

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

April 8, 2009 Meeting Summary

The Special Subcommittees of the House Committee on General Laws and the Senate Committee on General Laws and Technology Studying Charitable Gaming Laws held their first joint meeting of 2009¹. Delegate S. Chris Jones, Chair of the House Committee on General Laws commented that while this meeting was essentially organizational due to the time constraints imposed because of the reconvened session of the General Assembly, it is very important that the special subcommittees adhere to some basic guiding principles:

First, there are no preconceived ideas of what should be or needs to be done. We are here to give thoughtful and thorough consideration to various charitable gaming issues outside the press of a General Assembly Session. Year after year, there is legislation affecting how charitable gaming is conducted in Virginia and this legislation has been in piece meal fashion. As a result, the balance between allowing charitable organizations to raise money for charitable purposes and the need to ensure that charitable gaming is properly regulated to prevent misappropriation of funds and other abuses appears to need some attention.

Second, the overriding public policy that the charitable gaming is one of the exceptions to the general rule of law in Virginia that gambling is illegal. Charitable gaming is not an industry, but a vehicle for organizations created for charitable purposes to financially support various charities throughout Virginia. As such, the regulation of charitable gaming is a valid exercise of state's police power to protect the public health, safety, and welfare. This has been the case since charitable gaming--bingo and raffles--was first legalized in Virginia in 1973. We want to ensure that we give the Division of Charitable Gaming the appropriate authority to protect the public health, safety, and welfare.

Third, it has been 14 years since the responsibility for regulation of charitable gaming was transferred from each locality to statewide regulation by a single state agency. Perhaps charitable gaming laws need to be revised to reflect economic realities in 2009; perhaps not. This study will give us the necessary information to make that determination.

Staff provided the special subcommittees with an overview of prior charitable gaming studies and legislation as well as a brief education on Virginia's charitable gaming law. Staff noted that a website had been created for the study to make tracking of the work of subcommittees easily available, where all materials, including agendas, handouts, and handouts will be posted. The website is <http://dls.state.va.us/gaming.htm>. The initial staff study is available on the special subcommittees' website.

By consensus, the special subcommittees agreed to the following general work plan:

- Try for monthly meetings, if feasible. Completion of work by mid-August 2009.
- Address each issue separately (combine issues where appropriate) and on a per meeting basis.

¹ Delegates Jones, E.T. Scott, Abbitt, Dance, and Hull, and Senators McEachin, Vogel, and Barker were present. Delegate Albo was absent.

- Look at other states' laws.
- Perhaps hold some meetings in places other than Richmond.
- Provide opportunity for public comment as issues are first discussed, and after proposed resolution of issue is made.
- No final action until meeting following the proposed action.

The next meetings of the special subcommittees have been tentatively set for early May and June. Actual dates for these meetings will be posted on the website. For the next meeting, the subcommittees requested a presentation from the Division of Charitable Gaming and their staff, including how Virginia compares to other states' laws, information about gross receipts derived from charitable gaming and the amount of which is received by charities, and what deductions from gross receipts are authorized under current law. Delegate Jones suggested that members of the special subcommittees visit a bingo hall in their respective districts during the course of the study and mentioned that the special subcommittees, as a group, may visit a bingo hall.

The Honorable S. Chris Jones, *Chair*
Maria J.K. Everett, *Senior Attorney*