



Virginia
Regulatory
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Proposed Regulation Agency Background Document

Agency name	Department of Charitable Gaming
Virginia Administrative Code (VAC) citation	11 VAC 15 -31
Regulation title	Supplier Regulations
Action title	Amendments to reflect Chapters 196, 790 (2007 Acts of Assembly)
Date this document prepared	March 10, 2007

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 36 (2006) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

In a short paragraph, please summarize all substantive changes that are being proposed in this regulatory action.

The current supplier regulations section entitled "definitions" has additions and changes to reflect changes from the above mentioned chapters. "Last sale game" and bingo jackpots" were added to provide clarity from 2007 legislation.

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter number(s), if applicable, and (2) promulgating entity, i.e., the agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

Statutory Authority:

§ 18.2-340.15 (A & B) - State control of charitable gaming.

§ 18.2-340.19 (A) – Regulations of the Board

§18.2-340.34(B) – Suppliers of charitable gaming supplies; manufacturers of electronic games of chance systems; permit; qualification; suspension, revocation or refusal to renew certificate; maintenance, production, and release of records.

Changes as a result of the following 2007 Acts of Assembly; Chapters 160, 226, 347, 541, and 790.

Approved by the Charitable Gaming Board on June 5, 2007. See attached letter(s) from legal counsel.

Purpose

Please explain the need for the new or amended regulation by (1) detailing the specific reasons why this regulatory action is essential to protect the health, safety, or welfare of citizens, and (2) discussing the goals of the proposal, the environmental benefits, and the problems the proposal is intended to solve.

The passage of HB 2389 and SB 1179 required changes to the agency's gaming regulations.

Substance

Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. (More detail about these changes is requested in the "Detail of changes" section.)

"Last Sale Game" means those pull-tab games where an automatic instant prize or a chance at a seal prize is offered for the purchaser of the last remaining ticket in the deal; §18.2-340.26:1 restricts the sales of these games to social quarters only; and the invoice must clearly state "Last Sale Games for Social Quarters Only". Added the definition (HB 2389) to provide clarity when these types of sales can occur.

“Pack” means sheets of bingo paper or electronic facsimiles assembled in the order of games to be played. This may include specials ~~and jackpots~~, but shall not include any bingo jackpots, winner-take-all, Lucky Seven or raffle. This clarifies the meaning (SB 1179) for bingo jackpot.

Issues

Please identify the issues associated with the proposed regulatory action, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public.

If the regulatory action poses no disadvantages to the public or the Commonwealth, please so indicate.

Changes were due to legislative mandates from 2007 General Assembly. The existing regulations are not reflective of these actions and no other alternatives were considered. It is anticipated that the proposed regulatory action will pose no disadvantages to the public or the Commonwealth.

Requirements more restrictive than federal

Please identify and describe any requirement of the proposal which are more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.

N/A

Localities particularly affected

Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.

Charitable Gaming Rules and Regulations are state-wide.

Public participation

Please include a statement that in addition to any other comments on the proposal, the agency is seeking comments on the costs and benefits of the proposal and the impacts of the regulated community.

In addition to any other comments, the board/agency is seeking comments on the costs and benefits of the proposal and the potential impacts of this regulatory proposal. Also, the agency/board is 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) probable effect of the regulation on affected small businesses, and 3) description of less intrusive or costly alternative methods of achieving the purpose of the regulation.

Anyone wishing to submit written comments may do so by mail, email or fax to Betty Bowman, Department of Charitable Gaming, 101 N. 14th Street, 17th Floor, Richmond, VA 23219 (804) 225-2598, FAX: (804) 786-1079. Written comments must include the name and address of the commenter. In order to be considered comments must be received by the last date of the public comment period.

Economic impact

Please identify the anticipated economic impact of the proposed regulation.

Projected cost to the state to implement and enforce the proposed regulation, including (a) fund source / fund detail, and (b) a delineation of one-time versus on-going expenditures	Printing – \$4,000 (one-time) * Web changes - \$320 (one-time)*
Projected cost of the regulation on localities	N/A
Description of the individuals, businesses or other entities likely to be affected by the regulation	Charitable Gaming Organizations – 560 Suppliers - 22
Agency’s best estimate of the number of such entities that will be affected. Please include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	Suppliers – 22 companies
All projected costs of the regulation for affected individuals, businesses, or other entities. Please be specific. Be sure to include the projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses.	\$4,320* * This cost is included in NOIRA Action #2483

Alternatives

Please describe any viable alternatives to the proposal considered and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the action. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in §2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulation.

Changes were due to legislative mandates from the 2007 General Assembly.

Regulatory flexibility analysis

Please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.

Changes to these regulations were required as a result of legislation passed during the 2007 General Assembly.

Public comment

*Please summarize all comments received during public comment period following the publication of the NOIRA, and provide the agency response. **NO COMMENTS WERE RECEIVED***

Commenter	Comment	Agency response

Family impact

Please assess the 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.

It is anticipated that the proposed regulatory action will have no impact on the institution of the family and family stability.

Detail of changes

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail all new provisions and/or all changes to existing sections.

If the proposed regulation is intended to replace an emergency regulation, please list separately (1) all changes between the pre-emergency regulation and the proposed regulation, and (2) only changes made since the publication of the emergency regulation.

For changes to existing regulations, use this chart:

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
11 VAC 15-31-10	N/A	No definition was listed	<p>“Last Sale Game” means those pull-tab games where an automatic instant prize or a chance at a seal prize is offered for the purchaser of the last remaining ticket in the deal; §18.2-340.26:1 restricts the sales of these games to social quarters only; and the invoice must clearly state “Last Sale Games for Social Quarters Only”.</p> <p>“Pack” means sheets of bingo paper or electronic facsimiles assembled in the order of games to be played. This may include specials and jackpots, but shall not include any bingo jackpots, winner-take-all, Lucky Seven or raffle.</p>

Enter any other statement here