

JOINT MEETING
OF THE
SPECIAL SUBCOMMITTEES
OF THE
HOUSE COMMITTEE ON GENERAL LAWS
AND THE
SENATE COMMITTEE ON GENERAL LAWS AND TECHNOLOGY
STUDYING CHARITABLE GAMING LAWS

Wednesday, April 8, 2009 *9:30 a.m.*
House Room D *General Assembly Building*

Legislative History
Of
Charitable Gaming Since 2000

2000

Passed:

HB 1163 (Albo)–Charitable Gaming Commission; member expenses, notice of meetings, and open records. Provides that Commission members be paid and reimbursed for expenses at the rate of \$50 a day, plus reasonable and necessary expenses. The bill also brings the governing statute of the Charitable Gaming Commission in line with the new Freedom of Information Act, and helps simplify FOI requests for information and records. (Ch. 639).

Failed:

HB 1319 (Ruff)–Charitable Gaming Commission; regulations. Provides that the Virginia Charitable Gaming Commission shall determine fees for permit applications, audits and setting the percentage an organization is required to give. (PBI'd)

Carried over:

HB 944 (Abbitt)–Charitable Gaming Commission; veterans' organizations. Provides that veterans' organizations shall not be subject to the jurisdiction of the Charitable Gaming Commission. Under the bill, however, these organizations must still comply with the law as it relates to the conduct of the charitable gaming.

SB 426 (Couric)–Charitable Gaming Commission; volunteer fire departments and rescue squads. Reduces the record-keeping burden for volunteer fire departments and rescue squads. Such organizations will be required to maintain complete records of all receipts and disbursements from their charitable gaming operations in conformance with generally accepted accounting principles. The bill also requires the Charitable Gaming Commission to audit the records maintained by such organizations every five years.

SB 556 (Potts)–Charitable Gaming Commission; fraternal and veterans' organizations. Provides that fraternal and veterans' organizations shall not be subject to the jurisdiction of the Charitable

Gaming Commission provided (i) participation in any charitable gaming conducted by such organization is limited exclusively to members of the organization and not open to the general public and (ii) no public solicitation or advertisement of charitable gaming is made by the organization. Under the bill, the organizations will remain subject to provisions of the code relating to the conduct of the games.

2001¹

Passed:

HB 1901 (Sherwood)–Charitable gaming; sale of pull tabs. Allows persons employed by a qualified organization authorized to sell pull tabs or seal cards in accordance with charitable gaming laws to sell pull tabs or seal cards provided (a) such sales are conducted by no more than two on-duty employees, (b) such employees shall receive no compensation for or based on the sale of the pull tabs or seal cards, and (c) such sales are conducted in the private social quarters of the organization. Currently, only members of an organization may participate in the conduct of charitable gaming. The bill also contains a technical amendment by deleting an obsolete provision in the charitable gaming law. (Ch. 754).

HB 2375 (Joannou)–Charitable Gaming Commission; regulations. Extends the moratorium until July 1, 2002, for which the Commission shall not revoke, suspend or deny a permit to any organization because of its failure to meet required minimum payments to charity. The bill also requires the Commission to conduct a study of fair market rental values for bingo halls. (Ch. 813).

HB 1177 (Potts)–Charitable Gaming Commission; determination of gross receipts. Provides that the proceeds from pull tabs or seal cards shall not be included in determining the gross receipts for a qualified organization provided the gaming (i) is limited exclusively to members of the organization and their guests, (ii) is not open to the general public, and (iii) there is no public solicitation or advertisement made regarding such gaming. The bill also provides that pull tabs or seal cards may be sold only upon the premises owned or exclusively leased by a qualified organization and at such times as such premises are open only to members of the organization and their guests. (Ch. 833).

2002²

Passed:

HB 931 (Joannou)–Charitable Gaming Commission; fair market rental value. Adds a definition of “fair market rental value” and provides clarification of “winner-take all” games. (Ch. 282).

HB 1233 (Gear)–Charitable gaming; definition of reasonable and proper business expenses. Provides that payments made pursuant to § 51.1-1204 to the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund shall be deemed a reasonable and proper business expense. As a result, a qualified organization may use proceeds from charitable gaming to make contributions to the Fund. (Ch. 340).

¹ No failed or carried over bills in 2001.

² No carried over bills in 2002.

Failed:

SB 571 (Potts)–Charitable Gaming Commission; appointment of Executive Secretary. Provides for the Governor to appoint the Executive Secretary of the Charitable Gaming Commission. The bill also provides for the Executive Secretary to appoint employees of the Commission. Under current law, the Commission appoints the Executive Secretary and employees.

2003

Passed:

SB 1278 (Colgan)–Charitable gaming; creation of the Department of Charitable Gaming. Creates the Department of Charitable Gaming with its director appointed by the Governor. The bill eliminates the Charitable Gaming Commission and in its place creates the Charitable Gaming Board as a policy board. The Charitable Gaming Board has the power to adopt regulations relating to charitable gaming and the Department of Charitable Gaming is responsible for the administration and enforcement of the charitable gaming laws and Board regulations. The bill also provides for the Board to examine regulations, including the computation and percentage of gross receipts that are required to be used for charitable purposes by qualified organizations, and provide a report to the Governor and the 2004 Session of the General Assembly. The bill contains numerous technical amendments. (Ch.884).

Failed:

HB 1650 (Albo)–Charitable Gaming Commission; membership. Specifies that the membership of the Charitable Gaming Commission shall consist of 2 members of a qualified organization, 1 supplier, 1 commercial landlord whose premises are routinely utilized by qualified organizations for the conduct of charitable gaming, and 3 citizen members. Current law does not specify the membership of the Commission. (stricken).

HB 2087 (Abbitt)–Charitable Gaming Commission; winner-take-all games. Prohibits the separate selling of “winner-take-all” bingo games. (stricken).

HB 2214 (Suit)–Virginia Charitable Gaming Commission; fair market rental value; minimum percentage to charity; waiver. Allows the rent paid by an organization for the rental of a bingo hall to be used as a lawful part of an organization’s gross receipts. The bill also provides for a waiver of the Commission-determined percentage of gross receipts going to the charitable purposes for which the organization was specifically organized or chartered, and sets out how and when a waiver may be granted by the Commission. (stricken).

HB 2811 (Gear)–Charitable gaming; definition of reasonable and proper business expenses. Provides that expenses incurred by associations of war veterans or auxiliary units thereof organized in the United States in support of their charter or constitution shall qualify as reasonable and proper business expenses. (stricken).

2004³

Passed:

³ No failed or carried over bills in 2004.

HB 152 (Albo)–Department of Charitable Gaming; permits. Prohibits the Department of Charitable gaming from denying, suspending, or revoking the permit of any organization solely because of its failure to meet the required minimum percentage of its gross receipts required to be used for charitable purposes, as prescribed by regulations adopted pursuant to subdivision 1 of § 18.2-340.19, provided that (i) the organization is otherwise in compliance with the laws and regulations governing charitable gaming in the Commonwealth; (ii) there are no pending criminal charges or prior convictions against an officer of the organization or game manager involving a felony related to fraud, theft, or financial crimes, or involving a misdemeanor related to moral turpitude; and (iii) the Department determines that an organization has used sufficient proceeds for the lawful religious, charitable, community or educational purposes for which the organization is specifically chartered or organized. The bill also provides that this "waiver" shall expire on December 31, 2005, or when replacement regulations adopted pursuant to subdivision 1 of § 18.2-340.19 by the Charitable Gaming Board, become effective, whichever occurs first. (Ch. 213).

HB 437 (Suit)–Charitable gaming; prohibited practices; exceptions. Provides that the statutory limits for the award of any bingo prize money shall not apply to any bingo game, commonly referred to as "Lucky Seven Games" described in the bill, and sets prize limits for these games. (Ch. 275).

2005⁴

Passed:

HB 2454/SB1322 (Suit/Devolites-Davis)–Charitable gaming; Department of Charitable Gaming; registration of bingo manager and a caller; payment of remuneration. Authorizes the payment of remuneration to a bingo manager and a caller by a qualified organization, not to exceed \$100 per session for a manager and \$50 per session for a caller, provided the bingo manager and caller is registered with the Department. The bill sets forth the requirements for registration. The bill contains technical amendments. The bill also allows the Charitable Gaming Board to set the hours of operation of bingo games. This bill is identical to SB 1322. (Ch. 826/776).

Failed:

HB 1689 (Albo)–Charitable gaming; regulations of the Charitable Gaming Board; use of proceeds. Authorizes the Charitable Gaming Board, by regulation, to adopt variations in the types of bingo games and raffles that may be conducted provided such variations result in charitable gaming conducted in a manner consistent with the charitable gaming law. The bill also provides that after payment of business and other lawful expenses, an organization conducting charitable gaming must use all of the remaining receipts for charitable purposes, except that such receipts cannot be less than five percent of the organization's gross receipts. The bill provides that in determining whether to deny, suspend, or revoke the permit of any organization solely because of its failure to meet this requirement, the Department shall consider whether (i) the organization is otherwise in compliance with the laws and regulations governing charitable gaming in the Commonwealth; (ii) there are pending criminal charges or prior convictions against any officer of the organization or game manager involving a felony related to fraud, theft, or financial crimes, or involving a misdemeanor related to moral turpitude; and (iii) the organization, in the opinion of

⁴ No carried over bills in 2005.

the Department, has used sufficient proceeds for charitable purposes. The bill contains technical amendments. (stricken).

HB 2486 (Peterson)–Charitable gaming; poker games authorized. Authorizes the playing of poker as part of charitable gaming. The bill defines the term "poker game" and specifies the conditions under which it may be played. The bill also requires the Charitable Gaming Board to adopt regulations governing the management, operation, and conduct of poker games. Poker games may only be conducted in conjunction with the operation of bingo games, and rules governing the general operation of charitable gaming apply to poker games. Prizes for poker games are capped at \$100.

2006⁵

Passed:

HB 525 (Suit)–Charitable gaming. Adds definitions of conduct, management, and operation and revises several existing definitions. Minors may no longer play bingo with parental consent, but may play only if accompanied by a parent or guardian. The bill allows a qualified organization to accept debit cards, and provides that certain employees of the Department of Charitable Gaming are law-enforcement officers. The bill allows a private security services business to provide security for bingo games. Increases the allowance for a single door prize from \$25 to \$50 and allows \$250 in cumulative door prizes in any one session. Increases the remuneration which may be paid to bingo callers from \$50 to \$100. Differentiates between the management or operation of a charitable game and the conduct of a game for the purposes of criminal convictions and places more restrictions on participation by persons with criminal convictions. Increases the fee for a supplier permit from \$500 to \$1,000. The bill provides that conversion of funds derived from charitable gaming is punishable as larceny. Allows the dissemination of criminal history record information to the Department of Charitable Gaming for the conduct of investigations. (Ch. 644).

HB 1507 (Orrock)–Department of Charitable Gaming; renewal of permits. Provides that if a renewal application is received 45 days or more prior to the expiration of a permit, the permit shall continue to be effective until such time as the Department has taken final action. (Ch. 211).

2007⁶

Passed:

HB 1998 (Suit)–Charitable gaming; definition of instant bingo, pull tabs, and seal cards. Clarifies that Department-approved electronic instant bingo, pull tabs, and seal cards may be used in the conduct of charitable gaming. The bill also requires manufacturers or suppliers of electronic games of chance to have a permit by the Department of Charitable Gaming. (Ch. 264).

HB 2389 (Ingram)–Charitable gaming; use of pull tabs and seal cards. Clarifies that last sales games involving the sale of pull tabs or seal cards are permitted by organizations so long as they are played only on the premises owned or exclusively leased by the organization and at such times as the portion of the premises is open only to members and their guests. (Ch. 196).

⁵ No failed or carried over bills in 2006.

⁶ No failed or carried over bills in 2007.

HB 3078 (Abbitt)–Charitable gaming; regulation of bingo callers; exceptions. Provides that bingo callers for volunteer fire departments and rescue squads and auxiliary units thereof are exempt from registering with the Department in order to receive remuneration as a bingo caller. (Ch. 226).

HB 3140 (Reid)–Charitable gaming; bingo callers. Eliminates membership in a qualified organization in order to be registered with the Charitable Gaming Department as a bingo caller. (Ch. 347).

SB 842 (Colgan)–Department of Charitable Gaming; gross receipts; "winner-take-all" games. Provides that the proceeds from any bingo game commonly referred to as "winner-take-all" games shall not be included in determining the gross receipts for a qualified organization. (Ch. 550).

SB 1154 (Potts)–Department of Charitable Gaming; definitions; athletic associations and band booster clubs. Authorizes an athletic association or athletic booster club, or a band booster club to sell instant bingo, pull tabs, or seal cards as a part of its annual fund-raising event provided that the sale is limited to a single event in a calendar year and the event is open to the public. (Ch. 160).

SB 1179 (Stolle)–Charitable Gaming Department; prohibited practices; bingo jackpot; "winner-take-all" games. Requires organizations to sell and separately account for bingo jackpot games. The bill also authorizes up to two "winner-take-all" games in any given bingo session. (Ch. 790).

2008⁷

Passed:

HB 134 (Albo)–Department of Charitable Gaming; prohibited practices acts; bingo prize money.

Allows qualified organizations to sell bingo cards and the sheets used for bingo jackpot games with other bingo games. The bill provides, however that bingo jackpot cards and sheets must continue to be accounted for separately than other bingo games. (Ch. 352).

SB 696 (Colgan)–Charitable gaming; conduct of raffles. Allows each stub or other detachable section of each ticket won through some other authorized charitable game conducted by the same organization holding the raffle to be included in the raffle drawing. (Ch. 573).

Failed:

HB 226 (Cosgrove)–Charitable gaming; use of proceeds. Provides that the percentage, determined by the Charitable Gaming Board, which an organization must use for charitable purposes, is based on net receipts of the organization and not its gross receipts from charitable gaming.

2009⁸

Passed (1):

HB 2595, Lewis–Charitable gaming; certain permits. Raises the permit exemption threshold from \$25,000 to \$40,000 for all organizations authorized to conduct charitable gaming.

⁷ No carried over bills in 2008.

⁸ No carried over bills in 2009.

(Acts of Assembly Chapter 121)

Failed (6):

HB 1702/SB 1518, Cosgrove/Stolle–Charitable gaming; use of proceeds. Provides that the percentage, determined by the Charitable Gaming Board, which an organization must use for charitable purposes, is based on net receipts of the organization and not its gross receipts from charitable gaming.

House: Left in General Laws

HB 2025, Marshall D W–Charitable gaming; use of proceeds; audit fee. Allows proceeds from charitable gaming to be used for those expenses relating to the acquisition, construction, maintenance, or repair of any interest in real or personal property involved in the operation of the organization and used for lawful religious, charitable, community, or educational purposes. Currently, proceeds may be used only for real property. The bill also based the annual audit fee on net receipts and not gross receipts.

House: Left in General Laws

HB 2053, Gear–Charitable gaming; prohibited acts; exceptions. Provides that where a qualified organization that (i) is exempt from taxation pursuant to § 501 (c) of the Internal Revenue Code and (ii) owns the building or other premises utilized in whole or in part for the purpose of conducting bingo games, such organization may conduct more frequent operations of bingo games, not to exceed four calendar days in any calendar week. The bill also increases bingo prize amounts, allows nonmembers of an organization to operate bingo games provided they are under the direct supervision of a member, and limits to 50 the number of bingo games in a session.

House: Tabled in General Laws (8-Y 6-N)

HB 2331, Athey–Sale of raffle tickets. Provides that raffle tickets may be sold by and that the proceeds of sale shall not be included in determining the gross receipts for a qualified organization. Currently this is limited to instant bingo, pull tabs and seal cards.

House: Left in General Laws

SB 1121, Colgan–Division of Charitable Gaming; conduct of fifty-fifty certain raffles. Authorizes a qualified organization to conduct a raffle commonly referred to as a fifty-fifty raffle subject to certain limitations. The bill also provides that the proceeds from the from a fifty-fifty raffle shall not be included in determining the gross receipts for the qualified organization provided the gaming (i) is limited exclusively to members of the organization and their guests, (ii) is not open to the general public, and (iii) there is no public solicitation or advertisement made regarding such gaming.

Senate: Left in General Laws and Technology (15-Y 0-N)