

FINAL MINUTES

Charitable Gaming Board – Use of Proceeds Subcommittee
Department of Agriculture and Consumer Services
Patrick Henry Building
East Reading Room (Room 1035)
1111 East Broad Street
Richmond, Virginia
April 2, 2025

CALL TO ORDER

The Honorable Dirksen Compton called the meeting to order at 9:50 AM. The Hon. Dirksen Compton asked Mr. Michael Menefee to call the roll.

MEMBERS PRESENT:

The Honorable Dirksen Compton, Chair
Ms. Joanne Smith, Vice-Chair
Mr. Mark Biladeau
Mr. Michael Kimlick

MEMBERS ABSENT:

None

VDACS STAFF PRESENT:

Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

Mr. Menefee informed The Hon. Dirksen Compton that a quorum was present.

SUBCOMMITTEE DISCUSSION

Ms. Joanne Smith recommended lowering the use of proceeds for electronic gaming/pull-tab devices from 20% to 10% of the adjusted gross receipts to align it with the use of proceeds requirement for other forms of charitable gaming, which is 10% of the gross receipts. Ms. Smith stated that the agreement to split the adjusted gross receipts 50/50 with the manufacturer of electronic gaming/pull-tab devices has a significant impact on an organization's profitability. She stated there is a lot of work to monitor and manage the electronic gaming/pull tab activities. Furthermore, the receipts from electronic gaming/pull-tab devices are volatile since the organization does not know when a larger prize will be won by a player. Ms. Smith stated the organization is looking for a reprieve.

Mr. Michael Kimlick supported the comments from Ms. Smith. Furthermore, Mr. Kimlick reported the American Legion uses revenue from charitable gaming activities to support and administer its mission. He further stated the legion's donation budget is forecasted based on the expected revenue from charitable gaming activities and its fiscal year operates from July 1 to June 30 of each year. Lastly, Mr. Kimlick added that due to the complexity of the charitable gaming statutes and regulations, he requested assistance from the agency to aid organizations

in understanding them. In response, Mr. Menefee stated the agency is developing a training session to assist with improving the understanding of the charitable gaming statutes and regulations.

Mr. Mark Biladeau stated that manufacturers of electronic gaming/pull-tab devices are offering a range of percentages to split the adjusted gross receipts, so organizations may wish to engage in those discussions with manufacturers.

PUBLIC COMMENT

The Hon. Dirksen Compton asked for public comments and there were none.

With no public comment, Mr. Kimlick motioned for the subcommittee to adjourn, which was seconded by Ms. Smith and the motion passed.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs