

2025 Internet Gaming (iGaming) Legislation

Presentation to the Virginia Joint Subcommittee on Gaming

Delegate Marcus Simon

HB2171 (Simon) | SB827 (Locke)

Background

What is iGaming?

- “Internet Gaming” or “iGaming” describes online casino games of chance.
- iGaming can be played from a mobile device, tablet or computer.
- iGaming typically includes the following options:
 - Roulette, Craps, Poker, Blackjack, Slots
- When offered in a well-regulated manner, iGaming offers convenience and safety for participants across a jurisdiction.

Quick Stats

- 8 states have legalized iGaming (NV is iPoker only), translates to access for roughly 14% of the U.S. adult population.
- In 2023, the legal iGaming Market Generated \$5.6 billion in Gross Gaming Revenue.
- Virginians wagered an estimated \$16 billion in the illegal, unregulated online casino market in 2024.

iGaming in the Surrounding Region

Virginia is surrounded by jurisdictions that either have legalized iGaming or are seriously contemplating legalization in the next few years.

Legal Mobile Sports Betting and iGaming

- Pennsylvania
- Delaware
- West Virginia

Legal Mobile Sports Betting

- Virginia
- Kentucky
- North Carolina
- Maryland
- Washington, D.C.

Legal iGaming Under Consideration

- Maryland
- North Carolina
- Washington, D.C.

Virginia's iGaming Opportunity

- iGaming is an opportunity for Virginia to modernize its gaming options to help land-based casinos keep pace with potential legalization of skill game machines.
- Virginia could generate an additional **\$5.3 Billion** in new taxable revenue for Virginia over a five-year period from iGaming.
- Over that same period, growth rates of land-based casino gaming revenue is projected to grow **8.4%** more alongside a market with iGaming, from \$1.5 billion to \$1.6 billion.
- Job Growth. iGaming states have outperformed non-iGaming states in land-based gaming jobs, anywhere from **0.6% to 5.4%** per year.

National Association of Attorneys General calls for crackdown on illegal market



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August 5, 2025

The Honorable Pamela Bondi
United States Attorney General
United States Department of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 20530

Submitted via email

Dear Attorney General Bondi:

We, the undersigned State Attorneys General, write to request assistance from the United States Department of Justice ("USDOJ") to address the rampant spread of illegal offshore gaming operations across the United States. Our States have heard reports concerning growth in the illicit offshore gambling markets that could be harming our citizens. While we as States do all we can to protect our citizens, such unlawful enterprises undermine the rule of law, threaten consumer protection, and deprive our States of significant tax revenues and economic benefits. We seek the USDOJ's cooperation in ensuring these companies are brought to justice to the fullest extent available under state and federal law, both criminal and civil, for any potential violations.

Background of Illegal Offshore Gaming

2025 Legislation

In the 2025 session, legislation to legalize iGaming in Virginia was sent to be studied by the Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission.

COMMONWEALTH OF VIRGINIA

SUSAN CLARKE SCHAAR
CLERK OF THE SENATE
POST OFFICE BOX 396
RICHMOND, VIRGINIA 23218



SENATE

March 7, 2025

The Honorable Bryce E. Reeves
Chair, Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission
P.O. Box 7021
Fredericksburg, Virginia 22404

Dear Senator Reeves:

This is to inform you that, pursuant to Rule 20 (o) of the Rules of the Senate of Virginia, the Senate Committee on General Laws and Technology has referred the subject matter contained in Senate Bill 827 to the Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission for study. It is requested that the appropriate committee chair and bill patron receive written reports, with copies to this office, by November 1, 2025.

With kind regards, I am

Sincerely yours,

A handwritten signature in cursive script, reading "Susan", in dark ink.

Susan Clarke Schaar

SCS:lgs

cc: The Honorable Adam P. Ebbin, Chair, Senate Committee on General Laws and Technology
The Honorable Mamie E. Locke, Patron of SB 827
Amigo Wade, Director, Division of Legislative Services

Key Definitions

65 "Internet gaming operator" means a person that is issued an Internet gaming operator license by the
66 Board pursuant to § 58.1-4143.

67 "Internet gaming operator license" means a license issued by the Board to a person to operate, conduct,
68 or offer Internet gaming.

69 "Internet gaming platform" means an integrated system of hardware, software, applications, including
70 mobile applications, and servers through which an Internet gaming operator operates, conducts, or offers
71 Internet gaming.

72 "Internet gaming platform provider license" means a license issued by the Board to a person for the
73 purpose of providing an Internet gaming platform to an Internet gaming operator.

74 "Internet gaming supplier" means an entity that provides services, goods, software, or other components
75 necessary for the offering of Internet games and determination of Internet gaming outcomes to any Internet
76 gaming operator or Internet gaming platform provider, including customer identity services, age verification
77 services, geolocation services, payment processing and similar financial services, live Internet game studios,
78 and any other providers of Internet gaming services authorized by the Commission. "Internet gaming
79 supplier" does not include telecommunications providers, Internet service providers, or any other goods or
80 services not specifically designed for, or designed for use in connection with, Internet gaming.

81 "Internet gaming supplier license" means a license issued by the Board to a person to act as an Internet
82 gaming supplier.

→
"Internet Gaming Operator License" → The license awarded to the Virginia land-based casino that allows them to operate iGaming.

→
"Internet Gaming Operator" → Only Virginia land-based casino operators (those licensed to run casinos in Virginia) are eligible to be iGaming operators.

→
"Internet Gaming Supplier" → The regulated, consumer-facing entity that will provide the platform and software to host iGaming. (Ex: Legal Virginia Sportsbooks)

→
"Internet Gaming Supplier License" → The license awarded to the regulated, consumer-facing entity to host iGaming.

Oversight

§ 58.1-4102. Powers and duties of the Board; regulations.

The Board shall have the power and duty to:

1. Issue permits and licenses under this chapter and supervise all gaming operations licensed under the provisions of this chapter, including all persons conducting or participating in any gaming operation. The Board shall employ such persons to be present during gaming operations as are necessary to ensure that such gaming operations are conducted with order and the highest degree of integrity.

2. Adopt regulations regarding the conditions under which casino gaming shall be conducted in the Commonwealth and all such other regulations it deems necessary and appropriate to further the purposes of this chapter.

3. Adopt regulations regarding the conditions under which Internet gaming shall be conducted in the Commonwealth, and enter into multijurisdictional agreements as necessary pursuant to the provisions of Article 12 (§ 58.1-4142). Such regulations shall be consistent, to the extent practicable, with the Board's regulations governing sports betting.

4. Issue an operator's license only to a person who meets the criteria of § 58.1-4107.

5. Issue subpoenas for the attendance of witnesses before the Board, administer oaths, and compel production of records or other documents and testimony of such witnesses whenever in the judgment of the Board it is necessary to do so for the effectual discharge of its duties.

6. Order such audits as it deems necessary and desirable.

7. Provide for the withholding of the applicable amount of state and federal income tax of persons claiming a prize or payoff for winning a game and establish the thresholds for such withholdings.

The 2025 legislation gave the Virginia Lottery Board oversight of iGaming.

Legislation in 2026 will ensure iGaming falls under the jurisdiction of the Virginia Gaming Commission.

We can also have regulations on temporary licenses through the Virginia Lottery, if needed.

Potential Licensing Structure

Land-based casinos usually pay zero in license renewals – the suppliers they agree with pay both, as determined through private contract (“market access agreements”).

Through market access agreements, supplier license holders pay a large portion of the operator license as well.

Operator (Casino) License

164 § 58.1-4143. Internet gaming; license required; fee; multijurisdictional contracts permitted.

165 A. The Board may issue an Internet gaming operator license to a casino gaming operator that submits an
166 application on forms approved by the Board, meets the qualifications set by the Board in regulations, and
167 pays an application fee of \$1 million.

168 B. An Internet gaming operator license issued pursuant to this section shall be valid for a period of five
169 years from the date of issuance.

Potential Operator License Renewal Time	Potential Operator License Renewal Cost
Annual	\$1 million
3 year	\$5 million
5 year	\$8 million

Supplier/Platform Provider License

Potential Licensing Structure

iGaming operator and supplier licenses will help cover costs associated with establishing and operating the Virginia Gaming Commission.

183 E. The Board may issue an Internet gaming platform provider license to a platform provider that submits
184 an application on forms approved by the Board, meets the qualifications set by the Board in regulations, and
185 pays an application fee of \$50,000. The Board may use information obtained from the applicant pursuant to
186 its license for online sports betting in the Commonwealth, or information furnished by the applicant to other
187 jurisdictions in which the applicant is authorized to conduct Internet gaming.











Potential Supplier License Renewal Time	Potential Supplier License Renewal Cost	Other Options* (Swap costs with operators)
Annual	\$50,000	\$1 million
3 year	\$200,000	\$5 million
5 year	\$300,000	\$8 million

*Though suppliers already pay a large portion of operator licensing cost, suppliers can swap license renewal costs, as currently written in the bill, with operators, if needed.

Operator – Supplier Partnerships

Each casino (iGaming operator) can partner with up to three supplier platforms to offer iGaming. Players will access the internet casino games through their desired platform (Draft Kings, FanDuel, etc.)

170 C. An Internet gaming operator may offer up to **three Internet gaming platforms, either directly or**
171 **through a licensed Internet gaming platform provider.** An Internet gaming operator may contract with up to
172 three Internet gaming platform providers to operate the Internet gaming platforms on its behalf. Each
173 Internet gaming platform shall be offered under a single distinct brand, except that each Internet gaming
174 platform may use a second distinct brand to offer poker. The Internet gaming platforms shall not be required
175 to be branded or co-branded with the brand of the Internet gaming operator or its casino gaming operator.
176 The provisions of this subsection shall not prohibit a holder of an Internet gaming operator license from
177 using fewer than three Internet gaming platforms or from using a single brand to offer both Internet poker
178 and other Internet games on an Internet gaming platform.

Casino	Supplier 1	Supplier 2	Supplier 3
Casino 1	Casino License		
Casino 2	Casino License		
Casino 3	Casino License		
Casino 4	Casino License		
Casino 5	Casino License		

*For illustrative purposes only. Chart does not reflect actual executed market access arrangements.

Internet Gaming Operator

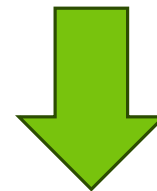
CASINO



Internet Gaming Supplier
and Platform Provider



Casino 1



Legal-aged gaming participants



Operator – Supplier Partnerships

Each casino (iGaming operator) can partner with up to three supplier platforms to offer iGaming. Players will access the internet casino games through their desired platform (Draft Kings, FanDuel, etc.)

Operator selects up to 3 suppliers to partner with.

Supplier provides platform directly to consumers.

**Age and identity requirements;
verifications' geolocation**

**Every transaction takes place
through a registered account
where customer age (21+),
identify and location is verified.**

Voluntary exclusion programs.

**Geolocation technologies to
restrict play in prohibited
locations.**

206 § 58.1-4144. *Age and identity requirements; verification; geolocation.*

207 A. An Internet gaming operator shall provide, or shall require its Internet gaming platform provider to
208 provide, one or more mechanisms on the Internet gaming platform that the Internet gaming operator uses
209 that are designed to reasonably verify that an individual is 21 years of age or older and that Internet
210 wagering is limited to transactions that are initiated and received or otherwise made by an authorized
211 participant located in the Commonwealth or, if the Board authorizes multijurisdictional Internet gaming,
212 another jurisdiction in the United States authorized by such multijurisdictional agreement.

213 B. An individual who wishes to place an Internet wager pursuant to the provisions of this article shall
214 satisfy the verification requirements pursuant to subsection A before such individual may establish an
215 Internet wagering account or make an Internet wager on an Internet game offered by the Internet gaming
216 operator.

217 C. An Internet gaming operator shall include, or shall require its Internet gaming platform provider to
218 include, mechanisms on its Internet gaming platform that are designed to detect and prevent the unauthorized
219 use of Internet wagering accounts and to detect and prevent fraud, money laundering, and collusion.

220 D. Internet gaming operators and Internet gaming platform providers may permit patrons to make
221 deposits and withdrawals from an Internet gaming account using the following methods:

222 1. Online and mobile payment systems that support online money transfers;

223 2. Credit card and debit card;

224 3. Prepaid access instrument; and

225 4. Any other form approved by the Board.

226 E. A patron shall be permitted to use the same account to participate in Internet gaming and sports
227 betting pursuant to Article 2 (§ 58.1-4030 et seq.) of Chapter 40 with an operator or platform provider
228 licensed to conduct both Internet gaming and sports betting.

229 F. An Internet gaming operator, or its Internet gaming platform provider, shall not knowingly authorize
230 any of the following individuals to establish an Internet wagering account or knowingly allow them to wager
231 on Internet games offered by the Internet gaming operator:

232 1. An individual who is younger than 21 years of age; or

233 2. An individual who participates in the voluntary exclusion program.

234 G. An Internet gaming operator shall display, or shall require its Internet gaming platform provider to
235 display, in a clear, conspicuous, and accessible manner, evidence of the Internet gaming operator's Internet
236 gaming license issued pursuant to this article.

Consumer Protections

24/7 Problem Gaming hotline.

Allows users to set parameters on their own activity, including deposit, wagering and time limits.

Allows operators to implement monitoring and intervention capabilities for responsible gaming concerns.

Customers given tutorials on responsible gaming play.

237 § 58.1-4145. *Consumer protections; problem gambling.*

238 *A. In order to assist those persons who may have a gambling problem, an Internet gaming operator shall:*
239 *1. Cause the words "If you or someone you know has a gambling problem and wants help, call 1-800*
240 *-GAMBLER," or some comparable language approved by the Department, which language shall include the*
241 *words "gambling problem" and "call 1-800-GAMBLER," to be displayed prominently to any person visiting*

242 *or logged onto an Internet gaming platform; and*

243 *2. Provide a mechanism by which an account holder may establish the following controls on Internet*
244 *wagering through the Internet gaming account:*

245 *a. A limit on the amount of money deposited within a specified period of time and the length of time the*
246 *account holder will be unable to participate in Internet gaming if the account holder reaches the established*
247 *deposit limit; and*

248 *b. A temporary suspension of Internet gaming through the account holder's Internet gaming account for a*
249 *specified number of hours or days.*

250 *B. The Internet gaming operator shall not send Internet gaming-related electronic mail to an account*
251 *holder while his Internet gaming account is suspended if the suspension is for at least 72 hours. The Internet*
252 *gaming operator shall provide a mechanism by which an account holder may change these controls, except*
253 *that the account holder may not change gaming controls until the suspension expires. The account holder*
254 *shall be permitted to withdraw funds from such account upon proper application therefor.*

255 *C. A person shall not provide or make available computers or other Internet access devices in a place of*
256 *public accommodation in the Commonwealth, including a club or other association, to enable individuals to*
257 *place Internet wagers or play an Internet game. The prohibition under this subsection does not apply to an*
258 *Internet gaming operator aggregating, providing, or making available computers or other Internet access*
259 *devices at its own casino gaming establishment.*

Tax Structure

Virginians wagered an estimated \$16 billion in the illegal, unregulated online casino market in 2024.

The Virginia iGaming market could generate an estimated \$5.3 billion in new taxable revenue over the first five years.

292 § 58.1-4150. *Tax on adjusted gross Internet gaming revenue.*

293 A. There shall be imposed a tax of 15 percent on an Internet gaming operator's adjusted gross Internet
294 gaming revenue.

295 B. The tax imposed pursuant to this section is due monthly to the Department, and the operator shall remit
296 it on or before the twentieth day of the next succeeding calendar month. If the operator's accounting
297 necessitates corrections to a previously remitted tax, the operator shall document such corrections when it
298 pays the following month's taxes.

299 C. If the operator's adjusted gross revenue for a month is a negative number, the operator may carry over
300 the negative amount to a return filed for a subsequent month and deduct such amount from its tax liability for
301 such month, provided that such amount shall not be carried over and deducted against tax liability in any
302 month that is more than 12 months later than the month in which such amount was accrued.

303 D. With the exception of licensing fees, the tax imposed pursuant to this section shall be in lieu of all other
304 taxes and fees imposed on the operation of Internet gaming or on the proceeds from the operation of Internet
305 gaming in the Commonwealth.

306 § 58.1-4151. *Distribution of tax revenue.*

307 A. The Department shall allocate 2.5 percent of the tax revenue collected pursuant to § 58.1-4150 to the
308 Problem Gambling Treatment and Support Fund established pursuant to § 37.2-314.2.

309 B. The Department shall allocate the remaining 97.5 percent of the tax revenue collected pursuant to §
310 58.1-4150 to the general fund.