

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
Pop's Bingo World
210 Giant Drive
Richmond, Virginia
Tuesday, August 11, 2020

CALL TO ORDER

Mr. Charles Lessin called the meeting to order at 12:09 p.m. Mr. Lessin reminded the Board and the public to maintain social distancing and wear their facial mask during the meeting.

Mr. Lessin led members and the public in the pledge of allegiance.

Mr. Lessin asked Mr. Michael Menefee to call the roll.

MEMBERS PRESENT:

Mr. Charles Lessin, Chair
Ms. Tanya Conrad, Vice-Chair
The Honorable William Feasenmyer
Mr. Samuel Kaufman
Mr. James Lewis
Ms. Amy Solares
The Honorable Ryant Washington

MEMBERS ABSENT:

Ms. Lasonja Black
Mr. Clay Dawson
Ms. Lea Roberts

VDACS STAFF PRESENT:

Mr. Larry Nichols, Director, Division of Consumer Protection
Mr. Joel Maddux, Deputy Director, Division of Consumer Protection
Mr. Michael Menefee, Program Manager, Office of Charitable and Regulatory Programs

Mr. Menefee informed Mr. Lessin that a quorum was present.

MESSAGE FROM THE CHAIR

Mr. Lessin stated he did not have a message for the Board.

APPROVAL OF MINUTES

Mr. Lessin asked for a motion to approve the draft minutes of the July 8, 2020, and July 14, 2020 Board meetings. Mr. James Lewis motioned approval of the draft minutes as presented. Ms. Amy Solares seconded the motion and it passed by a unanimous vote. Mr. Lessin moved onto the next item on the agenda.

REPORT FROM BOARD MEMBERS

Mr. Lessin asked members whether they had any reports for the Board. Hon. William Feasenmyer spoke about the impact of the spread of private social quarters in the Commonwealth and he intends to speak out more on this issue during Board meetings. With no further remarks from members, Mr. Lessin moved on the Program Manager's Report.

PROGRAM MANAGER'S REPORT

Mr. Lessin asked Mr. Menefee whether he had a report for the Board. Mr. Menefee informed members that the Office of Charitable and Regulatory Programs (OCRCP) continues to work closely with VDACS's Information System and Virginia Interactive, an information system contractor to modify the Online Financial Reporting System, which tracks financial reports and maintains the report's data to change the audit and administration fee rate from 1.125% to 1.375% pursuant to Chapter 982 of the 2020 Acts of Assembly (SB936). Also, Mr. Menefee stated new guidance from the Governor's Office on social distancing was issued for the Hampton Road region, which caused some confusion among charitable gaming organizations whether they could continue to conduct their indoor bingo sessions. The issue was resolved after further guidance was obtained from the local health department. Lastly, OCRCP continues to process renewal application and permit amendments as charitable gaming organization adjust to the COVID-19 pandemic. Mr. Lessin asked members whether they had any questions for Mr. Menefee. With no questions, Mr. Lessin moved onto the next agenda item.

REPORT FROM WORKGROUPS

Mr. Lessin asked the Chairs of the workgroups whether they had any reports for the Board. Mr. Lewis informed members that the Game Variance Workgroup received two applications requesting approval for a game variance, one application dealt with remote play of electronic pull-tab tickets and the other application dealt with an automatic play and multiple ticket purchase features for electronic pull-tab devices. For the application pertaining to remote play of electronic pull-tab tickets, Mr. Lewis stated the workgroup reported the application to the Board with a recommendation to deny it on the reasoning that remote play is not a game variance. Mr. Lewis further stated that if the Board wants to allow remote play of electronic pull-tabs, then it may wish to consider amending the 11VAC15-40, Charitable Gaming Regulations to allow it. As for the other application, which dealt with an automatic play and multiple ticket purchase features for electronic pull-tab devices. Mr. Lewis stated the workgroup received guidance from the Office of the Attorney General that such a feature is not a game variance and if the Board wished to allow this feature for use on the electronic pull-tab devices, then it needed to consider amending 11VAC15-40, Charitable Gaming Regulations in lieu of fast tracking the approval as a game variance. Mr. Lewis further stated that workgroup reported the application

to the Board without a recommendation. Hon. Feasenmyer had a question whether paper instant bingo/seal card/pull-tab dispensed by a mechanical device was governed by a different section within 11VAC15-40, Charitable Gaming Regulations. Mr. Samuel Kaufman had questions related to the reasoning of the initial rules and he understood the need to change them with the approval of this game variance application. Mr. Lessin asked members whether they wish to make a motion on this game variance application. Mr. Lewis motioned to request VDACS to develop rules to govern the automatic play and multiple ticket purchase features for electronic pull-tab devices. Hon. Ryant Washington seconded the motion and it passed by a unanimous vote. Lastly, Mr. Lewis explained a recent game variance application on a game called "Crazy Kite" and he further stated the workgroup will evaluate it.

Mr. Kaufman, Chair of the Use of Proceeds Workgroup stated the workgroup recommends granting the Board the authority to review the use of proceeds every two years and at its discretion; and if appropriate, to change the use of proceeds. Mr. Kaufman stated he supported the concept as it provides flexibility to the Board. Mr. Lewis stated the Board will still have to make a decision on the percentage of gross receipts that must be used for charitable, religious, community, and educational purposes. Ms. Solares provided comments in support of this concept. Mr. James Lewis motioned approval of the workgroup's recommendation as presented. Hon. Feasenmyer seconded the motion and it passed by a unanimous vote. Without further remarks, Mr. Lessin asked Mr. Menefee to report back to the Board on filing a Notice of Intended Regulatory Action (NOIRA) and he moved onto old business.

OLD BUSINESS

Mr. Lessin informed members that the Texas Hold'em Poker Tournament Workgroup met for three days, July 28, July 29, and July 30, 2020, to develop draft regulations for Texas Hold'em poker tournament. Mr. Lessin further stated workgroup received many comments and it moved quickly to develop the text of the draft regulations. Mr. Lessin stated he used Mr. Steven Skaist with Hirschler Fleischer, who wrote the draft regulations for the Board. Mr. Lessin stated it is his intention to cancel the Board meeting on September 8, 2020, and to schedule another Board meeting on September 15, 2020. Lastly, Mr. Lessin stated will have public comment for 30 days once the draft regulations were published in the Registrar of Regulations.

Mr. Lessin asked whether any members of the public had any comments, Mr. Benka stated that four locations within the Hampton Roads area were conducting illegal poker games and asked the Board to respond to it. Mr. Lessin stated he considered the illegal poker games were a threat to charitable gaming and he stated he was open to consider a motion from a member to address this particular issue immediately. Ms. Solares stated that she believes enforcement needs to be equal across the board and fair as several of these locations mentioned earlier were conducting poker prior to July 1, 2020, when Texas Hold'em poker tournament became an authorized activity under the charitable gaming statutes. Mr. Lewis motioned to direct the Board's Chair to speak with the Office of the Attorney General for the purpose of obtaining a letter from them, which the letter will advise the Commonwealth's Attorney that there is no mechanism right now for

any entity to conduct poker in the Commonwealth. Hon. Feasenmyer seconded the motion, which was passed by a unanimous vote.

Mr. Lessin stated that as Chair of the Texas Hold'em Poker Tournament Workgroup, he is presenting to the Board a set of draft regulations, which were developed with input from stakeholders. He further stated that the regulations are ready to be posted within the next two days in order to initiate the public comment period. At the conclusion of the public comment period, Mr. Lessin stated he wished for the Board to meet again on September 15, 2020, to render a final decision on the draft regulations. Mr. Lessin began reviewing the draft regulations.

At 1:45 p.m., Mr. Lessin called the Board into recess for a break.

At 1:59 p.m., Mr. Lessin called the Board back to order.

Mr. Lessin stated he spoke with members and they are in agreement to move forward with a motion to approve the draft regulations and post them to the Virginia Townhall website immediately in order to initiate the public comment period. As such, Mr. Lessin motioned to approve the recommendation of the Texas Hold'em Poker Tournament Workgroup to accept the draft regulations, as presented, and to post them to the Virginia Townhall website as soon as possible in order to begin the public comment period. Hon. Feasenmyer seconded the motion, which was passed by a unanimous vote.

With no further old business before the Board, Mr. Lessin moved onto new business.

NEW BUSINESS

Mr. Lessin asked members whether they had any new business for the Board to consider. With no new business before the Board, Mr. Lessin moved onto public comment.

PUBLIC COMMENT

Mr. Lessin reminded members of the upcoming Board meeting on September 15, 2020, in Richmond. Mr. Marty Williams, Chair of the Virginia Charitable Gaming Council asked Mr. Lessin what he intends to do as Chair with a possible conflict of interest that one of the Board members, who is allegedly conducting an illegal poker game mentioned earlier. In respond, Mr. Lessin stated he would speak with Mr. Williams after the conclusion of this meeting.

With no further comments from the public and there being no further business, the Board adjourned at 2:06 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs