

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
Pop's Bingo World
210 Giant Drive
Richmond, Virginia
Wednesday, July 8, 2020

CALL TO ORDER

Mr. Charles Lessin called the meeting to order at 12:05 p.m. Mr. Lessin reminded the Board and the public to maintain social distancing and wear their facial mask during the meeting.

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

MEMBERS PRESENT:

Mr. Charles Lessin, Chair
Mr. Clay Dawson
Ms. Petrina Jones
Mr. Samuel Kaufman
Ms. Lea Roberts
Ms. Amy Solares
The Honorable Ryant Washington

MEMBERS ABSENT:

Ms. Tanya Conrad, Vice-Chair
The Honorable William Feasenmyer
Mr. James Lewis

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.

Mr. Lessin reviewed the agenda and informed members that most of the Board's time today will focus on the development of regulations for Texas Hold'em poker tournaments.

APPROVAL OF MINUTES

Mr. Lessin asked for a motion to approve the draft minutes of the March 10, 2020, Board meeting. Mr. Samuel Kaufman motioned approval of the draft minutes as presented. Ms. Amy Solares seconded the motion and Mr. Lessin asked members to cast their vote accordingly.

Member	Voted For
Lessin	Yea
Dawson	Yea
Jones	Yea
Kaufman	Yea
Roberts	Yea
Solares	Yea
Washington	Abstention

With six members voting in favor of the motion to approve the minutes and one abstention. Mr. Lessin announced the approval of the minutes. The Honorable Ryant Washington asked Mr. Lessin if he could provide remarks to the Board pertaining to his vote and Mr. Lessin granted the request. Hon. Washington informed members that since he was not a member of the Board at the time of the minutes, he felt it was best to abstained from the vote. With no further remarks, Mr. Lessin introduced new members to the Board.

INTRODUCTION OF NEW MEMBERS

Mr. Lessin welcomed the Board’s two newest members, Hon. Washington, who represents law enforcement and Mr. Clay Dawson, who represents a charitable gaming organization. Mr. Lessin asked each of the newest member to introduced themselves, which they did so.

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.

PROGRAM MANAGER’S REPORT

Mr. Lessin asked Mr. Menefee whether he had a report for the Board. Mr. Menefee informed members that he is deferring his report until next week. 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

Mr. Lessin asked members whether they had any old business for the Board to consider. With no 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 before he proceed through the agenda. Without any remarks, Mr. Lessin moved forward with new business.

Mr. Lessin provided an overview of Chapter 568 of the 2020 Acts of Assembly (SB199), which he stated removed certain restrictions on bingo activities. He further stated that he received numerous telephone calls regarding the future of bingo in the Commonwealth. As such, Mr. Lessin stated that he wants the Board to discuss this matter and he asked for public comment. Mr. Ken Wiseman, who represents Powerhouse Gaming, Inc. and the Veterans of Foreign Wars stated he supports the modernization of bingo in order to enable charities to grow and to raise funds. He encouraged the Board to be liberal and timely in its approach to modernize bingo. Ms. Solares asked a question to both Mr. Wiseman and the Mr. Lessin as to what is the Board's decision on this matter. In response, Mr. Lessin answered the Board may wish to decide whether an electronic bingo game, such as '24 Bingo Game' should be considered by the Game Variance Workgroup and whether members felt that such an electronic bingo game was or was not considered bingo. Mr. Bob Jekanowski, who represent Powerhouse Gaming, Inc. asked the Board to consider how many bingo games must be played during the span of a regular bingo session.

Hon. Washington encouraged the Board to look at its responsibilities and duties to the stakeholders. Mr. Lessin asked him to clarify his statement, which Hon. Washington did so by stating that it is important for the Board to have a vision in lieu of piecemeal decisions for changing charitable gaming. Hon. Washington stated such a vision provides a clear path for stakeholders and it will be a positive approach for charitable gaming.

In response to the comments offered by Mr. Jekanowski, Mr. Menefee reminded members that the charitable gaming statutes require instant bingo, pull-tabs and seal cards, which are sold to the public to be done so as part of a regular bingo session or otherwise part of an annual fundraising event conducted by an athletic association, athletic booster club or band booster in supported of school-sponsored athletic activity, band activity, or scholarship to an accredited public or private school.

Mr. Charlie Daniels encouraged the Board to act fast as bingo is struggling during the COVID-19 pandemic and competing against other forms of gaming. Mr. Daniels stated the Board does not have time to conduct a study and it should find ways to help charities raise funds. He further stated player attendance is down during a regular bingo session, so a new model is needed to allow players to play at certain times of their choosing in lieu of playing during a regular bingo session, which may last for three hours. In response, Ms. Petrina Jones asked Mr. Daniels whether he spoke with state legislators regarding his earlier comments. Mr. Daniels responded

that he had not done so. Mr. Lessin asked members and the public whether they had any further comments and stated the discussion would continue at the next Board meeting.

Mr. Lessin stated he had conversations with two manufacturers of electronic pull-tab systems where one manufacturer wanted two screens for its electronic pull-tab device, one screen to allow a player to play bingo and the other screen to play electronic pull-tabs. Mr. Lessin stated he reached out to Mr. Justin Bell, Assistant Attorney General regarding whether the Charitable Gaming Regulations allow an electronic pull-tab device to have two screens. Mr. Lessin stated that Mr. Bell informed him that the Board could consider the screen limitation as a technical glitch in the regulations and as such, the Board could fix it quickly. Mr. Lessin stated otherwise, Mr. Bell informed him that the regulations would need to be changed through the Administrative Process Act. Ms. Lea Roberts questioned how the current screen limitation impacts the play of the electronic pull-tab devices. Mr. Kaufman stated he does not believe one could reasonably argue the screen limitation is a technical glitch in the regulations. Mr. Kevin Morse, who represents Grover Gaming, Inc., a licensed manufacturer of electronic pull-tab systems spoke in favor of allowing multiple screens for the electronic pull-tab devices. Mr. Menefee provided technical assistance to the Board by informing members that based on prior legal guidance from the Office of the Attorney General, the regulations stipulates one screen for the electronic pull-tab devices and as such, if the Board wishes to change this particular requirement, then it would need to amend the regulations through the Administrative Process Act. Mr. Lessin asked the Board for a motion on allowing multiple screens for the electronic pull-tab devices. In response, Ms. Solares offered such a motion and it passed unanimously by the Board. Mr. Lessin stated he will discuss the matter with Mr. Bell and decide the best course of action.

Mr. Lessin called the Board into recess at 12:55 p.m.

Mr. Lessin called the Board back to order at 1:06 p.m.

Mr. Justin Daniels, asked the Board to consider eliminating the two-touch process to purchase and to play the electronic pull-tab device. Currently, one touch is necessary to purchase the electronic pull-tab tickets and the second touch to play the ticket. Mr. Lessin thanked Mr. Daniels for his comment and stated he is deferring this discussion to the next Board meeting under new business.

Mr. Lessin moved onto the next item under new business, the development of regulations for Texas Hold'em poker tournaments. Mr. Lessin stated he prepared draft regulations for Texas Hold'em poker tournaments and he handed them out along with copies of Chapter 982 of the 2020 Acts of Assembly (SB936). Mr. Lessin referenced the regulations developed by the State of New Hampshire as a model for the Board to pursue as it develops its own set of regulations. Mr. Lessin asked Mr. Joel Maddux to present VDACS's proposal for the Board's consideration. Mr. Maddux presented the proposal, which Mr. Maddux stated it follows the same process other policy boards within VDACS follow when it drafts an initial set of regulations on behalf those policy boards. As such, in the proposal, VDACS will draft an initial set of regulations for the

Board's consideration and he recommended the Board create a regulatory advisory panel. This advisory panel allows for a formal process to solicit feedback from stakeholders as the initial set of regulations are drafted by VDACS. Furthermore, Mr. Maddux stated VDACS will follow the requirements and format style set forth by the Registrar of Regulations as it drafts the initial set of regulations. Mr. Lessin asked members whether they had any questions for Mr. Maddux. Ms. Solares asked whether the Board will have any say in the regulations, which Mr. Maddux responded that after VDACS has drafted an initial set of regulations, then the Board may amend them as it sees fit to do so. Hon. Washington commented that the Board will retain its authority to make the final decision while the role of VDACS is to assist the Board with drafting an initial set of regulations. Mr. Kaufman asked who is driving the ship when it comes to drafting the regulations. In response, Mr. Maddux stated VDACS will draft an initial set of regulations with feedback from stakeholders and members through the regulatory advisory panel. Mr. Kaufman stated he does not want to specifically write the regulations, but rather he wants to ensure the Board is providing the necessary policy guidance on the regulations. Mr. Lessin stated he welcomes the assistance of VDACS in drafting the regulations. He further stated he is concerned whether VDACS will delay the development of the regulations for Texas Hold'em poker tournaments as the charities are suffering during the COVID-19 pandemic. Mr. Lessin further stated he wants to Chair the workgroup, which will be tasked with the development of the Texas Hold'em poker tournament regulations and he intends on the workgroup meeting on a weekly basis. He stated he wishes for the Board to control the process and to develop the regulations on its own with VDACS assistance. Mr. Lessin further stated that he wishes for the regulations to be finalized by the end of August and charities may start playing Texas Hold'em poker tournaments around November 1, 2020. Ms. Marcie Blum encouraged the Board to involve Mr. Charlie Daniels in its deliberations due to his knowledge on Texas Hold'em poker tournaments. In response, Mr. Lessin stated that his meeting will be informal and any Board member as well as anyone from the public are invited to attend the workgroup's meetings. Mr. Charlie Daniels stated he wishes for the regulations governing Texas Hold'em poker tournaments to be done quickly. He stated he voluntarily ceased his Texas Hold'em poker games, which he stated he operated with consent of the local Commonwealth's Attorney. He encouraged the Board to penalize any charity operating a Texas Hold'em poker game after July 1, 2020, without a permit issued by VDACS or operating within a regulatory framework.

Mr. Larry Nichols asked the Board to make a motion to finalize its decision on how it wishes to develop its Texas Hold'em poker tournament regulations. Hon. Washington stated the plans overlap a bit, so he wanted to be clear that input can come from many different sources and on the structure on how the regulations will be developed by the Board. Mr. Lessin there are two options for the Board to consider, one, VDACS's proposal; two, his proposal and possible a third option in which he stated perhaps the Secretary of Agriculture and Forestry could approve the expenditure for the Board to use an outside attorney to alleviate the amount of time needed to develop the regulations. With no further remarks, Hon. Washington suggested to members that VDACS could develop a baseline and allow the workgroup to alter the baseline as well as generate ideas. Mr. Lessin asked for a motion for the Board to write its own regulations with public

assistance. Ms. Solares made the motion, which was seconded by Mr. Kaufman and it passed unanimously.

Mr. Lessin thanked the Board and appointed himself, Ms. Solares, Ms. Roberts and Mr. Kaufman to the workgroup, which will be tasked with the development of the Texas Hold'em poker tournament regulations. Mr. Lessin further stated that if any other member wishes to join the workgroup, then he/she can do so. Mr. Lessin began to review his draft regulations for Texas Hold'em poker tournaments.

At the conclusion of his review, Mr. Lessin moved onto discussing the study on prize payouts as mandated by Chapter 980 of the 2020 Acts of Assembly (HB1690). Mr. Maddux asked Mr. Lessin whether he may offer the Board another proposal for its consideration. Mr. Lessin asked Mr. Maddux to proceed with his proposal and in doing so, Mr. Maddux offered for VDACS to take on the study on behalf of the Board and to develop a draft study report for the Board's consideration. Mr. Maddux further stated that the Board will need to submit the final draft study report to VDACS by no later than October 15, 2020. Ms. Roberts offered a motion for VDACS to take on the study on behalf of the Board, which the motion was seconded by Ms. Solares and it passed unanimously.

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 July 14, 2020, in Richmond.

With no comments from the public and there being no further business, the Board adjourned at 3:30 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs