maintenance, or repair of any interest in the real property involving the operation of the organization and used for lawful  
37 religious, charitable, community or educational purposes. The percentage shall be uniformly applied and shall be  
38 determined by the local governing body, with the approval by the Board. (NOTE: Board approval required).

39 2. Requiring the organization to have a membership consisting of at least fifty percent residents of the  
40 Commonwealth, and to furnish a complete list of its membership in order for the local governing body to ascertain the  
41 percentage of Virginia residents.

42 C. Notwithstanding the provisions of this article requiring an annual audit, the provisions of § 18.2-340.00 (.6C)  
43 shall not prohibit any local designated official from performing unannounced audits or restrict any right of such official to  
44 secure records required to be maintained by the provisions of this article. Any such official shall have the authority to go  
45 upon the premises on which any organization is conducting a bingo and pull tab games for the purpose of carrying out the  
46 duties imposed by this article. The application for a charitable gaming permit shall constitute permission from, and  
47 authority granted by, such organization to any law-enforcement officer or any official designated by the local governing  
48 body pursuant to § 18.2-340.7X to enter upon such premises.

49 D. Within five days of the adoption of any ordinance in accordance with the provisions of this article and the  
50 regulations of the Board, the local government body or its designated official shall forward a certified copy of such  
51 ordinance to the Board.

52 § 18.2-340.00. (.10& .11) Denial, suspension or revocation of permit; hearings and appeals.

53 A. The local governing body or its designated official or board where a permit was issued, shall deny, suspend or  
54 revoke the permit of any organization found not to be in strict compliance with the provisions of this article. (NOTE: local  
55 option removed)

1 B. No permit to conduct charitable gaming shall be denied, suspended or revoked except upon notice stating the  
2 proposed basis for such action and the time and place for the hearing. After a hearing on the issues, the local governing  
3 body or its designated official or board shall refuse to issue or may suspend or revoke any such permit if it determines that  
4 the organization has not complied with the provisions of this article. (NOTE: local option removed).

5 C. Any organization aggrieved by the decision of the local governing body or its designated official or board may  
6 appeal such decision to the circuit court.

7 § 18.2-340.00. Search and seizure of bingo supplies and equipment used in violation of law; arrests.

8 A. When any officer charged with the enforcement of the charitable gaming laws of the Commonwealth has  
9 reason to believe that the conduct of charitable gaming is being conducted in violation of this article or the regulations of  
10 the Board, he shall obtain a search warrant and search the premises used for the conduct of such games. If charitable  
11 gaming is being conducted in violation of this article, the officer shall seize the charitable gaming supplies and equipment,  
12 including prizes, and deliver them to the chief law-enforcement officer of the locality in which such seizure was made,  
13 taking his receipt therefor in duplicate.

14 B. The officer making such seizure shall also arrest all persons found in charge of such supplies and equipment  
15 and shall forthwith report in writing such seizure and arrest to the attorney for the Commonwealth for the county or city in  
16 which seizure and arrest were made.

17 C. NOTE: Provide for forfeiture of the contraband to the Commonwealth?

18 § 18.2-340.00. (.9) Prohibited practices; penalties.

19 In addition to those other practices prohibited by this article, the following acts or practices shall be prohibited.

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

25 In addition, organizations composed of or for deaf or blind persons may use a part of their gross receipts for costs  
26 associated with providing clerical assistance in the conduct of charitable gaming.

27 B. No organization shall enter into a contract with, or otherwise employ for compensation any person for the  
28 purpose of organizing, managing, or conducting any charitable games.

29 The provisions of this subsection shall not prohibit the joint operation of bingo and pull tab games held in  
30 accordance with § 18.2-340.00 (13X).

31 C. No person shall pay or receive for use of any premises devoted, in whole or in part, to the conduct of any  
32 charitable games, any consideration in excess of the current fair market rental value of such property. No fair market rental  
33 value consideration shall be based upon or determined by reference to a percentage of the proceeds derived from the  
34 operation of any charitable games nor shall such consideration be based upon or determined by any reference to the number  
35 of people in attendance at such charitable games.

36 D. No building or other premises shall be utilized in whole or in part for the purpose of conducting bingo and pull  
37 tab games more frequently than two calendar days in any one calendar week. Notwithstanding, no building or other  
38 premises owned by an organization and qualified as a tax-exempt organization pursuant to § 501 (c) of the Internal Revenue  
39 Code shall be utilized in whole or in part for the purpose of conducting bingo and pull tab games more frequently than four  
40 calendar days in any one calendar week.

41 The provisions of this subsection shall not apply to the playing of bingo and pull tab games pursuant to a special  
42 permit issued in accordance with § 18.2-340.00 (.4X). In addition, one building or premises owned by any county, city, or  
43 town shall be exempt from the provisions of this subsection. (NOTE: Is this locality exemption still necessary?)

44 F. No person shall participate in the management, operation or conduct of any charitable game unless such person  
45 is a bona fide member of the organization who has been a member of such organization for at least ninety days prior to such  
46 participation.

47 The provisions of this subsection shall not apply to (i) persons employed as clerical assistants by organizations  
48 composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a qualified organization, provided such  
49 employees' participation in the management, operation or conduct of a raffle is limited to no more than one raffle per year;  
50 or (iii) the spouse of any such bona fide member or a fire fighter or rescue squad member employed by a local governing  
51 body with which the volunteer fire fighter or rescue squad member is associated provided such bona fide member is  
52 present.

53 G. No person shall receive any remuneration for participating in the management, operation or conduct of any  
54 charitable game, except as follows.

1 1. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration not to  
2 exceed thirty dollars per event for providing clerical assistance in the conduct of charitable games only for such  
3 organizations.

4 2. Persons eighteen years of age and under who sell raffle tickets to raise funds for youth activities in which they  
5 participate may receive nonmonetary incentive awards or prizes from the organization provided that organization is  
6 nonprofit.

7 H. No landlord shall, at bingo and pull tab games conducted on the landlord's premises, (i) participate in the  
8 conduct, management, or operation of any bingo or pull tab games; (ii) sell, lease or otherwise provide for consideration any  
9 bingo or pull tab supplies, including, but not limited to, bingo cards, pull tab game cards, markers, or other game pieces; or  
10 (iii) require as a condition of the lease or by contract that a particular manufacturer, distributor or supplier of bingo or pull  
11 tab supplies or equipment be used by the organization. If equipment or services are included by a landlord in any lease or  
12 contract, the lease or contract shall itemize the amount attributable to the rent of the premises, equipment, and each service  
13 to be provided by the landlord.

14 The provisions of this subsection shall not apply to any organization (i) conducting bingo and pull tab games on  
15 their own behalf and (ii) owning the premises where such bingo and pull tab games are held.

16 I. No organization shall enter into any contract with or otherwise employ or compensate any member of that  
17 organization regarding the sale of bingo or pull tab game supplies or equipment.

18 J. No organization shall award any bingo prize money or any merchandise valued in excess of the following  
19 amounts:

20 1. No bingo door prize shall exceed \$25;

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

22 3. No pull tab prize for a single card shall exceed \$500; and

23 4. No bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot  
24 prizes awarded in any one calendar day exceed \$1,000.

25 The provisions of this subsection shall not apply to any bingo or pull tab game in which all the money collected  
26 from players for that game is paid as prize money back to the players provided there is no more than one such game per  
27 calendar day of play and the prize money from any such game does not exceed \$1,000. (NOTE: For whom is this exemption  
28 written?)

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

30 The provisions of this subsection shall not apply to a raffle conducted no more than once per calendar year by an  
31 organization qualified as a tax-exempt organization pursuant to § 501 (c) (3) of the Internal Revenue Code for a prize  
32 consisting of a lot improved by a residential dwelling where 100 percent of the moneys received from such a raffle, less  
33 deductions for the fair market value for the cost of acquisition of the land and materials, are donated to lawful religious,  
34 charitable, community, or educational organizations specifically chartered or organized under the laws of the  
35 Commonwealth and qualified as a § 501 (c) (3) tax-exempt organization.

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

39 M. No person shall participate in the management, operation or conduct of any charitable game if, within the  
40 preceding five years, he has been convicted of a felony or crime of moral turpitude. In addition, no person shall participate  
41 in the management, operation or conduct of any charitable game if that person, within the preceding five years, has  
42 participated in the management, operation, or conduct of any charitable game which was found by a local permitting  
43 authority or by a court of competent jurisdiction to have been operated in violation of state law or local ordinance.

44 N. No organizations jointly conducting bingo and pull tab games pursuant to § 18.2-340.00 (x-ref) shall  
45 circumvent any restrictions and prohibitions which would otherwise apply if a single organization were conducting such  
46 games. These restrictions and prohibitions shall include, but not be limited to, the frequency with which bingo and pull tab  
47 games may be held, the value of merchandise or money awarded as prizes, and all other practices prohibited under this  
48 section.

49 §18.2-340.00 (.10 & .11). Penalties for violation; injunctive relief.

50 A. Any person violating the provisions of this article shall be guilty of a Class 1 misdemeanor.

51 Any person violating the provisions of § 18.2-340.00(.9 A) shall be guilty of a Class 6 felony.

52 Each day in violation of §18.2-340.00 (.9C) shall constitute a separate Class 1 misdemeanor.

53 B. In the event an organization violates the provisions of this article, the appropriate city or county attorney of the  
54 political subdivision which issued the permit may apply to the appropriate circuit court for an injunction restraining the



- 1 continued operation of such charitable games or any aspect thereof, in addition to the criminal penalties authorized by this
- 2 section.
- 3 2. That Article 1.1 of Title 18.2, consisting of sections number 18.2-340.1 through 18.2-340.14 of the Code of Virginia are
- 4 repealed.
- 5 3. That the provisions of this act shall become effective on July 1, 1996, except that §§ 18.2-340.00, 18.2-340.00 and 18.2-
- 6 340.00 (creation of the Board and Department) shall become effective in due course.
- 7 4. That the Charitable Gaming Board shall promulgate regulations in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.)
- 8 of Title 18.2 as soon as practicable on or after July 1, 1995.
- 9 5. That the provisions of Article 1.1 (§ 18.2-340.1 et seq.) of Title 18.2 and any ordinances adopted pursuant thereto by
- 10 local governing bodies shall remain in effect until such time as the Charitable Gaming Board shall implement its
- 11 regulations in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.,) of Title 18.2.
- 12

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13

## **Appendix F**

### **Recommended Legislation**

**SB 1020 as enrolled  
SJR 266**

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

*An Act to amend and reenact §§ 2.1-1.5, 2.1-1.9, 2.1-20.4, 2.1-51.27, 2.1-342, 9-6.25:3, and 18.2-334.2 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 8 of Title 18.2 an article numbered 1.1:1, consisting of sections numbered 18.2-340.15 through 18.2-340.37; and to repeal Article 1.1 (§§ 18.2-340.1 through 18.2-340.14) of Chapter 8 of Title 18.2 of the Code of Virginia, relating to the conduct of charitable gaming; bingo and raffles; creation of the Charitable Gaming Commission; penalty.*

[S 1020]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-1.5, 2.1-1.9, 2.1-20.4, 2.1-51.27, 2.1-342, 9-6.25:3, and 18.2-334.2 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 8 of Title 18.2 an article numbered 1.1:1, consisting of sections numbered 18.2-340.15 through 18.2-340.37, as follows:

§ 2.1-1.5. Entities not subject to standard nomenclature.

The following entities are not subject to the provisions of § 2.1-1.2 due to the unique characteristics or *the* enabling legislation of the entities:

Authorities

Richmond Eye and Ear Hospital Authority.  
Small Business Financing Authority.  
State Education Assistance Authority.  
Virginia Agriculture Development Authority.  
Virginia College Building Authority.  
Virginia Education Loan Authority.  
Virginia Housing Development Authority.  
Virginia Innovative Technology Authority.  
Virginia Port Authority.  
Virginia Public Building Authority.  
Virginia Public School Authority.  
Virginia Resources Authority.  
Virginia Student Assistance Authorities.

Boards

Board of Commissioners, Virginia Agriculture Development Authority.  
Board of Commissioners, Virginia Port Authority.  
Board of Directors, Richmond Eye and Ear Hospital Authority.  
Board of Directors, Small Business Financing Authority.  
Board of Directors, Virginia Student Assistance Authorities.  
Board of Directors, Virginia Innovative Technology Authority.  
Board of Directors, Virginia Resources Authority.  
Board of Regents, Gunston Hall Plantation.  
Board of Regents, James Monroe Memorial Law Office and Library.  
Board of Trustees, Family and Children's Trust Fund.  
Board of Trustees, Frontier Culture Museum of Virginia.  
Board of Trustees, Jamestown-Yorktown Foundation.  
Board of Trustees, Miller School of Albemarle.  
Board of Trustees, Rural Virginia Development Foundation.  
Board of Trustees, The Science Museum of Virginia.  
Board of Trustees, Virginia Museum of Fine Arts.  
Board of Trustees, Virginia Museum of Natural History.  
Board of Trustees, Virginia Outdoor Foundation.

(Effective July 1, 1996) Board of the Virginia Higher Education Tuition Trust Fund.

Board of Visitors, Christopher Newport University.  
 Board of Visitors, The College of William and Mary in Virginia.  
 Board of Visitors, George Mason University.  
 Board of Visitors, Gunston Hall Plantation.  
 Board of Visitors, James Madison University.  
 Board of Visitors, Longwood College.  
 Board of Visitors, Mary Washington College.  
 Board of Visitors to Mount Vernon.  
 Board of Visitors, Norfolk State University.  
 Board of Visitors, Old Dominion University.  
 Board of Visitors, Radford University.  
 Board of Visitors, University of Virginia.  
 Board of Visitors, Virginia Commonwealth University.  
 Board of Visitors, Virginia Military Institute.  
 Board of Visitors, Virginia Polytechnic Institute and State University.  
 Board of Visitors, Virginia State University.  
 Governing Board, Virginia College Building Authority.  
 Governing Board, Virginia Public School Authority.  
 Library Board, The Library of Virginia.  
 State Board for Community Colleges, Virginia Community College System.

#### Commissions

Alexandria Historical Restoration and Preservation Commission.  
*Charitable Gaming Commission.*  
 Chesapeake Bay Bridge and Tunnel Commission.  
 Hampton Roads Sanitation District Commission.

#### Districts

Chesapeake Bay Bridge and Tunnel District.  
 Hampton Roads Sanitation District.

#### Educational Institutions

Christopher Newport University.  
 College of William and Mary in Virginia.  
 Frontier Culture Museum of Virginia.  
 George Mason University.  
 James Madison University.  
 Jamestown-Yorktown Foundation.  
 Longwood College.  
 Mary Washington College.  
 Miller School of Albemarle.  
 Norfolk State University.  
 Old Dominion University.  
 Radford University.  
 The Science Museum of Virginia.  
 University of Virginia.  
 Virginia Commonwealth University.  
 Virginia Community College System.  
 Virginia Military Institute.  
 Virginia Museum of Fine Arts.  
 Virginia Polytechnic Institute and State University.  
 The Library of Virginia.  
 Virginia State University.

#### Foundations

Chippokes Plantation Farm Foundation.  
 Rural Virginia Development Foundation.

Virginia Conservation and Recreation Foundation.  
 Virginia Historic Preservation Foundation.  
 Virginia Outdoor Foundation.

Museum

Virginia Museum of Natural History.

Plantation

Gunston Hall Plantation.

System

Virginia Retirement System.

§ 2.1-1.9. Commissions.

Notwithstanding the definition for "commission" as provided in § 2.1-1.2, the following entities shall be referred to as commissions:

*Charitable Gaming Commission*  
 Commission on Local Government  
 Marine Resources Commission  
 Milk Commission  
 Virginia Commission for the Arts  
 Virginia Employment Commission.

§ 2.1-20.4. Bodies receiving compensation.

A. Notwithstanding any other provision of law, the following commissions, boards, etc., shall be those which receive compensation from state funds pursuant to § 2.1-20.3:

Accountancy, Board for  
 Agriculture and Consumer Services, Board of  
 Air Pollution Control Board, State  
 Airports Authority, Virginia  
 Apprenticeship Council  
 Architects, Professional Engineers, Land Surveyors and Landscape Architects, State Board for  
 Athletic Board, Virginia  
 Auctioneers Board  
 Audiology and Speech-Language Pathology, Board of  
 Aviation Board, Virginia  
 Barbers, Board for  
 Branch Pilots, Board for  
 Building Code Technical Review Board, State  
*Charitable Gaming Commission*  
 Chesapeake Bay Local Assistance Board  
 Child Day Care and Early Childhood Programs, Virginia Council on  
 Coal Mining Examiners, Board of  
 College Building Authority  
 Commonwealth Transportation Board  
 Conservation and Development of Public Beaches, Board on  
 Conservation and Recreation, Board of  
 Contractors, Board for  
 Correctional Education, Board of  
 Corrections, Board of  
 Cosmetology, Board for  
 Criminal Justice Services Board  
 Deaf and Hard-of-Hearing, Advisory Board for the  
 Dentistry, Board of  
 Education, State Board of  
 Education Loan Authority, Virginia - Board of Directors  
 Elections, State Board of  
 Environment, Council on the  
 Fire Services Board, Virginia

Funeral Directors and Embalmers, Board of  
Game and Inland Fisheries, Board of  
Geology, Board for  
Health, State Board of  
Health Professions, Board of  
Hearing Aid Specialists, Board for  
Higher Education, State Council of  
Historic Resources, Board of  
Housing and Community Development, Board of  
Information Management, Council on  
Marine Resources Commission  
Medical Assistance Services, Board of  
Medical Complaint Investigation Committee  
Medicine, Board of  
Mental Health, Mental Retardation and Substance Abuse Services Board, State  
Milk Commission  
Mineral Mining Examiners, Board of  
Nursing, Board of  
Nursing Home Administrators, Board of  
Occupational Therapy, Advisory Board on  
Oil and Gas Conservation Board, Virginia  
Opticians, Board for  
Optometry, Board of  
Pesticide Control Board  
Pharmacy, Board of  
Physical Therapy, Advisory Board on  
Port Authority, Board of Commissioners of the Virginia  
Professional and Occupational Regulation, Board for  
Professional Counselors, Board of  
Professional Soil Scientists, Board for  
Psychology, Board of  
Public Defender Commission  
Public School Authority, Virginia  
Purchases and Supply Appeals Board  
Real Estate Appraiser Board  
Real Estate Board  
Recreation Specialists, Board of  
Rehabilitative Services, Board of  
Respiratory Therapy, Advisory Board on  
Safety and Health Codes Board  
Seed Potato Board  
Social Services, Board of  
Social Work, Board of  
State Health Department Sewage Handling and Disposal Appeal Review Board  
Substance Abuse Certification Board  
Surface Mining Review, Board of  
Treasury Board  
Veterans' Affairs, Board on  
Veterinary Medicine, Board of  
Virginia Board for Asbestos Licensing  
Virginia Health Planning Board  
Virginia Manufactured Housing Board  
Virginia Veterans Care Center Board of Trustees  
Virginia Waste Management Board

Visually Handicapped, Virginia Board for the  
 Waste Management Facility Operators, Board for  
 Water Control Board, State  
 Waterworks and Wastewater Works Operators, Board for  
 Well Review Board, Virginia  
 Youth and Family Services, State Board of.

B. Individual members of boards, commissions, committees, councils, and other similar bodies appointed at the state level and receiving compensation for their services on January 1, 1980, but who will not receive compensation under the provisions of this article, shall continue to receive compensation at the January 1, 1980, rate until such member's current term expires.

§ 2.1-51.27. Agencies for which responsible.

The Secretary of Administration shall be responsible to the Governor for the following agencies: Department of Information Technology, Council on Information Management, Department of Personnel and Training, Department of General Services, Compensation Board, Secretary of the Commonwealth, Department of Employee Relations Counselors, Department of Veterans' Affairs, Virginia Veterans Care Center Board of Trustees, and Commission on Local Government, and *Charitable Gaming Commission*. The Governor may, by executive order, assign any other state executive agency to the Secretary of Administration, or reassign any agency listed above to another secretary.

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

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

1. The requested records shall be provided to the requesting citizen.
2. If the public body determines that an exemption applies to all of the requested records, it may refuse to release such records and provide to the requesting citizen a written explanation as to why the records are not available with the explanation making specific reference to the applicable Code sections which make the requested records exempt.
3. If the public body determines that an exemption applies to a portion of the requested records, it may delete or excise that portion of the records to which an exemption applies, disclose the remainder of the requested records and provide to the requesting citizen a written explanation as to why these portions of the record are not available to the requesting citizen with the explanation making specific reference to the applicable Code sections which make that portion of the requested records exempt. Any reasonably segregatable portion of an official record shall be provided to any person requesting the record after the deletion of the exempt portion.
4. If the public body determines that it is practically impossible to provide the requested records or to determine whether they are available within the five-work-day period, the public body shall so inform the requesting citizen and shall have an additional seven work days in which to provide one of the three preceding responses.

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

however, the public body shall make reasonable efforts to reach an agreement with the requester concerning the production of the records requested.

The public body may make reasonable charges for the copying, search time and computer time expended in the supplying of such records; however, such charges shall not exceed the actual cost to the public body in supplying such records, except that the public body may charge, on a pro rata per acre basis, for the cost of creating topographical maps developed by the public body, for such maps or portions thereof, which encompass a contiguous area greater than fifty acres. Such charges for the supplying of requested records shall be estimated in advance at the request of the citizen. The public body may require the advance payment of charges which are subject to advance determination.

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

Official records maintained by a public body on a computer or other electronic data processing system which are available to the public under the provisions of this chapter shall be made reasonably accessible to the public at reasonable cost.

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

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

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

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

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

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

3. State income, business, and estate tax returns, personal property tax returns, scholastic records and personnel records containing information concerning identifiable individuals, except that such access shall not be denied to the person who is the subject thereof, and medical and mental records, except that such records can be personally reviewed by the subject person or a physician of the subject person's choice; however, the subject person's mental records may not be personally reviewed



by such person when the subject person's treating physician has made a part of such person's records a written statement that in his opinion a review of such records by the subject person would be injurious to the subject person's physical or mental health or well-being.

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

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

4. Memoranda, working papers and correspondence (i) held by or requested from members of the General Assembly or the Division of Legislative Services or (ii) held or requested by the office of the Governor or Lieutenant Governor, Attorney General or the mayor or other chief executive officer of any political subdivision of the Commonwealth or the president or other chief executive officer of any state-supported institution of higher education. This exclusion shall not apply to memoranda, studies or other papers held or requested by the mayor or other chief executive officer of any political subdivision which are specifically concerned with the evaluation of performance of the duties and functions of any locally elected official and were prepared after June 30, 1992.

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

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

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

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

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

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

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

When, in the reasonable opinion of such public body, any such test or examination no longer has

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

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

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

12. Memoranda, legal opinions, working papers and records recorded in or compiled exclusively for executive or closed meetings lawfully held pursuant to § 2.1-344.

13. Reports, documentary evidence and other information as specified in §§ 2.1-373.2 and 63.1-55.4.

14. Proprietary information gathered by or for the Virginia Port Authority as provided in § 62.1-132.4 or § 62.1-134.1.

15. Contract cost estimates prepared for the confidential use of the Department of Transportation in awarding contracts for construction or the purchase of goods or services and records, documents and automated systems prepared for the Department's Bid Analysis and Monitoring Program.

16. Vendor proprietary information software which may be in the official records of a public body. For the purpose of this section, "vendor proprietary software" means computer programs acquired from a vendor for purposes of processing data for agencies or political subdivisions of this Commonwealth.

17. Data, records or information of a proprietary nature produced or collected by or for faculty or staff of state institutions of higher learning, other than the institutions' financial or administrative records, in the conduct of or as a result of study or research on medical, scientific, technical or scholarly issues, whether sponsored by the institution alone or in conjunction with a governmental body or a private concern, where such data, records or information has not been publicly released, published, copyrighted or patented.

18. Financial statements not publicly available filed with applications for industrial development financings.

19. Lists of registered owners of bonds issued by a political subdivision of the Commonwealth, whether the lists are maintained by the political subdivision itself or by a single fiduciary designated by the political subdivision.

20. Confidential proprietary records, voluntarily provided by private business pursuant to a promise of confidentiality from the Department of Economic Development or local industrial or economic development authorities or organizations, used by the Department and such entities for business, trade and tourism development.

21. Information which was filed as confidential under the Toxic Substances Information Act (§ 32.1-239 et seq.), as such Act existed prior to July 1, 1992.

22. Documents as specified in § 58.1-3.

23. Confidential records, including victim identity, provided to or obtained by staff in a rape crisis center or a program for battered spouses.

24. Computer software developed by or for a state agency, state-supported institution of higher education or political subdivision of the Commonwealth.

25. Investigator notes, and other correspondence and information, furnished in confidence with respect to an active investigation of individual employment discrimination complaints made to the Department of Personnel and Training; however, nothing in this section shall prohibit the disclosure of information taken from inactive reports in a form which does not reveal the identity of charging parties, persons supplying the information or other individuals involved in the investigation.

26. Fisheries data which would permit identification of any person or vessel, except when required

by court order as specified in § 28.2-204.

27. Records of active investigations being conducted by the Department of Medical Assistance Services pursuant to Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.

28. Documents and writings furnished by a member of the General Assembly to a meeting of a standing committee, special committee or subcommittee of his house established solely for the purpose of reviewing members' annual disclosure statements and supporting materials filed under § 2.1-639.40 or of formulating advisory opinions to members on standards of conduct, or both.

29. Customer account information of a public utility affiliated with a political subdivision of the Commonwealth, including the customer's name and service address, but excluding the amount of utility service provided and the amount of money paid for such utility service.

30. Investigative notes and other correspondence and information furnished in confidence with respect to an investigation or conciliation process involving an alleged unlawful discriminatory practice under the Virginia Human Rights Act (§ 2.1-714 et seq.); however, nothing in this section shall prohibit the distribution of information taken from inactive reports in a form which does not reveal the identity of the parties involved or other persons supplying information.

31. Investigative notes; proprietary information not published, copyrighted or patented; information obtained from employee personnel records; personally identifiable information regarding residents, clients or other recipients of services; and other correspondence and information furnished in confidence to the Department of Social Services in connection with an active investigation of an applicant or licensee pursuant to Chapters 9 (§ 63.1-172 et seq.) and 10 (§ 63.1-195 et seq.) of Title 63.1; however, nothing in this section shall prohibit disclosure of information from the records of completed investigations in a form that does not reveal the identity of complainants, persons supplying information, or other individuals involved in the investigation.

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

- (i) Security manuals, including emergency plans that are a part thereof;
- (ii) Engineering and architectural drawings of correctional and juvenile facilities, and operational specifications of security systems utilized by the Departments, provided the general descriptions of such security systems, cost and quality shall be made available to the public;
- (iii) Training manuals designed for correctional and juvenile facilities to the extent that they address procedures for institutional security, emergency plans and security equipment;
- (iv) Internal security audits of correctional and juvenile facilities, but only to the extent that they specifically disclose matters described in (i), (ii), or (iii) above or other specific operational details the disclosure of which would jeopardize the security of a correctional or juvenile facility or institution;
- (v) Minutes or recordings of divisional, regional and institutional staff meetings or portions thereof to the extent that such minutes deal with security issues listed in (i), (ii), (iii), and (iv) of this subdivision;
- (vi) Investigative case files by investigators authorized pursuant to § 53.1-16; however, nothing in this section shall prohibit the disclosure of information taken from inactive reports in a form which does not reveal the identity of complainants or charging parties, persons supplying information, confidential sources, or other individuals involved in the investigation, or other specific operational details the disclosure of which would jeopardize the security of a correctional or juvenile facility or institution; nothing herein shall permit the disclosure of materials otherwise exempt as set forth in subdivision 1 of subsection B of this section;
- (vii) Logs or other documents containing information on movement of inmates, juvenile clients or employees; and
- (viii) Documents disclosing contacts between inmates, juvenile clients and law-enforcement personnel.

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

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

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

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

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

37. Official records, memoranda, working papers, graphics, video or audio tapes, production models, data and information of a proprietary nature produced by or for or collected by or for the State Lottery Department relating to matters of a specific lottery game design, development, production, operation, ticket price, prize structure, manner of selecting the winning ticket, manner of payment of prizes to holders of winning tickets, frequency of drawings or selections of winning tickets, odds of winning, advertising, or marketing, where such official records have not been publicly released, published, copyrighted or patented. Whether released, published or copyrighted, all game-related information shall be subject to public disclosure under this chapter upon the first day of sales for the specific lottery game to which it pertains.

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

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

40. [Repealed.]

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

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

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

44. [Repealed.]

45. Investigative notes; correspondence and information furnished in confidence with respect to an investigation; and official records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for the Auditor of Public Accounts and the Joint Legislative Audit and Review Commission; or investigative notes, correspondence, documentation and information furnished and provided to or produced by or for the Department of the State Internal Auditor with respect to an investigation initiated through the State Employee Fraud, Waste and Abuse Hotline; however, nothing in this chapter shall prohibit disclosure of information from the records of completed investigations in a form that does not reveal the identity of complainants, persons supplying information or other individuals involved in the investigation.

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

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

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

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

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

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

52. Patient level data collected by the Virginia Health Services Cost Review Council and not yet processed, verified, and released, pursuant to § 9-166.7, to the Council by the nonprofit organization with which the Executive Director has contracted pursuant to § 9-166.4.

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

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

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

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

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

- (i) Operational, procedural or tactical planning documents, including any training manuals to the extent they discuss security measures;
- (ii) Surveillance techniques;
- (iii) The installation, operation, or utilization of any alarm technology;
- (iv) Engineering and architectural drawings of such government stores or warehouses;
- (v) The transportation of merchandise, including routes and schedules; and
- (vi) The operation of any government store or the central warehouse used by the Department of Alcoholic Beverage Control involving the:
  - a. Number of employees present during each shift;
  - b. Busiest hours, with the maximum number of customers in such government store; and
  - c. Banking system used, including time and place of deposits.

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

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

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

§ 9-6.25:3. Supervisory boards.

There shall be, in addition to such others as may be designated in accordance with § 9-6.25, the following supervisory boards:

- Alcoholic Beverage Control Board
- Board for Branch Pilots
- Board of Commissioners, Virginia Port Authority
- Board of Game and Inland Fisheries
- Board of Regents, Gunston Hall Plantation
- Board of Regents, James Monroe Memorial Law Office and Library
- Board of Trustees, Chippokes Plantation Farm Foundation
- Board of Trustees, Frontier Culture Museum of Virginia
- Board of Trustees, Jamestown-Yorktown Foundation
- Board of Trustees, the Science Museum of Virginia
- Board of Trustees, Virginia Museum of Fine Arts

Board of Trustees, Virginia Retirement System  
 Board of Trustees, Virginia Veterans Care Center  
 Board of Trustees, Virginia War Memorial Foundation  
 (Effective July 1, 1996) Board of the Virginia Higher Education Tuition Trust Fund  
 Board of Visitors, Christopher Newport University  
 Board of Visitors, George Mason University  
 Board of Visitors, James Madison University  
 Board of Visitors, Longwood College  
 Board of Visitors, Mary Washington College  
 Board of Visitors, Norfolk State University  
 Board of Visitors, Old Dominion University  
 Board of Visitors, Radford University  
 Board of Visitors, The College of William and Mary in Virginia  
 Board of Visitors, University of Virginia  
 Board of Visitors, Virginia Commonwealth University  
 Board of Visitors, Virginia Military Institute  
 Board of Visitors, Virginia Polytechnic Institute and State University  
 Board of Visitors, Virginia State University  
*Charitable Gaming Commission*  
 Commonwealth's Attorneys' Services Council  
 Compensation Board  
 Governing Board, Virginia College Building Authority  
 Governing Board, Virginia Public School Authority  
 State Board for Community Colleges, Virginia Community College System  
 State Board of Education  
 State Certified Seed Board  
 State Council of Higher Education for Virginia  
 Virginia Agricultural Council  
 Virginia Bright Flue-Cured Tobacco Board  
 Virginia Board for People with Disabilities  
 Virginia Cattle Industry Board  
 Virginia Corn Board  
 Virginia Dark-Fired Tobacco Board  
 Virginia Egg Board  
 Virginia Horse Industry Board  
 Virginia Marine Products Board  
 Virginia Peanut Board  
 Virginia Pork Industry Board  
 Virginia Soybean Board  
 Virginia State Apple Board  
 Virginia Sweet Potato Board.

§ 18.2-334.2. Same; bingo games, raffles and duck races conducted by certain organizations.

Nothing in this article shall apply to any bingo game, instant bingo, raffle, or duck race conducted solely by organizations as defined in ~~subdivisions 1 (a) and 1 (b) of § 18.2-340.1 and meeting the qualifications set forth in § 18.2-340.3 and having § 18.2-340.16 which have received a permit as set forth in § 18.2-340.2~~ § 18.2-340.25, or which are exempt from the permit requirement under § 18.2-340.23.

#### Article 1.1:1.

##### *Charitable Gaming.*

§ 18.2-340.15. *State control of charitable gaming.*

A. *Charitable gaming as authorized herein shall be permitted in the Commonwealth as a means of funding qualified organizations. The Charitable Gaming Commission is vested with control of all charitable gaming in the Commonwealth, with plenary power to prescribe regulations and conditions under which such gaming shall be conducted to ensure that it is conducted in a manner consistent*

with the purpose for which it is permitted.

B. The conduct of any charitable gaming is a privilege which may be granted or denied by the Charitable Gaming Commission or its duly authorized representatives in its discretion in order to effectuate the purposes set forth in this article.

§ 18.2-340.16. Definitions.

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

"Bingo" means a specific game of chance played with individual cards having randomly numbered squares ranging from one to seventy-five, in which prizes are awarded on the basis of designated numbers on such cards conforming to a predetermined pattern of numbers selected at random. Such cards shall have five columns headed respectively by the letters B.I.N.G.O., with each column having five randomly numbered squares, except the center column which shall contain one free space.

"Bona fide member" means an individual who participates in activities of a qualified organization other than such organization's charitable gaming activities.

"Charitable gaming" or "charitable games" means those raffles and games of chance explicitly authorized by this article.

"Charitable gaming supplies" includes bingo cards or sheets, devices for selecting bingo numbers, instant bingo cards, pull-tab cards, and any other equipment or product manufactured for or intended to be used in the conduct of charitable games.

"Commission" means the Charitable Gaming Commission.

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

"Instant bingo" means a specific game of chance played by the random selection of one or more individually prepacked cards, made completely of paper or paper products, with winners being determined by the preprinted appearance of concealed letters, numbers or symbols that must be exposed by the player to determine wins and losses and may include the use of a seal card which conceals one or more numbers or symbols that have been designated in advance as prize winners.

"Jackpot" means a bingo game, exclusive of a "winner-take-all" bingo game, in which (i) all numbers on the card are covered, each number being selected at random, and with no more than one free space and (ii) the prize amount is greater than \$100.

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

"Organization" means any one of the following:

1. A voluntary fire department or rescue squad or auxiliary unit thereof which has been recognized by an ordinance or resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a part of the safety program of such political subdivision;

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

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

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

"Qualified organization" means any organization to which a valid permit has been issued by the Commission to conduct charitable gaming.

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

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

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



supplies to any qualified organization.

§ 18.2-340.17. *Charitable Gaming Commission established.*

A. There is hereby established, in the Office of the Secretary of Administration, the Charitable Gaming Commission. The Commission shall consist of seven members appointed by the Governor, subject to confirmation by the General Assembly. Each member of the Commission shall have been a resident of the Commonwealth for a period of at least three years next preceding his appointment, and his continued residency shall be a condition of his tenure in office. To the extent practicable, the Commission shall consist of individuals from different geographic regions of the Commonwealth. Upon initial appointment, three members shall be appointed for four-year terms, two for three-year terms, and two for two-year terms. Thereafter, all members shall be appointed for four-year terms. Vacancies shall be filled by the Governor in the same manner as the original appointment for the unexpired portion of the term. Each Commission member shall be eligible for reappointment for a second consecutive term at the discretion of the Governor. Persons who are first appointed to initial terms of less than four years shall thereafter be eligible for reappointment to two consecutive terms of four years each. The Commission shall elect a chairman from among its members. No member of the General Assembly while serving as a member shall be eligible for appointment to the Commission.

B. The members of the Commission shall serve at the pleasure of the Governor.

C. Each member of the Commission shall receive fifty dollars for each day or part thereof spent in the performance of his duties and in addition shall be reimbursed for his reasonable expenses incurred therein.

D. A quorum shall consist of four members. The decision of a majority of those members present and voting shall constitute a decision of the Commission.

E. The Commission shall adopt rules and procedures for the conduct of its business. The Commission shall establish and maintain a business office within the Commonwealth at a place to be determined by the Commission. The Commission shall meet at least six times a year, and other meetings may be held at any time or place determined by the Commission or upon call of the chairman or upon a written request to the chairman by any two members. All members shall be duly notified of the time and place of any regular or other meeting at least ten days in advance of such meetings.

F. The Commission shall keep a complete and accurate record of its proceedings. A copy of the record shall be available for public inspection and copying.

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

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

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

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

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

party.

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

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

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

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

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

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

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

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

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

§ 18.2-340.19. Regulations of the Commission.

The Commission shall adopt regulations which:

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

2. Require the organization to have at least fifty percent of its membership consist of residents of the Commonwealth and specify the conditions under which a complete list of the organization's membership may be required in order for the Commission to ascertain the percentage of Virginia residents.

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

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

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

A. The Commission may deny, suspend or revoke the permit of any organization found not to be in strict compliance with the provisions of this article and the regulations of the Commission.

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

*Commission.*

C. Any person aggrieved by a refusal of the Commission to issue any permit, the suspension or revocation of a permit, or any other action of the Commission, may, within thirty days of such action, appeal to the circuit court in the jurisdiction where such charitable gaming was being or would have been conducted. If the court finds based on the record of the Commission that the action of the Commission is not supported by credible evidence, it shall order such relief as it deems appropriate. The decision of the court shall be subject to appeal as in other cases at law.

§ 18.2-340.21. *Executive Secretary; staff.*

The Commission shall appoint an Executive Secretary and such other employees as it deems essential to perform its duties under this article, who shall possess such authority and perform such duties as the Commission shall prescribe or delegate to them. Such employees shall be compensated as provided by the Commission.

The Executive Secretary, in addition to any other duties prescribed by the Commission, shall keep a true and full record of all proceedings of the Commission and preserve at the Commission's principal office all books, documents and papers of the Commission.

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

A. This article permits qualified organizations and organizations exempted under § 18.2-340.23 from obtaining a permit to conduct raffles, bingo and instant bingo games. All games not explicitly authorized by this article are prohibited.

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

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

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

Any organization that reasonably expects to realize gross receipts of \$10,000 or less in any twelve-month period and a volunteer fire department or rescue squad or auxiliary unit thereof which has been recognized by an ordinance or resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a part of the safety program of such political subdivision shall be exempt from the requirements of § 18.2-340.25 if, prior to conducting charitable gaming, it notifies the Commission, on a form prescribed by the Commission, that it will conduct charitable gaming. Any such organizations also shall be exempt from the financial reporting and audit requirements of this article and the payment of audit fees but shall file with the Commission, at such time or times as may be required by the Commission, a resolution of its board of directors stating that the organization has complied with the provisions of this article. If any of the organization's actual gross receipts for the twelve-month period exceed \$10,000, the Commission may require the organization to file by a specified date the report required by § 18.2-340.30. Nothing in this section shall prevent the Commission from conducting any investigation or audit it deems appropriate to ensure the organization's compliance with the provisions of this article or the Commission's regulations.

§ 18.2-340.24. *Eligibility for permit; exceptions; where valid.*

A. To be eligible for a permit to conduct charitable gaming, an organization shall:

1. Have been in existence and met on a regular basis in the county, city or town or in a county, city or town adjacent to the county, city or town wherein the organization proposes to conduct charitable gaming for a period of at least three years immediately prior to applying for a permit.

The three-year residency requirement shall not apply (i) to any lodge or chapter of a national or international fraternal order or to a national or international civic organization which is exempt under § 501 (c) (3) of the United States Internal Revenue Code and which has a lodge or chapter holding a charitable gaming permit issued under the provisions of this article anywhere within the Commonwealth; (ii) to booster clubs which have been operating for less than three years and which have been established solely to raise funds for school-sponsored activities in public schools which are less than three years old; (iii) to recently established volunteer fire and rescue companies or departments, after county, city or town approval; or (iv) to an organization which relocates its

meeting place on a permanent basis from one jurisdiction to another, complies with the requirements of subdivision 2 of this section, and was the holder of a valid permit at the time of its relocation.

2. Be operating currently and have always been operated as a nonprofit organization.

B. Any organization whose gross receipts from all charitable gaming exceeds or can be expected to exceed \$75,000 in any calendar year shall have been granted tax-exempt status pursuant to § 501 (c) of the United States Internal Revenue Code. At the same time tax-exempt status is sought from the Internal Revenue Service, the same documentation may be filed with the Commission for an interim certification of tax-exempt status. If such documentation is filed, the Commission may, after reviewing such documentation it deems necessary, issue its determination of tax-exempt status within sixty days of receipt of such documentation. The Commission may charge a reasonable fee, not to exceed \$500. This interim certification of tax-exempt status shall be valid until the Internal Revenue Service issues its determination of tax-exempt status, or for eighteen months, whichever is earlier.

C. A permit shall be valid only for the locations designated in the permit.

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

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

B. All applications for a permit shall be acted upon by the Commission within sixty days from the filing thereof. Upon compliance by the applicant with the provisions of this article, and at the discretion of the Commission, a permit may be issued. All permits when issued shall be valid for the period specified in the permit unless it is sooner suspended or revoked. The application shall be a matter of public record.

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

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

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

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

A qualified organization may sell raffle tickets both in and out of the jurisdiction designated in its permit and shall conduct the drawing within the Commonwealth; however pull-tab devices used as part of a raffle as defined in § 18.2-340.16 may be sold only upon the premises owned or exclusively leased by the organization and at such times as the portion of the premises in which the pull-tab devices are sold is open only to members and their guests.

§ 18.2-340.27. Conduct of bingo games; special permits.

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

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

C. Bingo games may be held by qualified organizations no more frequently than two calendar days in any calendar week, except in accordance with subsection D.

D. A special permit may be granted a qualified organization which entitles it to conduct more frequent operations of bingo games during carnivals, fairs and other similar events which are located in the jurisdiction designated in the permit.

§ 18.2-340.28. Conduct of instant bingo.

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

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

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

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

§ 18.2-340.29. Joint operation of bingo games; written reports; special permit required.

A. Any two qualified organizations may jointly organize and conduct bingo games provided both have fully complied with all other provisions of this article.

B. Any two qualified organizations jointly conducting such games shall be (i) subject to the same restrictions and prohibitions contained in this article that would apply to a single organization conducting bingo games and (ii) required to furnish to the Commission a written report setting forth the location where such games will be held, the division of manpower, costs, and proceeds for each game to be jointly conducted.

Upon a finding that the division of manpower and costs for each game bears a reasonable relationship to the division of proceeds, the Commission shall issue a special permit for the joint conduct of all approved games.

C. No bingo game shall be jointly conducted until the special permit issued pursuant to subsection B is obtained by the organizations.

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

A. Each qualified organization shall keep a complete record of all receipts from its charitable gaming operation and all disbursements related to such operation. Each qualified organization shall file at least annually, on a form prescribed by the Commission, a report of all such receipts and disbursements, the amount of money on hand attributable to charitable gaming as of the end of the period covered by the report and any other information related to its charitable gaming operation that the Commission may require. In addition, the Commission, by regulation, may require any qualified organization whose receipts exceed a specified amount during any three-month period to file a report of its receipts and disbursements for such period. All reports filed per this section shall be a matter of public record.

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

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

D. Any qualified organization having annual gross receipts from charitable gaming in excess of \$250,000, as shown on its annual financial report, shall attach to such report an opinion of a licensed independent certified public accountant that in all material respects (i) the annual financial report fairly presents beginning cash, receipts, operating costs, use of proceeds, and ending cash; (ii) the proceeds of all charitable games have been used for those purposes specified in § 18.2-340.19; and (iii) the gross receipts have been used in accordance with the provisions of this article. The opinion required by this subsection shall be in addition to the requirements of § 18.2-340.31.

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

F. Each qualified organization shall maintain (i) for three years a written record of the dates on which bingo games are played, the number of people in attendance on each date and the amount of

the gross receipts and prizes paid on each day; (ii) a record of the name and address of each individual to whom a regular or special bingo game prize or jackpot from the playing of bingo is awarded, as well as the amount of the award; and (iii) an itemized record of all receipts and disbursements, including operating costs and use of proceeds incurred in operating bingo games.

G. The failure to file reports when due and, when required, the opinion of a licensed independent certified public accountant in accordance with subsection D, shall cause the automatic revocation of the permit, and no organization shall conduct any bingo game or raffle thereafter until the report or the opinion is properly filed and a new permit is obtained.

§ 18.2-340.31. Audit of reports; exemption; fee.

A. Except as provided in § 18.2-340.23, all reports filed pursuant to § 18.2-340.30 shall be audited by the Commission.

B. The Commission shall prescribe a reasonable audit fee not to exceed the actual cost of the audit if the audit is conducted by an independent auditor or accountant, or if the audit is conducted by the Commission, two percent of (i) the gross receipts which an organization reports pursuant to § 18.2-340.30 and (ii) the interest income on money the organization has received from charitable gaming operations. The audit fee shall accompany each annual report.

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

§ 18.2-340.32. Authority of local governments.

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

§ 18.2-340.33. Prohibited practices.

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

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

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

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

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

4. No building or other premises shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than two calendar days in any one calendar week. However, no building or other premises owned by a qualified organization and qualified as a tax-exempt organization pursuant to § 501 (c) of the Internal Revenue Code shall be utilized in whole or in part for the purpose of conducting bingo games more frequently than four calendar days in any one calendar week.

The provisions of this subdivision shall not apply to the playing of bingo games pursuant to a

special permit issued in accordance with § 18.2-340.27.

5. No person shall participate in the management, operation or conduct of any charitable game unless such person is and, for a period of at least ninety days immediately preceding such participation, has been a bona fide member of the organization; however, the provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a qualified organization, provided such employees' participation is limited to the management, operation or conduct of no more than one raffle per year; or (iii) the spouse of any such bona fide member of a qualified organization provided at least one bona fide member is present.

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

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

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

7. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct, management, or operation of any bingo games; (ii) sell, lease or otherwise provide for consideration any bingo supplies, including, but not limited to, bingo cards, instant bingo cards, markers, or other game pieces; or (iii) require as a condition of the lease or by contract that a particular manufacturer, distributor or supplier of bingo supplies or equipment be used by the organization. If equipment or services are included by a landlord in any lease or contract, the lease or contract shall itemize the amount attributable to the rent of the premises, equipment, and each service to be provided by the landlord.

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

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

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

a. No bingo door prize shall exceed \$25;

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

c. No instant bingo prize for a single card shall exceed \$500; and

d. No bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot prizes awarded in any one calendar day exceed \$1,000.

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

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

The provisions of this subdivision shall not apply to (i) a raffle conducted no more than once per calendar year by a qualified organization qualified as a tax-exempt organization pursuant to § 501 (c) (3) of the Internal Revenue Code for a prize consisting of a lot improved by a residential dwelling where 100 percent of the moneys received from such a raffle, less deductions for the fair market value for the cost of acquisition of the land and materials, are donated to lawful religious, charitable, community, or educational organizations specifically chartered or organized under the laws of the Commonwealth and qualified as a § 501 (c) (3) tax-exempt organization or (ii) pull-tab devices when played as permitted in § 18.2-340.26, which prize award for a single card shall not exceed \$500.

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

12. No person shall participate in the management, operation or conduct of any charitable game



if, within the preceding five years, he has been convicted of a felony or crime of moral turpitude. In addition, no person shall participate in the management, operation or conduct of any charitable game if that person, within the preceding five years, has participated in the management, operation, or conduct of any charitable game which was found by the Commission or a court of competent jurisdiction to have been operated in violation of state law, local ordinance or Commission regulation.

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

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

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

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

B. The Commission shall have authority to prescribe by regulation reasonable criteria consistent with the provisions of this article for the registration of suppliers. The Commission may refuse to register any supplier who has, or which has any officer, director, partner, or owner who has (i) been convicted of or pleaded nolo contendere to a felony in any state or federal court or has been convicted of any offense which, if committed in the Commonwealth, would be a felony; (ii) been convicted of or pleaded nolo contendere to a crime involving gambling; (iii) had any license, permit, certificate or other authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked in the Commonwealth or in any other jurisdiction; or (iv) been delinquent in the filing of any tax returns or the payment of any taxes due the Commonwealth.

C. The Commission may suspend, revoke or refuse to renew the registration certificate of any supplier for any conduct described in subsection B or for any violation of this article or regulation of the Commission. Before taking any such action, the Commission shall give the supplier a written statement of the grounds upon which it proposes to take such action and an opportunity to be heard.

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

E. Each supplier shall maintain a legible copy of each invoice required by subsection D for a period of three years from the date of sale. Each supplier shall make such documents immediately available for inspection and copying to any agent or employee of the Commission upon request made during normal business hours. This subsection shall not limit the right of the Commission to require the production of any other documents in the possession of the supplier which relate to its transactions with qualified organizations.

§ 18.2-340.35. Assistance from Department of State Police.

The Department of the State Police, upon request of the Commission, shall assist in the conduct of investigations by the Commission.



*§ 18.2-340.36. Suspension of permit.*

A. When any officer charged with the enforcement of the charitable gaming laws of the Commonwealth has reasonable cause to believe that the conduct of charitable gaming is being conducted by an organization in violation of this article or the regulations of the Commission, he may apply to any judge, magistrate, or other person having authority to issue criminal warrants for the immediate suspension of the permit of the organization conducting the bingo game or raffle. If the judge, magistrate, or person to whom such application is presented is satisfied that probable cause exists to suspend the permit, he shall suspend the permit. Immediately upon such suspension, the officer shall notify the organization in writing of such suspension.

B. Written notice specifying the particular basis for the immediate suspension shall be provided by the officer to the organization within one business day of the suspension and a hearing held thereon by the Commission or its designated hearing officer within ten days of the suspension unless the organization consents to a later date. No charitable gaming shall be conducted by the organization until the suspension has been lifted by the Commission or a court of competent jurisdiction.

*§ 18.2-340.37. Criminal penalties.*

A. Any person who violates the provisions of this article shall be guilty of a Class 1 misdemeanor.

B. Each day in violation shall constitute a separate offense.

2. That Article 1.1 (§§ 18.2-340.1 through 18.2-340.14) of Chapter 8 of Title 18.2 of the Code of Virginia is repealed.

3. That the provisions of this act shall become effective on July 1, 1996, except that §§ 18.2-340.16 through 18.2-340.19 and 18.2-340.21 and the repeal of § 18.2-340.1 shall become effective in due course.

4. That the Charitable Gaming Commission shall promulgate regulations in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 as soon as practicable on or after July 1, 1995.

5. That the provisions of Article 1.1 (§ 18.2-340.1 et seq.) of Chapter 8 of Title 18.2 and any ordinances adopted pursuant thereto by local governing bodies shall remain in effect until July 1, 1996, when the Charitable Gaming Commission shall be vested with control of all charitable gaming in the Commonwealth and implement its regulations in accordance with Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2. No local governing body shall collect, in advance, any audit fee for the review of charitable gaming financial reports required to be filed by Article 2 (§ 18.2-340.1 et seq.) of Chapter 8 of Title 18.2.

6. That the Charitable Gaming Commission shall report to the Governor and the General Assembly of Virginia not later than January 1, 1997, with respect to the advisability of repealing the percentage limitation set forth in subsection B of § 18.2-340.28 and any appropriate statutory or regulatory modifications necessary to accomplish such repeal.

1 **SENATE JOINT RESOLUTION NO. 266**

2  
3 *Continuing the Joint Subcommittee Studying Virginia's Current Bingo and Raffle Statutes.*

4  
5 **Agreed to by the Senate, February 20, 1995**  
6 **Agreed to by the House of Delegates, February 16, 1995**  
7  
8

9 WHEREAS, the General Assembly established a nine-member joint subcommittee to study Virginia's  
10 current bingo and raffle statutes pursuant to Senate Joint Resolution No. 195 (1993) and authorized the joint  
11 subcommittee to continue its work pursuant to Senate Joint Resolution No. 12 (1994); and  
12

13 WHEREAS, in its first year of study, the joint subcommittee examined bingo abuses, including bingo  
14 facility rental fees, profits returned to charitable organizations, and the creation of bogus charities to operate  
15 illegal bingo games; and  
16

17 WHEREAS, in its second year of study, the joint subcommittee expanded its scope to address the  
18 feasibility of transferring control of bingo games and raffles from local governments to the state level; and  
19

20 WHEREAS, although the joint subcommittee solicited and received valuable comment from local  
21 government officials, industry representatives and charitable organizations, further study is necessary to develop  
22 recommendations that will ensure the integrity of bingo operations; now, therefore be it  
23

24 **RESOLVED** by the Senate, the House of Delegates concurring, That the joint subcommittee studying  
25 Virginia's current bingo and raffle statutes be continued to consider further the issues of bingo abuses, lack of  
26 uniformity in the administration and enforcement of bingo and raffle operations, and the efficacy of statewide  
27 control of bingo games and raffles. Membership of the joint subcommittee shall continue as originally appointed,  
28 with vacancies to be filled by the Senate Committee on Privileges and Elections, the Speaker of the House of  
29 Delegates, and the Governor, as appropriate.  
30

31 The direct costs of this study shall not exceed \$ 5,000.  
32

33 The Division of Legislative Services shall provide staff support for the study. All agencies of the  
34 Commonwealth shall provide assistance to the joint subcommittee, upon request.  
35

36 The joint subcommittee shall be continued for one year only and shall complete its work in time to submit  
37 its final findings and recommendations to the Governor and the 1996 Session of the General Assembly as provided  
38 in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.  
39

40 Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules  
41 Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.  
42  
43  
44

#

## **Appendix G**

### **Governor's Amendment Letter for SB 1020**



# COMMONWEALTH of VIRGINIA

Office of the Governor

March 27, 1995

George Allen  
Governor

TO THE SENATE OF VIRGINIA  
SENATE BILL NO. 1020

I approve the general purpose of this bill, but I am returning it without my signature with the request that the following amendments be made:

1 Page 1, the enrolled bill, the third line of the title, after

through

strike

18.2-340.37

insert

18.2-340.38

2 Page 1, the enrolled bill, at the beginning of the fourth line of the first enactment clause.

strike

18.2-340.37

insert

18.2-340.38

3 Page 14, the enrolled bill, line 39 of § 18.2-340.16, after

charitable gaming

insert

or any organization which is exempt pursuant to § 18.2-340.23

4. Page 16, the enrolled bill, line 13 of § 18.2-340.19, after

residents

insert

: however, if an organization (i) does not consist of bona fide members and (ii) is exempt under § 501 (c) (3) of the United States Internal Revenue Code, the Commission shall exempt such organizations from the regulations adopted pursuant to this subdivision

5. Page 16, the enrolled bill, after line 18 of § 18.2-340.19,

insert

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

6. Page 17, the enrolled bill, the first line of § 18.2-340.23, after

gross receipts of

strike

\$10,000

insert

\$25,000

7. Page 17, the enrolled bill, the eleventh line of § 18.2-340.23, after

exceed

strike

\$10,000

insert

\$25,000

8. Page 19, the enrolled bill, the seventh line of subsection D of § 18.2-340.30, after

addition to

strike

the requirements of § 18.2-340.31.

insert

any other opinion that may be required by the Commission

9. Page 20. the enrolled bill, the catchline for § 18.2-340.31,

strike

: fee

10. Page 20. the enrolled bill, the first line of § 18.2-340.31,

strike

A

11. Page 20. the enrolled bill. the first line of § 18.2-340.31. after

shall be

strike

audited

insert

subject to audit

12. Page 20. the enrolled bill. the second line of § 18.2-340.31. after

Commission

insert

in accordance with Commission regulations

13. Page 20. the enrolled bill. after the second line of § 18.2-340.31,

strike

all of subsections B and C

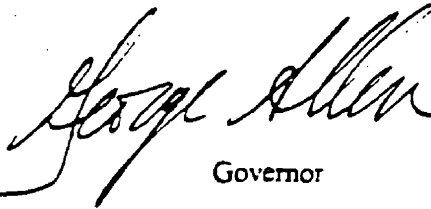
14. Page 23, the enrolled bill, after the last line of § 18.2-340.37,

insert

§ 18.2-340.38 Transitional provisions

A In order to implement the statewide regulation of charitable gaming expeditiously, the initial rules and regulations shall be adopted by the Commission but shall not be subject to the Administrative Process Act (§ 9-6.14.1 et seq.) during the first twelve-month period following the earliest effective date of any portion of this article. Thereafter, all rules and regulations shall fully comply with the provisions of the Administrative Process Act.

B The Commission may issue temporary licenses upon conditions as it deems necessary, subject however to all limitations set forth in this article, for a term which shall not extend beyond one year after the latest effective date of any portion of this article.

A handwritten signature in cursive script, appearing to read "George Allen", with a long horizontal line extending to the right.

Governor

## **Appendix H**

### **Chapter 837, 1995 Acts of Assembly**



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## CHAPTER 837

*An Act to amend and reenact §§ 2.1-1.5, 2.1-1.9, 2.1-20.4, 2.1-51.27, 2.1-342, 9-6.25:3, and 18.2-334.2 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 8 of Title 18.2 an article numbered 1.1:1, consisting of sections numbered 18.2-340.15 through 18.2-340.38; and to repeal Article 1.1 (§§ 18.2-340.1 through 18.2-340.14) of Chapter 8 of Title 18.2 of the Code of Virginia, relating to the conduct of charitable gaming; bingo and raffles; creation of the Charitable Gaming Commission; penalty.*

{S 1020}

Approved May 5, 1995

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-1.5, 2.1-1.9, 2.1-20.4, 2.1-51.27, 2.1-342, 9-6.25:3, and 18.2-334.2 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 8 of Title 18.2 an article numbered 1.1:1, consisting of sections numbered 18.2-340.15 through 18.2-340.38, as follows:

§ 2.1-1.5. Entities not subject to standard nomenclature.

The following entities are not subject to the provisions of § 2.1-1.2 due to the unique characteristics or the enabling legislation of the entities:

Authorities

Richmond Eye and Ear Hospital Authority.  
Small Business Financing Authority.  
State Education Assistance Authority.  
Virginia Agriculture Development Authority.  
Virginia College Building Authority.  
Virginia Education Loan Authority.  
Virginia Housing Development Authority.  
Virginia Innovative Technology Authority.  
Virginia Port Authority.  
Virginia Public Building Authority.  
Virginia Public School Authority.  
Virginia Resources Authority.  
Virginia Student Assistance Authorities.

Boards

Board of Commissioners, Virginia Agriculture Development Authority.  
Board of Commissioners, Virginia Port Authority.  
Board of Directors, Richmond Eye and Ear Hospital Authority.  
Board of Directors, Small Business Financing Authority.  
Board of Directors, Virginia Student Assistance Authorities.  
Board of Directors, Virginia Innovative Technology Authority.  
Board of Directors, Virginia Resources Authority.  
Board of Regents, Gunston Hall Plantation.  
Board of Regents, James Monroe Memorial Law Office and Library.  
Board of Trustees, Family and Children's Trust Fund.  
Board of Trustees, Frontier Culture Museum of Virginia.  
Board of Trustees, Jamestown-Yorktown Foundation.  
Board of Trustees, Miller School of Albemarle.  
Board of Trustees, Rural Virginia Development Foundation.  
Board of Trustees, The Science Museum of Virginia.  
Board of Trustees, Virginia Museum of Fine Arts.  
Board of Trustees, Virginia Museum of Natural History.  
Board of Trustees, Virginia Outdoor Foundation.

- 1 (Effective July 1, 1996) Board of the Virginia Higher Education Tuition Trust Fund.
- 2 Board of Visitors, Christopher Newport University.
- 3 Board of Visitors, The College of William and Mary in Virginia.
- 4 Board of Visitors, George Mason University.
- 5 Board of Visitors, Gunston Hall Plantation.
- 6 Board of Visitors, James Madison University.
- 7 Board of Visitors, Longwood College.
- 8 Board of Visitors, Mary Washington College.
- 9 Board of Visitors to Mount Vernon.
- 10 Board of Visitors, Norfolk State University.
- 11 Board of Visitors, Old Dominion University.
- 12 Board of Visitors, Radford University.
- 13 Board of Visitors, University of Virginia.
- 14 Board of Visitors, Virginia Commonwealth University.
- 15 Board of Visitors, Virginia Military Institute.
- 16 Board of Visitors, Virginia Polytechnic Institute and State University.
- 17 Board of Visitors, Virginia State University.
- 18 Governing Board, Virginia College Building Authority.
- 19 Governing Board, Virginia Public School Authority.
- 20 Library Board, The Library of Virginia.
- 21 State Board for Community Colleges, Virginia Community College System.
- 22 **Commissions**
- 23 Alexandria Historical Restoration and Preservation Commission.
- 24 Charitable Gaming Commission.
- 25 Chesapeake Bay Bridge and Tunnel Commission.
- 26 Hampton Roads Sanitation District Commission.
- 27 **Districts**
- 28 Chesapeake Bay Bridge and Tunnel District.
- 29 Hampton Roads Sanitation District.
- 30 **Educational Institutions**
- 31 Christopher Newport University.
- 32 College of William and Mary in Virginia.
- 33 Frontier Culture Museum of Virginia.
- 34 George Mason University.
- 35 James Madison University.
- 36 Jamestown-Yorktown Foundation.
- 37 Longwood College.
- 38 Mary Washington College.
- 39 Miller School of Albemarle.
- 40 Norfolk State University.
- 41 Old Dominion University.
- 42 Radford University.
- 43 The Science Museum of Virginia.
- 44 University of Virginia.
- 45 Virginia Commonwealth University.
- 46 Virginia Community College System.
- 47 Virginia Military Institute.
- 48 Virginia Museum of Fine Arts.
- 49 Virginia Polytechnic Institute and State University.
- 50 The Library of Virginia.
- 51 Virginia State University.
- 52 **Foundations**
- 53 Chippokes Plantation Farm Foundation.
- 54 Rural Virginia Development Foundation.
- 55 Virginia Conservation and Recreation Foundation.

1 Virginia Historic Preservation Foundation.  
2 Virginia Outdoor Foundation.  
3 Museum  
4 Virginia Museum of Natural History.  
5 Plantation  
6 Gunston Hall Plantation.  
7 System  
8 Virginia Retirement System.  
9 § 2.1-1.9. Commissions.  
10 Notwithstanding the definition for "commission" as provided in § 2.1-1.2, the following entities shall be referred to  
11 as commissions:  
12 Charitable Gaming Commission  
13 Commission on Local Government  
14 Marine Resources Commission  
15 Milk Commission  
16 Virginia Commission for the Arts  
17 Virginia Employment Commission.  
18 § 2.1-20.4. Bodies receiving compensation.  
19 A. Notwithstanding any other provision of law, the following commissions, boards, etc., shall be those which  
20 receive compensation from state funds pursuant to § 2.1-20.3:  
21 Accountancy, Board for  
22 Agriculture and Consumer Services, Board of  
23 Air Pollution Control Board, State  
24 Airports Authority, Virginia  
25 Apprenticeship Council  
26 Architects, Professional Engineers, Land Surveyors and Landscape Architects, State Board for  
27 Athletic Board, Virginia  
28 Auctioneers Board  
29 Audiology and Speech-Language Pathology, Board of  
30 Aviation Board, Virginia  
31 Barbers, Board for  
32 Branch Pilots, Board for  
33 Building Code Technical Review Board, State  
34 Charitable Gaming Commission  
35 Chesapeake Bay Local Assistance Board  
36 Child Day Care and Early Childhood Programs, Virginia Council on  
37 Coal Mining Examiners, Board of  
38 College Building Authority  
39 Commonwealth Transportation Board  
40 Conservation and Development of Public Beaches, Board on  
41 Conservation and Recreation, Board of  
42 Contractors, Board for  
43 Correctional Education, Board of  
44 Corrections, Board of  
45 Cosmetology, Board for  
46 Criminal Justice Services Board  
47 Deaf and Hard-of-Hearing, Advisory Board for the  
48 Dentistry, Board of  
49 Education, State Board of  
50 Education Loan Authority, Virginia - Board of Directors  
51 Elections, State Board of  
52 Environment, Council on the  
53 Fire Services Board, Virginia  
54 Funeral Directors and Embalmers, Board of  
55 Game and Inland Fisheries, Board of

1 Geology, Board for  
2 Health, State Board of  
3 Health Professions, Board of  
4 Hearing Aid Specialists, Board for  
5 Higher Education, State Council of  
6 Historic Resources, Board of  
7 Housing and Community Development, Board of  
8 Information Management, Council on  
9 Marine Resources Commission  
10 Medical Assistance Services, Board of  
11 Medical Complaint Investigation Committee  
12 Medicine, Board of  
13 Mental Health, Mental Retardation and Substance Abuse Services Board, State  
14 Milk Commission  
15 Mineral Mining Examiners, Board of  
16 Nursing, Board of  
17 Nursing Home Administrators, Board of  
18 Occupational Therapy, Advisory Board on  
19 Oil and Gas Conservation Board, Virginia  
20 Opticians, Board for  
21 Optometry, Board of  
22 Pesticide Control Board  
23 Pharmacy, Board of  
24 Physical Therapy, Advisory Board on  
25 Port Authority, Board of Commissioners of the Virginia  
26 Professional and Occupational Regulation, Board for  
27 Professional Counselors, Board of  
28 Professional Soil Scientists, Board for  
29 Psychology, Board of  
30 Public Defender Commission  
31 Public School Authority, Virginia  
32 Purchases and Supply Appeals Board  
33 Real Estate Appraiser Board  
34 Real Estate Board  
35 Recreation Specialists, Board of  
36 Rehabilitative Services, Board of  
37 Respiratory Therapy, Advisory Board on  
38 Safety and Health Codes Board  
39 Seed Potato Board  
40 Social Services, Board of  
41 Social Work, Board of  
42 State Health Department Sewage Handling and Disposal Appeal Review Board  
43 Substance Abuse Certification Board  
44 Surface Mining Review, Board of  
45 Treasury Board  
46 Veterans' Affairs, Board on  
47 Veterinary Medicine, Board of  
48 Virginia Board for Asbestos Licensing  
49 Virginia Health Planning Board  
50 Virginia Manufactured Housing Board  
51 Virginia Veterans Care Center Board of Trustees  
52 Virginia Waste Management Board  
53 Visually Handicapped, Virginia Board for the  
54 Waste Management Facility Operators, Board for  
55 Water Control Board, State

1 Waterworks and Wastewater Works Operators, Board for  
2 Well Review Board, Virginia  
3 Youth and Family Services, State Board of.

4 B. Individual members of boards, commissions, committees, councils, and other similar bodies appointed at the  
5 state level and receiving compensation for their services on January 1, 1980, but who will not receive compensation under  
6 the provisions of this article, shall continue to receive compensation at the January 1, 1980, rate until such member's current  
7 term expires.

8 § 2.1-51.27. Agencies for which responsible.

9 The Secretary of Administration shall be responsible to the Governor for the following agencies: Department of  
10 Information Technology, Council on Information Management, Department of Personnel and Training, Department of  
11 General Services, Compensation Board, Secretary of the Commonwealth, Department of Employee Relations Counselors,  
12 Department of Veterans' Affairs, Virginia Veterans Care Center Board of Trustees, ~~and~~ Commission on Local Government,  
13 and Charitable Gaming Commission. The Governor may, by executive order, assign any other state executive agency to the  
14 Secretary of Administration, or reassign any agency listed above to another secretary.

15 § 2.1-342. Official records to be open to inspection; procedure for requesting records and responding to request;  
16 charges; exceptions to application of chapter.

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

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

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

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

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

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

46 The public body may make reasonable charges for the copying, search time and computer time expended in the  
47 supplying of such records; however, such charges shall not exceed the actual cost to the public body in supplying such  
48 records, except that the public body may charge, on a pro rata per acre basis, for the cost of creating topographical maps  
49 developed by the public body, for such maps or portions thereof, which encompass a contiguous area greater than fifty acres.  
50 Such charges for the supplying of requested records shall be estimated in advance at the request of the citizen. The public  
51 body may require the advance payment of charges which are subject to advance determination.

52 In any case where a public body determines in advance that search and copying charges for producing the  
53 requested documents are likely to exceed \$200, the public body may, before continuing to process the request, require the  
54 citizen requesting the information to agree to payment of an amount not to exceed the advance determination by five

1 percent. The period within which the public body must respond under this section shall be tolled for the amount of time that  
2 elapses between notice of the advance determination and the response of the citizen requesting the information.

3 Official records maintained by a public body on a computer or other electronic data processing system which are  
4 available to the public under the provisions of this chapter shall be made reasonably accessible to the public at reasonable  
5 cost.

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

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

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

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

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

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

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

40 Where the person who is the subject of medical records is confined in a state or local correctional facility, the  
41 administrator or chief medical officer of such facility may assert such confined person's right of access to the medical  
42 records if the administrator or chief medical officer has reasonable cause to believe that such confined person has an  
43 infectious disease or other medical condition from which other persons so confined need to be protected. Medical records  
44 shall be reviewed only and shall not be copied by such administrator or chief medical officer. The information in the  
45 medical records of a person so confined shall continue to be confidential and shall not be disclosed to any person except the  
46 subject by the administrator or chief medical officer of the facility or except as provided by law.

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

1 4. Memoranda, working papers and correspondence (i) held by or requested from members of the General  
2 Assembly or the Division of Legislative Services or (ii) held or requested by the office of the Governor or Lieutenant  
3 Governor, Attorney General or the mayor or other chief executive officer of any political subdivision of the Commonwealth  
4 or the president or other chief executive officer of any state-supported institution of higher education. This exclusion shall  
5 not apply to memoranda, studies or other papers held or requested by the mayor or other chief executive officer of any  
6 political subdivision which are specifically concerned with the evaluation of performance of the duties and functions of any  
7 locally elected official and were prepared after June 30, 1992.

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

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

13 6. Memoranda, working papers and records compiled specifically for use in litigation or as a part of an active  
14 administrative investigation concerning a matter which is properly the subject of an executive or closed meeting under §  
15 2.1-344 and material furnished in confidence with respect thereto.

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

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

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

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

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

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

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

41 12. Memoranda, legal opinions, working papers and records recorded in or compiled exclusively for executive or  
42 closed meetings lawfully held pursuant to § 2.1-344.

43 13. Reports, documentary evidence and other information as specified in §§ 2.1-373.2 and 63.1-55.4.

44 14. Proprietary information gathered by or for the Virginia Port Authority as provided in § 62.1-132.4 or § 62.1-  
45 134.1.

46 15. Contract cost estimates prepared for the confidential use of the Department of Transportation in awarding  
47 contracts for construction or the purchase of goods or services and records, documents and automated systems prepared for  
48 the Department's Bid Analysis and Monitoring Program.

49 16. Vendor proprietary information software which may be in the official records of a public body. For the purpose  
50 of this section, "vendor proprietary software" means computer programs acquired from a vendor for purposes of processing  
51 data for agencies or political subdivisions of this Commonwealth.

52 17. Data, records or information of a proprietary nature produced or collected by or for faculty or staff of state  
53 institutions of higher learning, other than the institutions' financial or administrative records, in the conduct of or as a result  
54 of study or research on medical, scientific, technical or scholarly issues, whether sponsored by the institution alone or in

1 conjunction with a governmental body or a private concern, where such data, records or information has not been publicly  
2 released, published, copyrighted or patented.

3 18. Financial statements not publicly available filed with applications for industrial development financings.

4 19. Lists of registered owners of bonds issued by a political subdivision of the Commonwealth, whether the lists are  
5 maintained by the political subdivision itself or by a single fiduciary designated by the political subdivision.

6 20. Confidential proprietary records, voluntarily provided by private business pursuant to a promise of  
7 confidentiality from the Department of Economic Development or local industrial or economic development authorities or  
8 organizations, used by the Department and such entities for business, trade and tourism development.

9 21. Information which was filed as confidential under the Toxic Substances Information Act (§ 32.1-239 et seq.),  
10 as such Act existed prior to July 1, 1992.

11 22. Documents as specified in § 58.1-3.

12 23. Confidential records, including victim identity, provided to or obtained by staff in a rape crisis center or a  
13 program for battered spouses.

14 24. Computer software developed by or for a state agency, state-supported institution of higher education or  
15 political subdivision of the Commonwealth.

16 25. Investigator notes, and other correspondence and information, furnished in confidence with respect to an active  
17 investigation of individual employment discrimination complaints made to the Department of Personnel and Training;  
18 however, nothing in this section shall prohibit the disclosure of information taken from inactive reports in a form which  
19 does not reveal the identity of charging parties, persons supplying the information or other individuals involved in the  
20 investigation.

21 26. Fisheries data which would permit identification of any person or vessel, except when required by court order  
22 as specified in § 28.2-204.

23 27. Records of active investigations being conducted by the Department of Medical Assistance Services pursuant to  
24 Chapter 10 (§ 32.1-323 et seq.) of Title 32.1.

25 28. Documents and writings furnished by a member of the General Assembly to a meeting of a standing  
26 committee, special committee or subcommittee of his house established solely for the purpose of reviewing members' annual  
27 disclosure statements and supporting materials filed under § 2.1-639.40 or of formulating advisory opinions to members on  
28 standards of conduct, or both.

29 29. Customer account information of a public utility affiliated with a political subdivision of the Commonwealth,  
30 including the customer's name and service address, but excluding the amount of utility service provided and the amount of  
31 money paid for such utility service.

32 30. Investigative notes and other correspondence and information furnished in confidence with respect to an  
33 investigation or conciliation process involving an alleged unlawful discriminatory practice under the Virginia Human  
34 Rights Act (§ 2.1-714 et seq.); however, nothing in this section shall prohibit the distribution of information taken from  
35 inactive reports in a form which does not reveal the identity of the parties involved or other persons supplying information.

36 31. Investigative notes; proprietary information not published, copyrighted or patented; information obtained from  
37 employee personnel records; personally identifiable information regarding residents, clients or other recipients of services;  
38 and other correspondence and information furnished in confidence to the Department of Social Services in connection with  
39 an active investigation of an applicant or licensee pursuant to Chapters 9 (§ 63.1-172 et seq.) and 10 (§ 63.1-195 et seq.) of  
40 Title 63.1; however, nothing in this section shall prohibit disclosure of information from the records of completed  
41 investigations in a form that does not reveal the identity of complainants, persons supplying information, or other  
42 individuals involved in the investigation.

43 32. Reports, manuals, specifications, documents, minutes or recordings of staff meetings or other information or  
44 materials of the Virginia Board of Corrections, the Virginia Department of Corrections or any institution thereof to the  
45 extent, as determined by the Director of the Department of Corrections or his designee or of the Virginia Board of Youth  
46 and Family Services, the Virginia Department of Youth and Family Services or any facility thereof to the extent as  
47 determined by the Director of the Department of Youth and Family Services, or his designee, that disclosure or public  
48 dissemination of such materials would jeopardize the security of any correctional or juvenile facility or institution, as  
49 follows:

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

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

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



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

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

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

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

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

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

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

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

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

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

34 37. Official records, memoranda, working papers, graphics, video or audio tapes, production models, data and  
35 information of a proprietary nature produced by or for or collected by or for the State Lottery Department relating to matters  
36 of a specific lottery game design, development, production, operation, ticket price, prize structure, manner of selecting the  
37 winning ticket, manner of payment of prizes to holders of winning tickets, frequency of drawings or selections of winning  
38 tickets, odds of winning, advertising, or marketing, where such official records have not been publicly released, published,  
39 copyrighted or patented. Whether released, published or copyrighted, all game-related information shall be subject to public  
40 disclosure under this chapter upon the first day of sales for the specific lottery game to which it pertains.

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

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

52 40. [Repealed.]

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

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

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

4 44. [Repealed.]

5 45. Investigative notes; correspondence and information furnished in confidence with respect to an investigation;  
6 and official records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for the  
7 Auditor of Public Accounts and the Joint Legislative Audit and Review Commission; or investigative notes, correspondence,  
8 documentation and information furnished and provided to or produced by or for the Department of the State Internal  
9 Auditor with respect to an investigation initiated through the State Employee Fraud, Waste and Abuse Hotline; however,  
10 nothing in this chapter shall prohibit disclosure of information from the records of completed investigations in a form that  
11 does not reveal the identity of complainants, persons supplying information or other individuals involved in the  
12 investigation.

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

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

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

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

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

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

34 52. Patient level data collected by the Virginia Health Services Cost Review Council and not yet processed,  
35 verified, and released, pursuant to § 9-166.7, to the Council by the nonprofit organization with which the Executive  
36 Director has contracted pursuant to § 9-166.4.

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

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

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

51 a. Operational, procedural or tactical planning documents, including any training manuals to the extent they  
52 discuss security measures;

53 b. Surveillance techniques;

54 c. Installation, operation, or utilization of any alarm technology;

55 d. Engineering and architectural drawings of the Museum or any warehouse;

1 e. Transportation of the Museum's collections, including routes and schedules; or  
2 f. Operation of the Museum or any warehouse used by the Museum involving the:  
3 (1) Number of employees, including security guards, present at any time; or  
4 (2) Busiest hours, with the maximum number of visitors in the Museum.  
5 56. Reports, documents, memoranda or other information or materials which describe any aspect of security used  
6 by the Virginia Department of Alcoholic Beverage Control to the extent that disclosure or public dissemination of such  
7 materials would jeopardize the security of any government store as defined in Title 4.1, or warehouse controlled by the  
8 Department of Alcoholic Beverage Control, as follows:

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

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

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

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

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

33 § 9-6.25:3. Supervisory boards.

34 There shall be, in addition to such others as may be designated in accordance with § 9-6.25, the following  
35 supervisory boards:

36 Alcoholic Beverage Control Board  
37 Board for Branch Pilots  
38 Board of Commissioners, Virginia Port Authority  
39 Board of Game and Inland Fisheries  
40 Board of Regents, Gunston Hall Plantation  
41 Board of Regents, James Monroe Memorial Law Office and Library  
42 Board of Trustees, Chippokes Plantation Farm Foundation  
43 Board of Trustees, Frontier Culture Museum of Virginia  
44 Board of Trustees, Jamestown-Yorktown Foundation  
45 Board of Trustees, the Science Museum of Virginia  
46 Board of Trustees, Virginia Museum of Fine Arts  
47 Board of Trustees, Virginia Retirement System  
48 Board of Trustees, Virginia Veterans Care Center  
49 Board of Trustees, Virginia War Memorial Foundation  
50 (Effective July 1, 1996) Board of the Virginia Higher Education Tuition Trust Fund  
51 Board of Visitors, Christopher Newport University  
52 Board of Visitors, George Mason University  
53 Board of Visitors, James Madison University  
54 Board of Visitors, Longwood College  
55 Board of Visitors, Mary Washington College

- 1 Board of Visitors, Norfolk State University
- 2 Board of Visitors, Old Dominion University
- 3 Board of Visitors, Radford University
- 4 Board of Visitors, The College of William and Mary in Virginia
- 5 Board of Visitors, University of Virginia
- 6 Board of Visitors, Virginia Commonwealth University
- 7 Board of Visitors, Virginia Military Institute
- 8 Board of Visitors, Virginia Polytechnic Institute and State University
- 9 Board of Visitors, Virginia State University
- 10 Charitable Gaming Commission
- 11 Commonwealth's Attorneys' Services Council
- 12 Compensation Board
- 13 Governing Board, Virginia College Building Authority
- 14 Governing Board, Virginia Public School Authority
- 15 State Board for Community Colleges, Virginia Community College System
- 16 State Board of Education
- 17 State Certified Seed Board
- 18 State Council of Higher Education for Virginia
- 19 Virginia Agricultural Council
- 20 Virginia Bright Flue-Cured Tobacco Board
- 21 Virginia Board for People with Disabilities
- 22 Virginia Cattle Industry Board
- 23 Virginia Corn Board
- 24 Virginia Dark-Fired Tobacco Board
- 25 Virginia Egg Board
- 26 Virginia Horse Industry Board
- 27 Virginia Marine Products Board
- 28 Virginia Peanut Board
- 29 Virginia Pork Industry Board
- 30 Virginia Soybean Board
- 31 Virginia State Apple Board
- 32 Virginia Sweet Potato Board.

33 § 18.2-334.2. Same; bingo games, raffles and duck races conducted by certain organizations.  
 34 Nothing in this article shall apply to any bingo game, instant bingo, raffle, or duck race conducted solely by  
 35 organizations as defined in subdivisions 1 (a) and 1 (b) of § 18.2-340.1 and meeting the qualifications set forth in § 18.2-  
 36 340.3 and having § 18.2-340.16 which have received a permit as set forth in § 18.2-340.2 § 18.2-340.25, or which are  
 37 exempt from the permit requirement under § 18.2-340.23.

38 Article 1.1:1.  
 39 Charitable Gaming.

40 § 18.2-340.15. State control of charitable gaming.  
 41 A. Charitable gaming as authorized herein shall be permitted in the Commonwealth as a means of funding  
 42 qualified organizations. The Charitable Gaming Commission is vested with control of all charitable gaming in the  
 43 Commonwealth, with plenary power to prescribe regulations and conditions under which such gaming shall be conducted to  
 44 ensure that it is conducted in a manner consistent with the purpose for which it is permitted.

45 B. The conduct of any charitable gaming is a privilege which may be granted or denied by the Charitable Gaming  
 46 Commission or its duly authorized representatives in its discretion in order to effectuate the purposes set forth in this article.

47 § 18.2-340.16. Definitions.  
 48 As used in this article unless the context requires a different meaning:  
 49 "Bingo" means a specific game of chance played with individual cards having randomly numbered squares ranging  
 50 from one to seventy-five, in which prizes are awarded on the basis of designated numbers on such cards conforming to a  
 51 predetermined pattern of numbers selected at random. Such cards shall have five columns headed respectively by the letters  
 52 B.I.N.G.O., with each column having five randomly numbered squares, except the center column which shall contain one  
 53 free space.

54 "Bona fide member" means an individual who participates in activities of a qualified organization other than such  
 55 organization's charitable gaming activities.

1 "Charitable gaming" or "charitable games" means those raffles and games of chance explicitly authorized by this  
2 article.

3 "Charitable gaming supplies" includes bingo cards or sheets, devices for selecting bingo numbers, instant bingo  
4 cards, pull-tab cards, and any other equipment or product manufactured for or intended to be used in the conduct of  
5 charitable games.

6 "Commission" means the Charitable Gaming Commission.

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

9 "Instant bingo" means a specific game of chance played by the random selection of one or more individually  
10 prepacked cards, made completely of paper or paper products, with winners being determined by the preprinted appearance  
11 of concealed letters, numbers or symbols that must be exposed by the player to determine wins and losses and may include  
12 the use of a seal card which conceals one or more numbers or symbols that have been designated in advance as prize  
13 winners.

14 "Jackpot" means a bingo game, exclusive of a "winner-take-all" bingo game, in which (i) all numbers on the card  
15 are covered, each number being selected at random, and with no more than one free space and (ii) the prize amount is  
16 greater than \$100.

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

20 "Organization" means any one of the following:

21 1. A voluntary fire department or rescue squad or auxiliary unit thereof which has been recognized by an  
22 ordinance or resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a  
23 part of the safety program of such political subdivision;

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

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

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

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

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

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

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

39 § 18.2-340.17. Charitable Gaming Commission established.

40 A. There is hereby established, in the Office of the Secretary of Administration, the Charitable Gaming  
41 Commission. The Commission shall consist of seven members appointed by the Governor, subject to confirmation by the  
42 General Assembly. Each member of the Commission shall have been a resident of the Commonwealth for a period of at  
43 least three years next preceding his appointment, and his continued residency shall be a condition of his tenure in office. To  
44 the extent practicable, the Commission shall consist of individuals from different geographic regions of the Commonwealth.  
45 Upon initial appointment, three members shall be appointed for four-year terms, two for three-year terms, and two for two-  
46 year terms. Thereafter, all members shall be appointed for four-year terms. Vacancies shall be filled by the Governor in the  
47 same manner as the original appointment for the unexpired portion of the term. Each Commission member shall be eligible  
48 for reappointment for a second consecutive term at the discretion of the Governor. Persons who are first appointed to initial  
49 terms of less than four years shall thereafter be eligible for reappointment to two consecutive terms of four years each. The  
50 Commission shall elect a chairman from among its members. No member of the General Assembly while serving as a  
51 member shall be eligible for appointment to the Commission.

52 B. The members of the Commission shall serve at the pleasure of the Governor.

53 C. Each member of the Commission shall receive fifty dollars for each day or part thereof spent in the  
54 performance of his duties and in addition shall be reimbursed for his reasonable expenses incurred therein.

1 D. A quorum shall consist of four members. The decision of a majority of those members present and voting shall  
2 constitute a decision of the Commission.

3 E. The Commission shall adopt rules and procedures for the conduct of its business. The Commission shall  
4 establish and maintain a business office within the Commonwealth at a place to be determined by the Commission. The  
5 Commission shall meet at least six times a year, and other meetings may be held at any time or place determined by the  
6 Commission or upon call of the chairman or upon a written request to the chairman by any two members. All members  
7 shall be duly notified of the time and place of any regular or other meeting at least ten days in advance of such meetings.

8 F. The Commission shall keep a complete and accurate record of its proceedings. A copy of the record shall be  
9 available for public inspection and copying.

10 § 18.2-340.18. Powers and duties of the Commission.

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

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

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

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

31 4. The Commission shall promulgate regulations under which charitable gaming shall be conducted in the  
32 Commonwealth and all such other regulations that it deems necessary and appropriate to effect the purposes of this article.  
33 Such regulations may include penalties for violations. The regulations shall be subject to the Administrative Process Act (§  
34 9-6.14:1 et seq.).

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

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

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

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

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

48 10. The Commission, its agents and employees may conduct such audits, in addition to those required by § 18.2-  
49 340.31, as they deem necessary and desirable.

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

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

54 § 18.2-340.19. Regulations of the Commission.

55 The Commission shall adopt regulations which:

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

8           2. Require the organization to have at least fifty percent of its membership consist of residents of the  
9 Commonwealth and specify the conditions under which a complete list of the organization's membership may be required in  
10 order for the Commission to ascertain the percentage of Virginia residents; however, if an organization (i) does not consist  
11 of bona fide members and (ii) is exempt under § 501 (c) (3) of the United States Internal Revenue Code, the Commission  
12 shall exempt such organizations from the regulations adopted pursuant to this subdivision.

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

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

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

18           § 18.2-340.20. Denial, suspension or revocation of permit; hearings and appeals.

19           A. The Commission may deny, suspend or revoke the permit of any organization found not to be in strict  
20 compliance with the provisions of this article and the regulations of the Commission.

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

26           C. Any person aggrieved by a refusal of the Commission to issue any permit, the suspension or revocation of a  
27 permit, or any other action of the Commission, may, within thirty days of such action, appeal to the circuit court in the  
28 jurisdiction where such charitable gaming was being or would have been conducted. If the court finds based on the record  
29 of the Commission that the action of the Commission is not supported by credible evidence, it shall order such relief as it  
30 deems appropriate. The decision of the court shall be subject to appeal as in other cases at law.

31           § 18.2-340.21. Executive Secretary; staff.

32           The Commission shall appoint an Executive Secretary and such other employees as it deems essential to perform  
33 its duties under this article, who shall possess such authority and perform such duties as the Commission shall prescribe or  
34 delegate to them. Such employees shall be compensated as provided by the Commission.

35           The Executive Secretary, in addition to any other duties prescribed by the Commission, shall keep a true and full  
36 record of all proceedings of the Commission and preserve at the Commission's principal office all books, documents and  
37 papers of the Commission.

38           § 18.2-340.22. Only raffles, bingo and instant bingo games permitted; prizes not gaming contracts.

39           A. This article permits qualified organizations and organizations exempted under § 18.2-340.23 from obtaining a  
40 permit to conduct raffles, bingo and instant bingo games. All games not explicitly authorized by this article are prohibited.

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

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

46           § 18.2-340.23. Organizations exempt from certain permit, financial reporting and audit requirements.

47           Any organization that reasonably expects to realize gross receipts of \$25,000 or less in any twelve-month period  
48 and a volunteer fire department or rescue squad or auxiliary unit thereof which has been recognized by an ordinance or  
49 resolution of the political subdivision where the voluntary fire department or rescue squad is located as being a part of the  
50 safety program of such political subdivision shall be exempt from the requirements of § 18.2-340.25 if, prior to conducting  
51 charitable gaming, it notifies the Commission, on a form prescribed by the Commission, that it will conduct charitable  
52 gaming. Any such organizations also shall be exempt from the financial reporting and audit requirements of this article  
53 and the payment of audit fees but shall file with the Commission, at such time or times as may be required by the  
54 Commission, a resolution of its board of directors stating that the organization has complied with the provisions of this  
55 article. If any of the organization's actual gross receipts for the twelve-month period exceed \$25,000, the Commission may



1 require the organization to file by a specified date the report required by § 18.2-340.30. Nothing in this section shall  
2 prevent the Commission from conducting any investigation or audit it deems appropriate to ensure the organization's  
3 compliance with the provisions of this article or the Commission's regulations.

4 § 18.2-340.24. Eligibility for permit; exceptions; where valid.

5 A. To be eligible for a permit to conduct charitable gaming, an organization shall:

6 1. Have been in existence and met on a regular basis in the county, city or town or in a county, city or town  
7 adjacent to the county, city or town wherein the organization proposes to conduct charitable gaming for a period of at least  
8 three years immediately prior to applying for a permit.

9 The three-year residency requirement shall not apply (i) to any lodge or chapter of a national or international  
10 fraternal order or to a national or international civic organization which is exempt under § 501 (c) (3) of the United States  
11 Internal Revenue Code and which has a lodge or chapter holding a charitable gaming permit issued under the provisions of  
12 this article anywhere within the Commonwealth; (ii) to booster clubs which have been operating for less than three years  
13 and which have been established solely to raise funds for school-sponsored activities in public schools which are less than  
14 three years old; (iii) to recently established volunteer fire and rescue companies or departments, after county, city or town  
15 approval; or (iv) to an organization which relocates its meeting place on a permanent basis from one jurisdiction to another,  
16 complies with the requirements of subdivision 2 of this section, and was the holder of a valid permit at the time of its  
17 relocation.

18 2. Be operating currently and have always been operated as a nonprofit organization.

19 B. Any organization whose gross receipts from all charitable gaming exceeds or can be expected to exceed \$75,000  
20 in any calendar year shall have been granted tax-exempt status pursuant to § 501 (c) of the United States Internal Revenue  
21 Code. At the same time tax-exempt status is sought from the Internal Revenue Service, the same documentation may be  
22 filed with the Commission for an interim certification of tax-exempt status. If such documentation is filed, the Commission  
23 may, after reviewing such documentation it deems necessary, issue its determination of tax-exempt status within sixty days  
24 of receipt of such documentation. The Commission may charge a reasonable fee, not to exceed \$500. This interim  
25 certification of tax-exempt status shall be valid until the Internal Revenue Service issues its determination of tax-exempt  
26 status, or for eighteen months, whichever is earlier.

27 C. A permit shall be valid only for the locations designated in the permit.

28 § 18.2-340.25. Annual permit required; application fee; form of application.

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

31 B. All applications for a permit shall be acted upon by the Commission within sixty days from the filing thereof  
32 Upon compliance by the applicant with the provisions of this article, and at the discretion of the Commission, a permit may  
33 be issued. All permits when issued shall be valid for the period specified in the permit unless it is sooner suspended or  
34 revoked. The application shall be a matter of public record.

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

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

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

42 § 18.2-340.26. Sale of raffle tickets; drawings.

43 A qualified organization may sell raffle tickets both in and out of the jurisdiction designated in its permit and shall  
44 conduct the drawing within the Commonwealth; however pull-tab devices used as part of a raffle as defined in § 18.2-  
45 340.16 may be sold only upon the premises owned or exclusively leased by the organization and at such times as the portion  
46 of the premises in which the pull-tab devices are sold is open only to members and their guests.

47 § 18.2-340.27. Conduct of bingo games; special permits.

48 A. A qualified organization shall accept only cash or, at its option, checks in payment of any charges or  
49 assessments for players to participate in bingo games. However, no such organization shall accept postdated checks in  
50 payment of any charges or assessments for players to participate in bingo games.

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

53 C. Bingo games may be held by qualified organizations no more frequently than two calendar days in any calendar  
54 week, except in accordance with subsection D.



1 D. A special permit may be granted a qualified organization which entitles it to conduct more frequent operations  
2 of bingo games during carnivals, fairs and other similar events which are located in the jurisdiction designated in the  
3 permit.

4 § 18.2-340.28. Conduct of instant bingo.

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

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

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

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

17 § 18.2-340.29. Joint operation of bingo games; written reports; special permit required.

18 A. Any two qualified organizations may jointly organize and conduct bingo games provided both have fully  
19 complied with all other provisions of this article.

20 B. Any two qualified organizations jointly conducting such games shall be (i) subject to the same restrictions and  
21 prohibitions contained in this article that would apply to a single organization conducting bingo games and (ii) required to  
22 furnish to the Commission a written report setting forth the location where such games will be held, the division of  
23 manpower, costs, and proceeds for each game to be jointly conducted.

24 Upon a finding that the division of manpower and costs for each game bears a reasonable relationship to the  
25 division of proceeds, the Commission shall issue a special permit for the joint conduct of all approved games.

26 C. No bingo game shall be jointly conducted until the special permit issued pursuant to subsection B is obtained by  
27 the organizations.

28 § 18.2-340.30. Reports of gross receipts and disbursements required; form of reports; failure to file.

29 A. Each qualified organization shall keep a complete record of all receipts from its charitable gaming operation  
30 and all disbursements related to such operation. Each qualified organization shall file at least annually, on a form  
31 prescribed by the Commission, a report of all such receipts and disbursements, the amount of money on hand attributable to  
32 charitable gaming as of the end of the period covered by the report and any other information related to its charitable  
33 gaming operation that the Commission may require. In addition, the Commission, by regulation, may require any qualified  
34 organization whose receipts exceed a specified amount during any three-month period to file a report of its receipts and  
35 disbursements for such period. All reports filed per this section shall be a matter of public record.

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

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

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

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

53 F. Each qualified organization shall maintain (i) for three years a written record of the dates on which bingo  
54 games are played, the number of people in attendance on each date and the amount of the gross receipts and prizes paid on  
55 each day; (ii) a record of the name and address of each individual to whom a regular or special bingo game prize or jackpot

1 from the playing of bingo is awarded, as well as the amount of the award; and (iii) an itemized record of all receipts and  
2 disbursements, including operating costs and use of proceeds incurred in operating bingo games.

3 G. The failure to file reports when due and, when required, the opinion of a licensed independent certified public  
4 accountant in accordance with subsection D. shall cause the automatic revocation of the permit, and no organization shall  
5 conduct any bingo game or raffle thereafter until the report or the opinion is properly filed and a new permit is obtained.

6 § 18.2-340.31. Audit of reports; exemption; fee.

7 A. Except as provided in § 18.2-340.23, all reports filed pursuant to § 18.2-340.30 shall be subject to audit by the  
8 Commission in accordance with Commission regulations.

9 B. The Commission shall prescribe a reasonable audit fee not to exceed the actual cost of the audit if the audit is  
10 conducted by an independent auditor or accountant, or if the audit is conducted by the Commission, two percent of (i) the  
11 gross receipts which an organization reports pursuant to § 18.2-340.30 and (ii) the interest income on money the  
12 organization has received from charitable gaming operations. The audit fee shall accompany each annual report.

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

15 § 18.2-340.32. Authority of local governments.

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

21 § 18.2-340.33. Prohibited practices.

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

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

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

32 The provisions of this subdivision shall not prohibit the joint operation of bingo games held in accordance with §  
33 18.2-340.29.

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

38 4. No building or other premises shall be utilized in whole or in part for the purpose of conducting bingo games  
39 more frequently than two calendar days in any one calendar week. However, no building or other premises owned by a  
40 qualified organization and qualified as a tax-exempt organization pursuant to § 501 (c) of the Internal Revenue Code shall  
41 be utilized in whole or in part for the purpose of conducting bingo games more frequently than four calendar days in any  
42 one calendar week.

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

45 5. No person shall participate in the management, operation or conduct of any charitable game unless such person  
46 is and, for a period of at least ninety days immediately preceding such participation, has been a bona fide member of the  
47 organization; however, the provisions of this subdivision shall not apply to (i) persons employed as clerical assistants by  
48 qualified organizations composed of or for deaf or blind persons; (ii) employees of a corporate sponsor of a qualified  
49 organization, provided such employees' participation is limited to the management, operation or conduct of no more than  
50 one raffle per year; or (iii) the spouse of any such bona fide member of a qualified organization provided at least one bona  
51 fide member is present.

52 6. No person shall receive any remuneration for participating in the management, operation or conduct of any  
53 charitable game, except that:

1           a. Persons employed by organizations composed of or for deaf or blind persons may receive remuneration not to  
2 exceed thirty dollars per event for providing clerical assistance in the conduct of charitable games only for such  
3 organizations; and

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

6           7. No landlord shall, at bingo games conducted on the landlord's premises, (i) participate in the conduct,  
7 management, or operation of any bingo games; (ii) sell, lease or otherwise provide for consideration any bingo supplies,  
8 including, but not limited to, bingo cards, instant bingo cards, markers, or other game pieces; or (iii) require as a condition  
9 of the lease or by contract that a particular manufacturer, distributor or supplier of bingo supplies or equipment be used by  
10 the organization. If equipment or services are included by a landlord in any lease or contract, the lease or contract shall  
11 itemize the amount attributable to the rent of the premises, equipment, and each service to be provided by the landlord.

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

14           8. No qualified organization shall enter into any contract with or otherwise employ or compensate any member of  
15 the organization on account of the sale of bingo supplies or equipment.

16           9. No organization shall award any bingo prize money or any merchandise valued in excess of the following  
17 amounts:

18           a. No bingo door prize shall exceed \$25;

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

20           c. No instant bingo prize for a single card shall exceed \$500; and

21           d. No bingo jackpot of any nature whatsoever shall exceed \$1,000, nor shall the total amount of bingo jackpot  
22 prizes awarded in any one calendar day exceed \$1,000.

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

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

28           The provisions of this subdivision shall not apply to (i) a raffle conducted no more than once per calendar year by a  
29 qualified organization qualified as a tax-exempt organization pursuant to § 501 (c) (3) of the Internal Revenue Code for a  
30 prize consisting of a lot improved by a residential dwelling where 100 percent of the moneys received from such a raffle,  
31 less deductions for the fair market value for the cost of acquisition of the land and materials, are donated to lawful religious,  
32 charitable, community, or educational organizations specifically chartered or organized under the laws of the  
33 Commonwealth and qualified as a § 501 (c) (3) tax-exempt organization or (ii) pull-tab devices when played as permitted in  
34 § 18.2-340.26, which prize award for a single card shall not exceed \$500.

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

38           12. No person shall participate in the management, operation or conduct of any charitable game if, within the  
39 preceding five years, he has been convicted of a felony or crime of moral turpitude. In addition, no person shall participate  
40 in the management, operation or conduct of any charitable game if that person, within the preceding five years, has  
41 participated in the management, operation, or conduct of any charitable game which was found by the Commission or a  
42 court of competent jurisdiction to have been operated in violation of state law, local ordinance or Commission regulation.

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

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

49           § 18.2-340.34. Suppliers of charitable gaming supplies; registration; qualification; suspension, revocation or  
50 refusal to renew certificate; maintenance and production of records.

51           A. No person shall offer to sell, sell or otherwise provide charitable gaming supplies to any qualified organization  
52 unless and until such person has made application for and has been issued a registration certificate by the Commission. An  
53 application for registration shall be made on forms prescribed by the Commission and shall be accompanied by a fee in the  
54 amount of \$500. Each registration certificate shall remain valid for a period of one year from the date of issuance.

1 Application for renewal of a registration certificate shall be accompanied by a fee in the amount of \$500 and shall be made  
2 on forms prescribed by the Commission.

3 B. The Commission shall have authority to prescribe by regulation reasonable criteria consistent with the  
4 provisions of this article for the registration of suppliers. The Commission may refuse to register any supplier who has, or  
5 which has any officer, director, partner, or owner who has (i) been convicted of or pleaded nolo contendere to a felony in  
6 any state or federal court or has been convicted of any offense which, if committed in the Commonwealth, would be a  
7 felony; (ii) been convicted of or pleaded nolo contendere to a crime involving gambling; (iii) had any license, permit,  
8 certificate or other authority related to activities defined as charitable gaming in the Commonwealth suspended or revoked  
9 in the Commonwealth or in any other jurisdiction; or (iv) been delinquent in the filing of any tax returns or the payment of  
10 any taxes due the Commonwealth.

11 C. The Commission may suspend, revoke or refuse to renew the registration certificate of any supplier for any  
12 conduct described in subsection B or for any violation of this article or regulation of the Commission. Before taking any  
13 such action, the Commission shall give the supplier a written statement of the grounds upon which it proposes to take such  
14 action and an opportunity to be heard.

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

23 E. Each supplier shall maintain a legible copy of each invoice required by subsection D for a period of three years  
24 from the date of sale. Each supplier shall make such documents immediately available for inspection and copying to any  
25 agent or employee of the Commission upon request made during normal business hours. This subsection shall not limit the  
26 right of the Commission to require the production of any other documents in the possession of the supplier which relate to  
27 its transactions with qualified organizations.

28 § 18.2-340.35. Assistance from Department of State Police.

29 The Department of the State Police, upon request of the Commission, shall assist in the conduct of investigations  
30 by the Commission.

31 § 18.2-340.36. Suspension of permit.

32 A. When any officer charged with the enforcement of the charitable gaming laws of the Commonwealth has  
33 reasonable cause to believe that the conduct of charitable gaming is being conducted by an organization in violation of this  
34 article or the regulations of the Commission, he may apply to any judge, magistrate, or other person having authority to  
35 issue criminal warrants for the immediate suspension of the permit of the organization conducting the bingo game or raffle.  
36 If the judge, magistrate, or person to whom such application is presented is satisfied that probable cause exists to suspend  
37 the permit, he shall suspend the permit. Immediately upon such suspension, the officer shall notify the organization in  
38 writing of such suspension.

39 B. Written notice specifying the particular basis for the immediate suspension shall be provided by the officer to  
40 the organization within one business day of the suspension and a hearing held thereon by the Commission or its designated  
41 hearing officer within ten days of the suspension unless the organization consents to a later date. No charitable gaming  
42 shall be conducted by the organization until the suspension has been lifted by the Commission or a court of competent  
43 jurisdiction.

44 § 18.2-340.37. Criminal penalties.

45 A. Any person who violates the provisions of this article shall be guilty of a Class 1 misdemeanor.

46 B. Each day in violation shall constitute a separate offense.

47 § 18.2-340.38. Transitional provisions.

48 A. In order to implement the statewide regulation of charitable gaming expeditiously, the initial rules and  
49 regulations shall be adopted by the Commission but shall not be subject to the Administrative Process Act (§ 9-6.14:1 et  
50 seq.) during the first twelve-month period following the earliest effective date of any portion of this article. Thereafter, all  
51 rules and regulations shall fully comply with the provisions of the Administrative Process Act.

52 B. The Commission may issue temporary licenses upon conditions as it deems necessary, subject however to all  
53 limitations set forth in this article, for a term which shall not extend beyond one year after the latest effective day of any  
54 portion of this article.

55 2. That Article 1.1 (§§ 18.2-340.1 through 18.2-340.14) of Chapter 8 of Title 18.2 of the Code of Virginia is repealed.

- 1 3. That the provisions of this act shall become effective on July 1, 1996, except that §§ 18.2-340.16 through 18.2-340.19  
2 and 18.2-340.21 and the repeal of § 18.2-340.1 shall become effective in due course.
- 3 4. That the Charitable Gaming Commission shall promulgate regulations in accordance with Article 1.1:1 (§ 18.2-340.15  
4 et seq.) of Chapter 8 of Title 18.2 as soon as practicable on or after July 1, 1995.
- 5 5. That the provisions of Article 1.1 (§ 18.2-340.1 et seq.) of Chapter 8 of Title 18.2 and any ordinances adopted pursuant  
6 thereto by local governing bodies shall remain in effect until July 1, 1996, when the Charitable Gaming Commission shall  
7 be vested with control of all charitable gaming in the Commonwealth and implement its regulations in accordance with  
8 Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2. No local governing body shall collect, in advance, any audit  
9 fee for the review of charitable gaming financial reports required to be filed by Article 2 (§ 18.2-340.1 et seq.) of Chapter 8  
10 of Title 18.2.
- 11 6. That the Charitable Gaming Commission shall report to the Governor and the General Assembly of Virginia not later  
12 than January 1, 1997, with respect to the advisability of repealing the percentage limitation set forth in subsection B of §  
13 18.2-340.28 and any appropriate statutory or regulatory modifications necessary to accomplish such repeal.  
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