



Virginia
Regulatory
Town Hall

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Notice of Intended Regulatory Action (NOIRA) Agency Background Document

Agency name	Charitable Gaming Board
Virginia Administrative Code (VAC) citation	11 VAC 15-40
Regulation title	Charitable Gaming Regulations
Action title	Pursuant to Chapters 36 (SB 930) and 350 (HB 2178) of the 2013 Acts of Assembly, amendments to add provisions for a new bingo game called "network bingo". Additional amendments will be made to clarify various provisions of the current regulations.
Date this document prepared	September 10, 2013

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Purpose

Please describe the subject matter and intent of the planned regulatory action. Also include a brief explanation of the need for and the goals of the new or amended regulation.

Chapters 36 (Senate Bill 930) and 350 (House Bill 2178) of the 2013 Acts of Assembly amend the charitable gaming statute, Title 18.2, Chapter 8, Article 1.1:1 of the *Code of Virginia*, to require the Charitable Gaming Board (Board) to adopt regulations pertaining to a new bingo game called "network bingo". This regulatory action is intended to promulgate the required regulations for network bingo, as well as amend provisions of the current regulations to clarify language and intent.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.

Section 18.2-340.15 of the *Code of Virginia* authorizes the Board to prescribe regulations and conditions under which charitable gaming is to be conducted in Virginia to ensure consistency with the purpose for which such gaming is permitted. Chapters 36 and 350 of the 2013 Acts of Assembly amended the charitable gaming statute to require the Board to adopt regulations that prescribe the conditions under which organizations may conduct network bingo.

On September 10, 2013, the Board voted unanimously to file this Notice of Intended Regulatory Action.

Need

Please detail the specific reasons why the agency has determined that the proposed regulatory action is essential to protect the health, safety, or welfare of citizens. In addition, delineate any potential issues that may need to be addressed as the regulation is developed.

The conduct of charitable gaming is a privilege granted to qualified organizations as a means to fund various charitable, community, educational or religious purposes. Attendance at gaming events has decreased significantly in recent years due to changing demographics --organizations are having difficulties attracting and retaining younger players-- as well as the downturn in the economy. This, in turn, has lead to a sharp decrease in charitable gaming receipts in the Commonwealth, from a high of \$321 million in 2007 to \$265 million in 2011. Network bingo is intended to provide charitable gaming organizations a new option to promote greater attendance at their gaming events and, in turn, increase gross revenues and the total amount of money available for charitable purposes, thereby assisting in the protection of the welfare of Virginia’s citizens.

Although the agency has not identified any potential issues related to network bingo at this time, the agency expects to engage network bingo providers in dialogue as it develops the regulations.

Substance

Please detail any changes that will be proposed. Be sure to define all acronyms. For new regulations, include a summary of the proposed regulatory action. Where provisions of an existing regulation are being amended, explain how the existing regulation will be changed.

Chapters 36 and 350 of the 2013 Acts of Assembly amended the charitable gaming statute to require the Board to adopt regulations that prescribe the conditions under which organizations may conduct network bingo. These regulations will also establish a percentage of the proceeds derived from network bingo sales that must be allocated to (i) prize pools, (ii) the organization conducting the network bingo, and (iii) the network bingo provider. The regulations will establish procedures for retaining and the ultimate distribution of any unclaimed prize.

This regulatory action will also include amendments to clarify existing provisions in the regulations in order to address questions that have arisen subsequent to November 2012, when 11 VAC 15-40 *et seq.* became effective.

Alternatives

Please describe all viable alternatives to the proposed regulatory action that have been or will be considered to meet the essential purpose of the action. Also, please describe the process by which the agency has considered or will consider other alternatives for achieving the need in the most cost-effective manner.

The promulgation of charitable gaming regulations governing network bingo is required by Chapters 36 and 350 of the 2013 Acts of Assembly; therefore, no alternatives to this proposed action exist.

Public participation

Please indicate whether the agency is seeking comments on the intended regulatory action, including ideas to assist the agency in the development of the proposal and the costs and benefits of the alternatives stated in this notice or other alternatives. Also, indicate whether a public hearing is to be held to receive comments on this notice.

Please also indicate pursuant to your Public Participation Guidelines whether a panel will be appointed to assist in the development of the proposed regulation. Please state one of the following: 1) a panel will be appointed and the agency's contact if you're interested in serving on the panel is _____; 2) a panel will not be used; or 3) public comment is invited as to whether to use a panel to assist in the development of this regulatory proposal.

The agency is seeking comments on this regulatory action, including but not limited to 1) ideas to be considered in the development of this proposal, 2) the costs and benefits of the alternatives stated in this background document or other alternatives, and 3) potential impacts of the regulation. The agency is also seeking information on impacts on small businesses as defined in § 2.2-4007.1 of the Code of Virginia. Information may include 1) projected reporting, recordkeeping and other administrative costs, 2) the probable effect of the regulation on affected small businesses, and 3) the description of less intrusive or costly alternatives for achieving the purpose of the regulation.

Anyone wishing to submit comments may do so via the Regulatory Town Hall website (<http://www.townhall.virginia.gov>), or by mail, email, or fax to:

Michael Menefee
Program Manager, Office of Charitable and Regulatory Programs
VDACS, Division of Consumer Protection
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Richmond, VA 23218
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Written comments must include the name and address of the commenter. In order to be considered, comments must be received by midnight on the last day of the public comment period.

A public hearing will be held following the publication of the proposed stage of this regulatory action and notice of the hearing will be posted on the Virginia Regulatory Town Hall website (<http://www.townhall.virginia.gov>) and on the Commonwealth Calendar website (<http://www.virginia.gov/cmsportal3/cgi-bin/calendar.cgi>). Both oral and written comments may be submitted at that time.

A regulatory advisory panel will be appointed. Please communicate your interest in serving on the panel to the individual listed above.

Family impact

Assess the potential impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

The proposed regulatory action will have no impact on the institution of the family and family stability.