

FINAL MINUTES

Charitable Gaming Board
Department of Agriculture and Consumer Services (VDACS)
Pop's Bingo World
210 Giant Drive
Richmond, Virginia
Tuesday, July 14, 2020

CALL TO ORDER

Mr. Charles Lessin called the meeting to order at 12:15 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
The Honorable William Feasenmyer
Ms. Petrina Jones
Mr. Samuel Kaufman
Mr. James Lewis
Ms. Lea Roberts
Ms. Amy Solares

MEMBERS ABSENT:

Ms. Tanya Conrad, Vice-Chair
Mr. Clay Dawson
The Honorable Ryant Washington

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 informed members that the Texas Hold'em Poker Tournament Workgroup will meet on July 22, July 23, and July 24 to discuss the development of regulations for Texas Hold'em poker tournaments.

APPROVAL OF MINUTES

Mr. Lessin informed members that there are no approvals for the draft minutes of the July 8, 2020, Board meeting as staff is drafting the minutes currently. He further stated the draft minutes will be considered for approval during the next Board meeting on August 11, 2020. 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. With no remarks from members, Mr. Lessin informed members that there were no reports before the Board.

REPORT FROM WORKGROUPS

Mr. Lessin asked Chairs of the workgroups whether they had any reports for the Board. Mr. Samuel Kaufman, Chair of the Use of Proceeds Workgroup stated the workgroup will recommend reducing the use of proceeds requirement on the gross receipts generated from the sales of bingo and the gross receipts generated from the sales of electronic pull-tabs. He further stated that the Texas Hold'em Poker Tournament Workgroup will address the use of proceeds requirement for Texas Hold'em poker tournaments in lieu of the Use of Proceeds Workgroup. 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 feature for electronic pull-tab devices. Mr. Lewis further stated that workgroup deferred action on the two applications until its August meeting. With no further remarks from the Chairs or questions from members, Mr. Lessin moved onto 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) is working closely with VDACS's Information System 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, OCRCP resumed inspection activity in response to the resumption of bingo activity under the phase three guidelines issued by the Governor in response to the COVID-19 pandemic. During these inspections, the inspectors are wearing facial mask for their protection and the public's protection while they maintain social distancing. Lastly, OCRCP processed and issued 74 permit amendments within a week enabling organizations to resume their bingo activities when the Commonwealth began operating under the phase three guidelines. 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 informed members that the Texas Hold'em Poker Tournament Workgroup will meet for three days next week to develop the regulations for Texas Hold'em poker tournaments. Mr. Lessin asked Mr. Larry Nichols to discuss the process for approving these regulations. Mr. Nichols responded by saying that Mr. Joel Maddux, Mr. Menefee, and himself will format the proposed regulations adopted by the Board. Afterward, the formatted proposed regulations will be sent to the VDACS's Office of Policy, Planning and Research, which will review it to ensure it meets the requirements established by the Registrar of Regulations. At the conclusion of this review, the formatted proposed regulations will be brought back to the Board for its final review, revision, and approval. Once the Board approves the final regulations, it will be submitted to the Office of the Attorney General (OAG), which will review it to ensure it meets Chapter 982 of the 2020 Acts of Assembly (SB936). Once OAG approves it, then VDACS will submit the final regulations to the Registrar of Regulation for publication in order to initiate the public comment period. At the conclusion of the public comment period, VDACS will bring any public comments that were received on the final regulations to the Board for its final consideration. Mr. Lewis asked a question on how long it would take to complete the process, which was explained by Mr. Nichols. In response, Mr. Nichols stated how long it would take to complete the process depends on the depth of the Board's proposed regulations. Mr. Lessin expressed that he hopes VDACS will work diligently to complete its work so organizations may benefit from the Texas Hold'em poker tournaments. Mr. Charlie Daniels asked the Board to delay its workgroup meetings to the following week. In response, Mr. Lessin stated that he wished to keep the scheduled dates for the workgroup meetings, but asked members for their opinion on whether to delay the meetings for a week. The Honorable William Feasenmyer and Mr. Lewis expressed their desire to delay the meetings due to conflicts with their work schedule. Mr. Lessin proposed to delay the workgroup meetings to July 28, July 29, and July 30, 2020, which the meetings will begin at 10:00 a.m. at Pop's Bingo World.

Mr. Ken Wiseman, who represents Powerhouse Gaming, Inc. and the Veterans of Foreign Wars (VFW) stated a VFW Post is held up on the question on how many bingo games are needed in order for it to be considered a regular bingo session. Ms. Lea Roberts asked Mr. Wiseman what Powerhouse Gaming, Inc. is specifically wishing to change. Mr. Wiseman stated he wishes for the Board to modernize bingo in order to enable charities to grow and to raise funds and in doing so, the VFW Post wishes to play electronic bingo and electronic pull-tabs on a regular basis. 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. Daniels encouraged the Board to act fast as bingo is struggling during the COVID-19 pandemic and competing against other forms of gaming. In response, Mr. Lessin stated he will consult with the OAG regarding this matter.

Lastly, Mr. Lessin reminded members that the Board decided to allow VDACS to undertake the study on prize payouts as mandated by Chapter 980 of the 2020 Acts of Assembly (HB1690), so the Board does not need to take any further action on this matter at this time.

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 August 11, 2020, in Richmond.

With no comments from the public and there being no further business, the Board adjourned at 1:14 p.m.

Respectfully submitted,

Michael Menefee
Program Manager
Office of Charitable and Regulatory Programs