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HOUSE BILL NO. 1127

Offered January 12, 2022

A *BILL to amend and reenact §§ 58.1-4030 and 58.1-4039 of the Code of Virginia and the fourth enactment of Chapter 1197 and the fourth enactment of Chapter 1248 of the Acts of Assembly of 2020, relating to sports betting; Virginia college sports.*

Patron—VanValkenburg

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That §§ 58.1-4030 and 58.1-4039 of the Code of Virginia are amended and reenacted as follows:
§ 58.1-4030. Definitions.

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

"Adjusted gross revenue" means gross revenue minus:

1. All cash and the cash value of merchandise paid out as winnings to bettors, and the value of all bonuses or promotions provided to patrons as an incentive to place or as a result of their having placed Internet sports betting wagers;

2. Uncollectible gaming receivables, which shall not exceed two percent, or a different percentage as determined by the Board pursuant to subsection F of § 58.1-4007, of gross revenue minus all cash paid out as winnings to bettors;

3. If the permit holder is a significant infrastructure limited licensee, as defined in § 59.1-365, any funds paid into the horsemen's purse account pursuant to the provisions of subdivision 14 of § 59.1-369; and

4. All excise taxes on sports betting paid pursuant to federal law.

"Amateur sports" means any sports or athletic event that is not professional sports, college sports, ~~Virginia college sports~~, or youth sports. "Amateur sports" includes domestic, international, and Olympic sports or athletic events. "Amateur sports" does not include charitable gaming, as defined in § 18.2-340.16; fantasy contests, as defined in § 59.1-556; or horse racing, as defined in § 59.1-365.

"College sports" means an athletic event (i) in which at least one participant is a team from a public or private institution of higher education, regardless of where such institution is located; ~~and (ii) that does not include a team from a Virginia public or private institution of higher education.~~

"Covered persons" means athletes; umpires, referees, and officials; personnel associated with clubs, teams, leagues, and athletic associations; medical professionals and athletic trainers who provide services to athletes and players; and the immediate family members and associates of such persons.

"Gross revenue" means the total of all cash, property, or any other form of remuneration, whether collected or not, received by a permittee from its sports betting operations.

"Major league sports franchise" means a professional baseball, basketball, football, hockey, or soccer team that is at the highest-level league of play for its respective sport.

"Motor sports facility" means an outdoor motor sports facility that hosts a National Association for Stock Car Auto Racing (NASCAR) national touring race.

"Official league data" means statistics, results, outcomes, and other data relating to a professional sports event obtained by a permit holder under an agreement with a sports governing body or with an entity expressly authorized by a sports governing body for determining the outcome of tier 2 bets.

"Permit holder" means a person to which the Director issues a permit pursuant to §§ 58.1-4032 and 58.1-4033.

"Personal biometric data" means any information about an athlete that is derived from his DNA, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density, or sleep patterns, or other information as may be prescribed by the Board by regulation.

"Principal" means any individual who solely or together with his immediate family members (i) owns or controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a permit holder or (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership interests of such entity. "Principal" includes any individual who is employed in a managerial capacity for a sports betting platform or sports betting facility on behalf of a permit holder.

"Professional sports" means an athletic event involving at least two human competitors who receive compensation, in excess of their expenses, for participating in such event. "Professional sports" does not include charitable gaming, as defined in § 18.2-340.16; fantasy contests, as defined in § 59.1-556; or

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59 horse racing, as defined in § 59.1-365.

60 "Prohibited conduct" means any statement, action, or other communication intended to influence,
61 manipulate, or control a betting outcome of a sports event or of any individual occurrence or
62 performance in a sports event in exchange for financial gain or to avoid financial or physical harm.
63 "Prohibited conduct" includes statements, actions, and communications made to a covered person by a
64 third party. "Prohibited conduct" does not include statements, actions, or communications made or
65 sanctioned by a sports team or sports governing body.

66 "Proposition bet" means a bet on an individual action, statistic, occurrence, or non-occurrence to be
67 determined during an athletic event and includes any such action, statistic, occurrence, or non-occurrence
68 that does not directly affect the final outcome of the athletic event to which it relates.

69 "Sports betting" means placing wagers on professional sports, college sports, amateur sports, sporting
70 events, or any other event approved by the Director, and any portion thereof, and includes placing
71 wagers related to the individual performance statistics of athletes in such sports and events. "Sports
72 betting" includes any system or method of wagering approved by the Director, including single-game
73 bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play
74 bets, proposition bets, and straight bets. "Sports betting" does not include participating in charitable
75 gaming authorized by Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2; participating in
76 any lottery game authorized under Article 1 (§ 58.1-4000 et seq.); wagering on horse racing authorized
77 by Chapter 29 (§ 59.1-364 et seq.) of Title 59.1; or participating in fantasy contests authorized by
78 Chapter 51 (§ 59.1-556 et seq.) of Title 59.1. ~~"Sports betting" does not include placing a wager on a~~
79 ~~college sports event in which a Virginia public or private institution of higher education is a participant.~~

80 "Sports betting facility" means an area, kiosk, or device located inside a casino gaming establishment
81 licensed pursuant to Chapter 41 (§ 58.1-4100 et seq.) that is designated for sports betting.

82 "Sports betting permit" means a permit to operate a sports betting platform or sports betting facility
83 issued pursuant to the provisions of §§ 58.1-4032, 58.1-4033, and 58.1-4034.

84 "Sports betting platform" means a website, app, or other platform accessible via the Internet or
85 mobile, wireless, or similar communications technology that sports bettors use to participate in sports
86 betting.

87 "Sports betting program" means the program established by the Board to allow sports betting as
88 described in this article.

89 "Sports bettor" means a person physically located in Virginia who participates in sports betting.

90 "Sports event" or "sporting event" means professional sports, college sports, amateur sports, and any
91 athletic event, motor race event, electronic sports event, competitive video game event, or any other
92 event approved by the Director.

93 "Sports governing body" means an organization, headquartered in the United States, that prescribes
94 rules and enforces codes of conduct with respect to a professional sports or college sports event and the
95 participants therein. "Sports governing body" includes a designee of the sports governing body.

96 "Stadium" means the physical facility that is the primary location at which a major league sports
97 franchise hosts athletic events and any appurtenant facilities.

98 "Tier 1 bet" means a bet that is placed using the Internet and that is not a tier 2 bet.

99 "Tier 2 bet" means a bet that is placed using the Internet and that is placed after the event it
100 concerns has started.

101 ~~"Virginia college sports" means an athletic event in which at least one participant is a team from a~~
102 ~~Virginia public or private institution of higher education.~~

103 "Youth sports" means an athletic event (i) involving a majority of participants under age 18 or (ii) in
104 which at least one participant is a team from a public or private elementary, middle, or secondary
105 school, regardless of where such school is located. However, if an athletic event meets the definition of
106 college sports or professional sports, such event shall not be considered youth sports regardless of the
107 age of the participants. An international athletic event organized by the International Olympic Committee
108 shall not be considered to be youth sports, regardless of the age of the participants.

109 **§ 58.1-4039. Events on which betting is prohibited; penalty.**

110 A. 1. No person shall place or accept a bet on youth sports.

111 2. No person shall place or accept a proposition bet on college sports.

112 ~~3. No person shall place or accept a bet on Virginia college sports.~~

113 B. 1. A sports governing body may notify the Department that it desires to restrict, limit, or prohibit
114 sports betting on its sporting events by providing notice in accordance with requirements prescribed by
115 the Director. A sports governing body also may request to restrict the types of bets that may be offered.
116 Notwithstanding § 58.1-4030, for purposes of this section, "sports governing body" includes any
117 organization that is not headquartered in the United States and that otherwise meets the definition of
118 "sports governing body."

119 2. For any request made pursuant to subdivision 1, the requester shall bear the burden of establishing
120 to the satisfaction of the Director that the relevant betting or other activity poses a significant and

121 unreasonable integrity risk. The Director shall seek input from affected permit holders before making a
122 determination on such request.

123 3. If the Director denies a request made pursuant to subdivision 1, the Director shall give the
124 requester notice and the right to be heard and offer proof in opposition to such determination in
125 accordance with regulations established by the Board. If the Director grants a request, the Board shall
126 promulgate by regulation such restrictions, limitations, or prohibitions as may be requested.

127 4. A permit holder shall not offer or take any bets in violation of regulations promulgated by the
128 Board pursuant to this subsection.

129 C. The ~~prohibitions~~ *prohibition* in ~~subdivisions~~ *subdivision* A 1 and A 3 shall be limited to the single
130 game or match in which a youth sports or Virginia college sports team is a participant. The ~~prohibitions~~
131 *prohibition* shall not be construed to prohibit betting on other games in a tournament or multigame
132 event in which a youth sports or Virginia college sports team participates, so long as such other games
133 do not have a participant that is a youth sports or Virginia college sports team.

134 D. Any person convicted of violating this section is guilty of a Class 1 misdemeanor.

135 2. That the fourth enactment of Chapter 1197 and the fourth enactment of Chapter 1248 of the
136 Acts of Assembly of 2020 are amended and reenacted as follows:

137 4. That if the Virginia Lottery (the Lottery) administers a program under which the Lottery
138 issues licenses or permits to operate online sports betting platforms or sports betting facilities, the
139 Lottery shall issue any such licenses or permits to any casino gaming operator licensed under
140 Article 3 (§ 58.1-4108 et seq.) of Chapter 41 of Title 58.1 of the Code of Virginia, as created by
141 this act, regardless of whether such casino gaming operator otherwise meets the requirements for
142 obtaining such license or permit. Any casino gaming operator receiving a license or permit to
143 operate an online sports betting platform and a sports betting facility pursuant to the provisions of
144 this enactment shall be subject to all Virginia statutory or regulatory laws governing sports
145 betting, including: (i) laws defining sports betting and prohibiting any activities related thereto; (ii)
146 fees for applications, licenses, and permits, and any other payments required by the Lottery; and
147 (iii) taxes for offering sports betting. ~~Notwithstanding any law to the contrary, a casino gaming~~
148 ~~operator receiving a license or permit to operate an online sports betting platform or a sports~~
149 ~~betting facility pursuant to the provisions of this enactment shall not allow wagering on any~~
150 ~~athletic event in which at least one participant is a team from a Virginia public or private~~
151 ~~institution of higher education.~~ Any license or permit issued pursuant to the provisions of this
152 enactment shall expire whenever the casino gaming operator is no longer licensed under Article 3
153 (§ 58.1-4108 et seq.) of Chapter 41 of Title 58.1 of the Code of Virginia, as created by this act.