

Report of the 2024 Charitable Gaming Prize Amount Work Group

Virginia Department of Agriculture & Consumer Services

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Legislative Mandate

Chapter 491 of the 2021 Acts of Assembly

EXECUTIVE SUMMARY

Chapter 491 (HB 1843) of the 2021 Acts of Assembly, Special Session I, mandates that, beginning July 1, 2024, and at least once every five years thereafter, the Virginia Department of Agriculture and Consumer Services (VDACS) convene a stakeholder work group to review the limitations on prize amounts and provide any recommendations to the General Assembly by November 30 of the year in which the stakeholder work group is convened. The stakeholder work group, consisting of nine members representing various organizations that conduct charitable gaming in the Commonwealth, held an all-virtual meeting on October 11, 2024. A majority of the work group members supported the idea of raising certain prize amount limits for charitable bingo games, allowing charitable organizations greater flexibility to be competitive with other forms of legal gaming in Virginia. However, there was concern expressed among members that any increase in the prize amount limits could negatively impact smaller charitable gaming organizations.

BACKGROUND

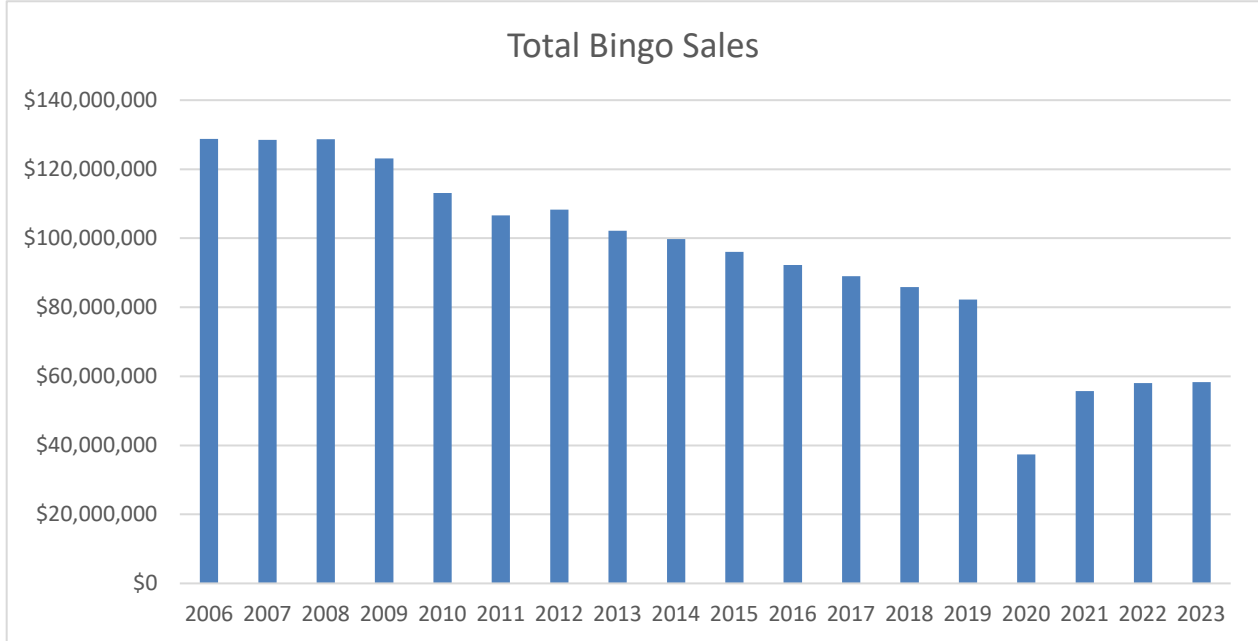
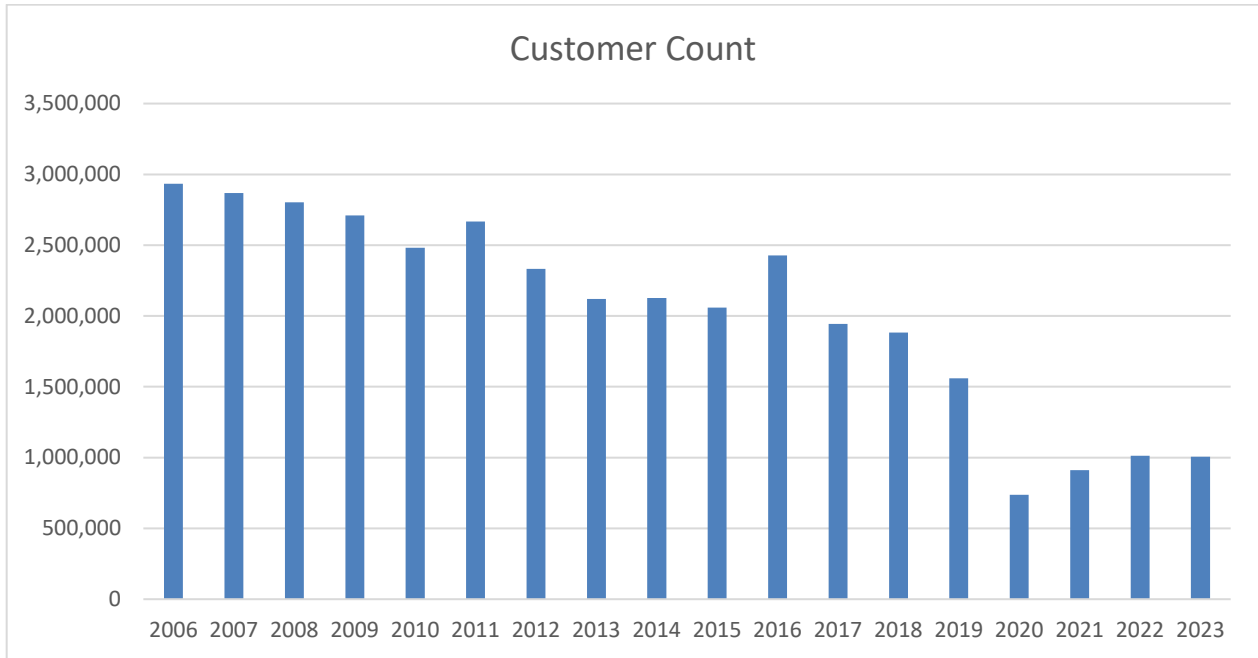
In 1996, the Commonwealth began statewide oversight of charitable gaming in lieu of local oversight and established limited prize amounts for certain games in the Charitable Gaming Law (§ 18.2-340.15 *et seq.*) (Law). The 1996 Law included prize limitations of:

- Door Prizes: \$25
- Regular or Special Bingo Prizes: \$100
- Instant Bingo/Seal Cards/Pull-Tab Prizes: \$500
- Jackpot Bingo Prizes: \$1,000 per a calendar day
- Winner-Take-All Bingo Prizes: \$1,000 per calendar day
- Raffle Prizes: \$100,000 except for a house if given as a prize

Changes to prize limits in the Law have been passed by the General Assembly at various times since 1996. The changes include:

- In 2004, the General Assembly added a new bingo game, Lucky Seven, and limited the prize amount to \$5,000;
- In 2006, the General Assembly increased the prize amount limit for Door Prizes to \$50 for a single prize but limited the cumulative prize to \$250. Also in 2016, the General Assembly increased the limit for Instant Bingo/Seal Cards/Pull-Tab prizes to \$599 and the allowed Jackpot Bingo and Lucky Seven bingo game prizes to be awarded once per bingo session (rather than once per calendar day);
- In 2007, the General Assembly approved the Winner-Take-All Bingo prize to be awarded up to two times per bingo session (rather than once per calendar day);
- In 2010, the General Assembly eliminated the Winner-Take-All Bingo prize and the Lucky Seven bingo games, and the Law was modified to allow up to six progressive bingo games, each with a prize limit of \$5,000. In addition, the prize amount limit for Instant Bingo/Seal Cards/Pull Tabs games was increased to \$1,000 and a new bingo game was created called Network Bingo. The prize amount limit for Network Bingo was capped at \$25,000; and
- In 2021, the General Assembly increased the prize amount limit for door prizes to \$250 for a single prize but limited the cumulative prize to \$500. Also in 2021, the General Assembly increased the prize amount limit for up to 10 regular or special bingo games to \$200 while all other bingo games prizes remained at \$100. The instant Bingo, Seal Cards, Pull-Tab prize amount limit was increased to \$2,000, and the progressive bingo session prize amount limit was increased to \$200.

Bingo sales and player counts have declined steadily since 2006. The biggest drop in bingo sales and player count occurred during the COVID-19 pandemic, and, though both figures have increased since the end of the pandemic, they have not approached pre-pandemic levels (See Customer Counts and Total Bingo Sales graphs below and Appendix 1 on Page 7). Electronic bingo sales have remained relatively flat, as have raffle sales, with yearly fluctuations.



HOUSE BILL 1690 AND HOUSE BILL 1843

Delegate Mark Keam introduced HB 1690 during the 2020 Session of the General Assembly at the request of a volunteer fire department that uses proceeds from charitable gaming to support its operations. The intent of raising the maximum prize amounts, some of which had not changed since 1996, was to increase participation and the associated revenue generated from charitable gaming. HB 1690 increases:

- The maximum allowable amount for a single bingo door prize from \$50 to \$250 and the maximum allowable cumulative door prizes in any one bingo session from \$250 to \$500;
- The maximum allowable regular bingo or special bingo game prize from \$100 to \$200;
- The maximum prize for a single Instant Bingo/Seal Card/Pull-Tab from \$1,000 to \$2,000;
- The maximum allowable prize for a bingo jackpot from \$1,000 to \$2,000 and the total

allowable amount of Jackpot Bingo prizes awarded in any one session from \$1,000 to \$2,000; and

- The maximum allowable amount for certain progressive bingo game prize amount from \$100 to \$200.

HB 1690 passed unanimously through the House with no opposition voiced. During committee hearings in the Senate, concern was raised during public testimony that increasing prize amounts may negatively impact smaller charitable gaming operations. The bill was eventually passed with a reenactment clause requiring the Charitable Gaming Board to convene a stakeholder work group to review the current limitations on prize amounts and provide any recommendations to the General Assembly by November 30, 2020.

As a result of the stakeholder work group from 2020, Delegate Keam introduced HB 1843 during the 2021 Session of the General Assembly to increase the maximum amount of certain prize limits to include the following:

- The maximum allowable amount for a single bingo door prize from \$50 to \$250 and the maximum allowable cumulative door prizes in any one bingo session from \$250 to \$500;
- The maximum allowable regular bingo or special bingo game prize from \$100 to \$200 for up to ten bingo games, while all other bingo games remain limited to \$100;
- The maximum prize for a single Instant Bingo/Seal Card/Pull-Tab from \$1,000 to \$2,000; and
- The maximum allowable amount for certain progressive bingo game prize amount from \$100 to \$200.

The bill also required VDACS to convene a stakeholder work group in 2024, and at least once every five years thereafter, to review the prize amount limitations and provide any recommendations to the General Assembly. The bill was passed by both chambers and signed into law by Governor Northam in March 2021.

CHARITABLE GAMING PRIZE AMOUNT WORK GROUP

The stakeholder work group held an all-virtual meeting on October 11, 2024. The work group consisted of nine members representing various organizations that conduct charitable gaming in the Commonwealth.

The work group members discussed the impacts of raising the prize limit amounts. A majority of the work group supported increasing some of the charitable gaming prize amount limits, with an understanding that it may negatively impact smaller organizations. The purpose of increasing maximum prize amounts would be an effort to retain current players, attract new players, and compete with other forms of legal gaming, thereby increasing funding for organizations' charitable causes.

Some work group members felt that they would need to raise prize amount limits for specific games, such as regular or special bingo games, jackpot bingo games, or progressive bingo games, to compete with other forms of legal gaming in Virginia. One member suggested increasing the jackpot bingo game prize limit from \$1,000 to \$2,000. The member also suggested removing any limits on regular or special bingo game prizes, which are currently limited to \$100, except for up to 10 regular or special bingo games, which are limited to \$200. Another member commented that the current \$2,000 prize

amount limit for instant bingo/seal cards/pull-tabs should remain the same. It was also suggested that the regular or special bingo prize for a progressive bingo game be increased from \$100 to \$200. Any increase in the prize amount limit would not mandate an organization to pay the maximum amount, and, as such, the organization could continue to set a prize amount that is under the maximum limit. An increase could also be accompanied by a cap on the amount of gross revenue to even the playing field between small and large organizations.

Some members agreed that any changes in the Law to increase certain prize amounts should also be accompanied by greater flexibility in offering prize amounts to players, which could help modernize the industry. As such, a member suggested that organizations be allowed to offer larger prize amounts or a larger progressive bingo game prize, but only once or twice a year. Another member commented that allowing a maximum total prize amount per bingo session would enable organizations to award a single prize amount for a charitable game to a player, up to the total prize amount limit, which would attract more players. Lastly, a member suggested that the Law should be amended to allow for new types of charitable games so that organizations can remain competitive.

The work group also discussed changes to the Law and the charitable gaming regulations that were outside the purview of the work group, such as eliminating the separate accounting of proceeds and changes to the treasure chest raffle.

Recommendations

An increase in the prize amount limits could help retain current players and attract new players to charitable gaming. An increase in maximum prize amounts could result in an overall increase in organizations' revenue and increased funding for their charitable causes. There was consensus among the work group that the bingo jackpot prize amount should be raised from \$1,000 to \$2,000. Though there was support from members to raise certain prize amount limits, such as regular or special bingo games, jackpot bingo games, or progressive bingo games, to compete with other forms of legal gambling in Virginia, the effects of a prize amount limit increase on smaller charitable gaming organizations should be considered as part of a broader discussion. An increase in any of the prize amount limits could be done incrementally over several years or be accompanied by greater flexibility in offering any prize amount to players to minimize the impact on the small charitable gaming organizations.

Appendix 1

Year	Bingo Paper Sales	Electronic Bingo Sales	Total Bingo Sales	Instant Sales	Session Raffle Sales	Misc.Sales	Total Receipts	Discounts	Adjusted Receipts	Customer Count
2006	\$111,569,081	\$17,227,212	\$128,796,293	\$190,542,371	\$2,701,413	\$538,916	\$322,578,993	\$1,719,555	\$320,859,438	2,933,991
2007	\$109,183,999	\$19,290,149	\$128,474,148	\$190,274,160	\$3,062,222	\$649,617	\$322,460,147	\$1,287,989	\$321,172,159	2,868,084
2008	\$106,491,309	\$22,206,323	\$128,697,632	\$180,546,289	\$2,901,225	\$442,591	\$312,587,737	\$1,342,248	\$311,245,489	2,802,582
2009	\$100,395,303	\$22,681,701	\$123,077,004	\$168,060,315	\$3,053,776	\$428,452	\$294,619,547	\$1,377,549	\$293,241,998	2,710,348
2010	\$91,919,820	\$21,151,754	\$113,071,574	\$157,574,194	\$3,644,567	\$414,349	\$274,704,684	\$1,457,832	\$273,246,853	2,482,520
2011	\$86,674,832	\$19,978,913	\$106,653,745	\$152,136,534	\$4,611,433	\$396,708	\$263,798,421	\$1,296,923	\$262,501,497	2,666,279
2012	\$86,244,748	\$22,062,948	\$108,307,696	\$156,058,608	\$4,110,039	\$364,094	\$268,840,437	\$1,188,685	\$267,651,752	2,333,444
2013	\$81,546,796	\$20,628,305	\$102,175,101	\$149,622,327	\$3,928,888	\$365,311	\$256,091,628	\$1,187,379	\$254,904,250	2,120,587
2014	\$77,257,512	\$22,470,742	\$99,728,255	\$148,399,451	\$4,165,293	\$349,989	\$252,642,988	\$1,164,206	\$251,478,782	2,126,120
2015	\$75,163,138	\$20,868,442	\$96,031,580	\$161,509,058	\$3,429,532	\$299,380	\$261,269,550	\$1,131,126	\$260,138,424	2,059,469
2016	\$71,885,982	\$20,395,106	\$92,281,088	\$164,078,320	\$3,900,959	\$292,101	\$260,552,467	\$1,038,263	\$259,514,204	2,427,996
2017	\$67,916,263	\$21,097,455	\$89,013,718	\$163,998,831	\$3,177,834	\$319,473	\$256,509,856	\$1,197,978	\$255,311,878	1,944,526
2018	\$63,479,960	\$22,338,208	\$85,818,168	\$163,748,154	\$3,245,276	\$268,082	\$253,079,679	\$1,091,132	\$251,988,547	1,883,062
2019	\$59,564,433	\$22,667,001	\$82,231,434	\$155,097,866	\$3,239,938	\$238,146	\$240,807,384	\$1,045,144	\$239,762,240	1,560,524
2020	\$26,810,264	\$10,509,308	\$37,319,572	\$88,258,182	\$1,736,696	\$111,471	\$127,425,921	\$386,185	\$127,039,736	736,444
2021	\$38,564,453	\$17,124,277	\$55,688,731	\$168,069,662	\$3,057,590	\$166,301	\$226,982,284	\$570,068	\$226,412,216	912,008
2022	\$41,881,430	\$16,185,706	\$58,067,136	\$149,122,600	\$3,038,072	\$184,483	\$210,412,291	\$520,325	\$209,891,966	1,012,964
2023	\$42,213,528	\$16,084,904	\$58,298,431	\$130,779,760	\$2,864,402	\$203,853	\$192,146,447	\$555,603	\$191,590,844	1,005,376