

# Policy Changes Made by SB 1127

Presentation to the Charitable Gaming Subcommittee



Division of Legislative Services

July 19, 2021

# Overview of How SB 1127 Changed Charitable Gaming Policy

- Stricter restrictions on who may conduct charitable gaming
- Stricter restrictions on where it may be conducted
- Increased oversight of reporting of receipts from charitable gaming
- Limitations on Charitable Gaming Board actions

# Stricter Restrictions on Charitable Organizations

- Stricter requirements for charitable organizations to be eligible
  - Before: Qualified if "operated exclusively for religious, charitable, community or educational purposes"
  - After: Must have 501(c) status and are limited to \$40,000 in gross receipts
- Required registration with VDACS
  - Before: Didn't have to register if less than \$40,000 in gross receipts
  - After: Registration required, but exempt from application and audit fees

# Stricter Restrictions on Bingo, Pull Tabs, and Seal Cards

- Requirement that bingo, pull tabs, and seal cards be conducted only in the home locality
  - Before: Could conduct these games throughout the Commonwealth
  - After: Only in the organization's home locality
- Prohibition of conducting these games at an ABC licensee
  - Before: Could conduct these games at an ABC-licensed location
  - After: May do so only if the organization is the ABC license holder
- Neither of these restrictions apply to veterans lodges or fraternal organizations

# Increased Oversight of Gross Receipts

- Percentage of receipts dedicated to charitable purposes is set by statute
  - Before: Board authorized to set percentage by regulation
  - After: Frozen at its current number (10%) until this Subcommittee completes its study
- Prohibition of deducting from gross receipts the organization's expenses to third-party operators
  - Before: Some organizations that conducted Texas Hold'em deducted these expenses, reducing their reported gross receipts
  - After: May not deduct this kind of expense

# Limits on Board Actions

- Exemption from the 18-device limit for instant bingo, pull tabs, and seal cards
  - Before: Charitable Gaming Board could waive the limit
  - After: Prohibited from waiver
- Denying permits for legal violations
  - Before: Board was authorized, but not required, to deny or revoke a permit for certain violations
  - After: Required to do so