

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
Varina Library
Meeting Room
1875 New Market Road
Henrico, Virginia
Tuesday, March 10, 2020

CALL TO ORDER

Mr. Charles Lessin called the meeting to order at 12 p.m. Mr. Lessin led the Board and the public in attendance with 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
Ms. Petrina Jones
Mr. Samuel Kaufman
Mr. James Lewis
Ms. Lea Roberts
Ms. Amy Solares

MEMBERS ABSENT:

None

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.

APPROVAL OF MINUTES

Mr. Lessin asked for a motion to approve the draft minutes of the November 12, 2019, December 10, 2019, and January 7, 2020, Board meetings. Mr. James Lewis motioned approval of the draft minutes as presented. Ms. Petrina Jones seconded the motion and it passed by a unanimous vote.

REPORT FROM BOARD MEMBERS

Mr. Lessin asked members whether they had any reports for the Board. With no remarks from members, Mr. Lessin informed members that there were no reports before the Board.

REPORT FROM THE BOARD'S WORKGROUPS

Mr. Lessin asked Mr. Lewis, Chair of the Game Variance Workgroup to make his report to the Board on the workgroup's activities. Mr. Lewis stated the workgroup approved the inclusion of a Freedom of Information Act disclosure statement to its Game Variance Approval Application and a deadline schedule for it to consider submitted applications. Both the application and schedule will be posted to the Board's webpage. With no further comments from Mr. Lewis, Mr. Lessin asked Ms. Jones, Chair of the Legislative Recommendation Workgroup whether she had a report for the Board on the workgroup's activities. Ms. Jones stated she did not have a report for the Board. Mr. Lessin thanked Ms. Jones and asked Mr. Samuel Kaufman, Chair of the Use of Proceed Workgroup whether he had a report for the Board on the workgroup's activities. Mr. Kaufman stated the workgroup continues to look at creating a dual-track use of proceeds system, or in other words, two different use of proceeds requirements, one for the gross receipts generated by electronic pull-tabs devices used before, during and after a bingo session, and the other for gross receipts generated by all other charitable gaming activities. Ms. Tanya Conrad asked whether organizations, who are not meeting the current use of proceeds requirement will be notified by the Office of Charitable and Regulatory Programs (OCRCP) on its failure to meet the requirement. Mr. Menefee responded informing the Board that OCRCP will notify organizations of such failure once the annual financial reports are entered into the Financial Reporting System. With no further comments, Mr. Lessin moved to 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 OCRCP is working closely with the Virginia Problem Gambling Council to create a new compulsive gambling poster, which is required to be posted by an organization while it conducts a bingo session. Mr. Menefee further stated that the poster will be finalized shortly. Additionally, Mr. Menefee informed members that the 2020 General Assembly session was active and it will be further discussed under new business for the Board. Mr. Lessin asked members whether they had any questions for Mr. Menefee. With no questions, Mr. Lessin moved onto the next agenda item.

OLD BUSINESS

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

NEW BUSINESS

Mr. Lessin informed members that the 2020 General Assembly session considered several legislative bills and four of them were passed by the legislature. Mr. Lessin explained House Bill 1681 (Willett), which increased the number of electronic pull-tab devices allowed in an organization's private social quarters to 18 devices, and granted the Board explicit authority to grant exceptions to this limitation. Under the current Charitable Gaming Regulations, the Board

limited the number of devices in an organization's private social quarters to nine devices. Ms. Lea Roberts questioned whether this bill will encourage an increase in the number of private social quarters opening up in the Commonwealth as individuals look to expand the availability of the devices. Mr. Menefee stated that the Board will need to consider developing policies and procedures on how it wishes to consider requests to grant exceptions to the new limitation. With no further remarks, Mr. Lessin moved onto the next legislative bill.

Mr. Lessin explained House Bill 1690 (Keam) in which he stated that a volunteer fire department in Northern Virginia approached Delegate Keam to increase the prize limitations. Mr. Lessin stated that he met with Delegate Keam to inform him that the Board already discussed raising the prizes and opted not to do so. Mr. Lessin stated that Delegate Keam was asked to pass by the bill from further legislative consideration due to stakeholder feedback. In response to this bill, the Board is required to convene a stakeholder workgroup to review whether there should or should not be an increase in the prize limitations. Mr. Larry Nichols asked Mr. Lessin what constitutes a stakeholder workgroup and in response, Mr. Lessin stated the Board can accomplish the convening of a stakeholder workgroup by having an open meeting of the Board and receiving public comment during that meeting on whether there should or should not be an increase in the prize limitations. Mr. Justin Bell offered guidance to the Board by stating that a stakeholder workgroup is a group of stakeholders, including charities, volunteer fire department, suppliers, etc. to discuss a particular subject. A stakeholder workgroup must be announced publicly. Mr. Lessin stated that the Board can send out an invitation to all interested parties to solicit their feedback on whether there should or should not be an increase in the prize limitations during the public comment period at the next three Board meetings. Mr. Lewis suggested that the Board consider creating a survey to solicit feedback on the topic and he was willing to develop it for the Board. With no further remarks, Mr. Lessin moved onto Senate Bill 199 (Barker).

Mr. Lessin explained Senate Bill 199 (Barker) is a bingo modernization bill that the Board recommended to the Governor's administration, but they opted not to take a position on the recommendation or the bill. Mr. Lessin further stated that the bill frees up the charities by lifting certain restrictions. With no further remarks, Mr. Lessin moved onto the next legislative bill.

Mr. Lessin explained Senate Bill 936 (Petersen) will allow Texas Hold'em poker tournaments to play by the same set of rules established for bingo by allowing the tournaments to operate seven days a week. Mr. Lessin further stated that the Board will have to adopt regulations governing the tournaments. Mr. Nichols cautioned the Board to take its time when developing the regulations and speak with industry experts because after the initial adoption, any changes to the regulations will take two to three years to complete. Mr. Bell offered guidance to the Board on receiving public comment and the regulatory changes, which will govern the tournaments. Mr. Lewis stated that he had concern over the denial of service by a group of players during a tournament and the Board needs to ensure the operator has a mechanism for it to deny service to certain players for cheating. He further stated that the regulations need to address the detecting of mark cards and how to handle this particular cheating technique.

Mr. Lessin asked whether any member had any further new business he/she wished to bring before the Board. With no further new business before the Board, Mr. Lessin moved onto public comment.

PUBLIC COMMENT

Mr. Lessin reminded members of the upcoming Board meeting on April 14, 2020, in Richmond.

With no comments from the public and there being no further business, the Board adjourned at 1:15 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs