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HOUSE BILL NO. 1014

Offered January 12, 2022

Prefiled January 12, 2022

A BILL to amend and reenact §§ 18.2-340.23, 18.2-340.26:2, and 18.2-340.30 of the Code of Virginia, relating to charitable gaming; exemptions from certain requirements for specified organizations.

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Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-340.23, 18.2-340.26:2, and 18.2-340.30 of the Code of Virginia are amended and reenacted as follows:

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

A. No organization that reasonably expects, based on the basis of prior charitable gaming annual results or any other quantifiable method, to realize (i) gross receipts of \$40,000 or less from raffles in any 12-month period from raffles or (ii) gross receipts of \$15,000 or less from all other charitable gaming conducted in accordance with the provisions of this article on a total of no more than seven days per calendar year shall be required to (i) (a) notify the Department of its intention to conduct raffles, in the case of clause (i), or any other charitable gaming, in the case of clause (ii), or (ii) (b) comply with Board regulations governing raffles. If any such organization's actual gross receipts from raffles for the 12-month period exceed \$40,000 or actual gross receipts from all other charitable gaming conducted on a total of no more than seven days per calendar year exceed \$15,000, the Department shall require the organization to file by a specified date the report required by § 18.2-340.30.

B. Any (i) organization described in subdivision 15 of the definition of "organization" in § 18.2-340.16 or (ii) volunteer fire department or volunteer emergency medical services agency or auxiliary unit thereof that has been recognized in accordance with § 15.2-955 by an ordinance or resolution of the political subdivision where the volunteer fire department or volunteer emergency medical services agency is located as being part of the safety program of such political subdivision shall be exempt from the payment of application fees required by § 18.2-340.25 and the payment of audit fees required by § 18.2-340.31. Nothing in this subsection shall be construed as exempting any organizations described in subdivision 15 of the definition of "organization" in § 18.2-340.16, volunteer fire departments, or volunteer emergency medical services agencies from any other provisions of this article or other Board regulations.

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

§ 18.2-340.26:2. Sale of instant bingo, pull tabs, or seal cards dispensed by mechanical equipment.

As a part of its annual fund-raising event, any qualified organization that is an athletic association or booster club or a band booster club may sell instant bingo, pull tabs, or seal cards that are dispensed by mechanical equipment only, provided that (i) the sale is limited to a single event in a two events of no more than 14 days each per calendar year and (ii) the event is open to the public. Notwithstanding the provisions of § 18.2-340.28, an organization authorized under this section shall not be required to sell such instant bingo, pull tabs, or seal cards at such times designated in the permit for regular bingo games or at a location at which the organization is authorized to conduct regular bingo games pursuant to subsection E of § 18.2-340.27. The Department may require organizations authorized under this section to make such financial reporting as it deems necessary.

Nothing in this section shall be construed as exempting organizations authorized to sell instant bingo, pull tabs, or seal cards under this section from any other provisions of this article or other Board regulations.

§ 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 inventory of charitable gaming supplies purchased, all receipts from its charitable gaming operation, and all disbursements related to such operation. Except as provided in § 18.2-340.23, each qualified organization shall file at least annually, on a form prescribed by the Department, 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

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59 report and any other information related to its charitable gaming operation that the Department may
60 require. In addition, the Board, by regulation, may require any qualified organization, *except any*
61 *qualified organization that realizes annual gross receipts of \$15,000 or less*, whose net receipts exceed a
62 specified amount during any three-month period to file a report of its receipts and disbursements for
63 such period. All reports filed pursuant to this section shall be a matter of public record.

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

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

73 D. Each qualified organization shall maintain for three years a complete written record of (i) all
74 charitable gaming sessions using Department prescribed forms or reasonable facsimiles thereof approved
75 by the Department; (ii) the name and address of each individual to whom is awarded any charitable
76 gaming prize or jackpot that meets or exceeds the requirements of Internal Revenue Service Publication
77 3079, as well as the amount of the award; and (iii) an itemized record of all receipts and disbursements,
78 including operating costs and use of proceeds incurred in operating bingo games.

79 E. The failure to file reports within 30 days of the time such reports are due shall cause the
80 automatic revocation of the permit, and no organization shall conduct any bingo game or raffle
81 thereafter until the report is properly filed and a new permit is obtained. However, the Department may
82 grant an extension of time for filing such reports for a period not to exceed 45 days if requested by an
83 organization, provided the organization requests an extension within 15 days of the time such reports are
84 due and all projected fees are paid. For the term of any such extension, the organization's permit shall
85 not be automatically revoked, such organization may continue to conduct charitable gaming, and no new
86 permit shall be required.