

**DRAFT MINUTES**

Charitable Gaming Board – Texas Hold'em Poker Tournament Workgroup  
Department of Agriculture and Consumer Services (VDACS)

Pop's Bingo World

210 Giant Drive

Richmond, Virginia

Tuesday, July 28, 2020

Wednesday, July 29, 2020

Thursday, July 30, 2020

**CALL TO ORDER**

Mr. Charles Lessin called the meeting to order at 10:00 a.m. each day.

**MEMBERS PRESENT:**

Mr. Charles Lessin, Chair

Mr. James Lewis

Ms. Amy Solares

The Honorable Ryant Washington

I. Compliance with Chapter.

No poker except if meet requirements of this Chapter. And, if meet requirements of this Chapter, such a person or entity, with respect to poker, shall be deemed to be in compliance with the provisions of the rest of the charitable gaming regulations. (11VAC15-40-10 et seq.) (The idea is to facilitate discussion regarding poker. To the extent policy decisions regarding poker track or mesh with current bingo regulations, such integrations would be made in final language.)

II. Who may conduct poker.

Except as provided in this paragraph, no person or organization may host, manage, operate or supervise poker unless (refer to 11VAC15-40-20 Article 1 paragraph A.) (i) Hold a charitable license, hold a charitable poker license, (iii) hold a game operator license; provided that the operations and supervision of poker may be delegated to a third-party game operator holding such a license, provided that any third party game operator must be by a written agreement that satisfies the requirements of Section V.C. below.

III. Charitable Poker License.

Any organization that conducts poker shall obtain and maintain a charitable poker license, to do so regardless of whether the charity

A. be an organization in the meaning of the statute

- B. Be, and it's interested person' be subject to background investigation described in Section 11VAC15 40-30E.1, E.2, E.4., and E.5,.
- C. Submit form A. (TBD) and requested documents;
1. The designation and identity of the organization's 'charitable poker host representative, must provide valid state of federal identification, will be considered a responsible party on behalf of the charity.
  2. Identify whether the organization will conduct poker itself or will contract with the poker game operator. If a game operator is chosen, identify the game operator. In the event that a poker charity needs to change location after a permit is issued, such change shall be affected by a gaming amendment approved by the office. In the event of an attenuating circumstance, whereby charity wishes to change the location of the event, authorization to do so may be granted via written documentation from the office of Charitable Gaming.
  3. Location of poker conduct and identity of the property owner of the location.
  4. Link to disclosure form that identifies the owner(s) of the property, owner(s) of the operation company and any member of the licensed charity that has interest in either the venue or interest in the poker operations company.
  5. Attach:
    - i. Articles
    - ii. Bylaws
    - iii. Membership (if any)
    - iv. Previous year's tax return
    - v. IRS determination letter granting tax exempt status to the charity
    - vi. Copies of any contract of third-party operator
    - vii. Copies of real estate leases
  6. A certification that the organization meets the requirements of this Chapter.
  7. Organizations shall submit a non-refundable fee pay to the treasurer of VIRGINIA in the amount of \$200 with the application that is to request issuance or renewal of an annual permit to conduct charitable gaming unless the organization is exempt 18.2-340.23 of the code of Virginia.

#### IV. Game Operator License.

Any organization or entity that participates in the management or operation of poker shall obtain and maintain a game operator its own poker, it shall obtain and maintain a game operator license in addition to a charitable poker license. To be eligible for a game operator license, the organization shall;

- A. Be, and interested persons be subject to background investigation described in Section 11VAC15 40-30, E1. E.2. E.4. E.5.
- B. Provide a game manager and require that only such person or persons serve as a tournament at each poker game it operates
- C. Provide qualified dealers in such number as may be required to run poker games and require that such person(s) deal poker hands

#### E. Submit Form Band:

1. Identify any and all dealers on staff
2. Link to disclosure form
3. Identifies the owner(s) of the property, owner(s) of the operation company and any member of the licensed charity that has interest in either the venue or interest in the poker operations company.
4. Attach:
  - i. Articles
  - ii. Bylaws/Operating Agreement
  - iii. List of all organizations and locations in which they operate for which the licensee operates poker and a copy of the agreements of each organization, if any.
  - iv. A copy of written internal control policies and procedures including staff training conforming with poker requirements
  - v. Operator must provide certificate of bonding with a minimum bonding amount that shall be equal to the full payout of any single organization or entity that participates in the management or operation of poker shall obtain and maintain a game operator its own poker, it shall obtain and maintain a game operator license in addition to a charitable poker license. To be eligible for a game operator license, the organization shall event and/or the sum of any concurrent events within the 24 hour period.

#### V. Compliance Matters.

##### A. Operations of Games

1. Participation in Games
  - i. Only participate with a license and only with a personnel listed on the applicable license application.
  - ii. Any personnel that may be involved of hosting [landlord and charity], operating, managing or supervising a game may not play at any time. This prohibition exists at the location where the interested parties may be involved.
2. Operations of Games
  - i. Operator must hold current operator's license
  - ii. At all times a game manager to be listed in a game operator should be present
  - iii. Badges for charitable host representatives, game manager, dealers, and any other staff must be provided.
  - iv. Joint and several liability imposed on the game operator (if they are different parties) for all compliance duties of the charity. Charity shall not be liable for breaches by a third party game operator.
  - v. Both game manager and charitable host representative must sign off on a daily reconciliation summary.
3. Conduct of Games
  - i. 18-year-old to play

- ii. Only Approved games in compliance with regulations listed; [insert definitions of multiple side bets: high hand side bet, hot table side bet, splash pot sidebet, badbeat jackpot, last man standing, bountys, liveaction game]
    - iii. Priority of rules, (not excluding any other rules, final interpretation of game rules lies with game manager.)
  - 4. Host charities Texas Hold'em permit; documents to be displayed; both licenses, Post National Gambling Hotline phone #, house rules,
  - 5. Game Procedures Robert's Rules of poker and game etiquette
  - 6. No Texas Hold'em Poker on premises or in a facility that conducts gaming for profit (other than gaming permitted by this 'chapter'/ that is not 'charitable gaming')
  - 8. Neither the operator/or the charity may not use another's name or brand for conducting poker.
  - 9. Non-electronic poker supplies; poker chips and playing cards
  - 10. It's the poker operator responsibility to ensure chips are not counterfeit and cards are not tampered with.
- B. Electronic Equipment
- 1. Regulations permit regarding all electronics used in the connection with outcome of the play of Texas Hold'em Poker (borrow language from electronic pull tab regulations) including laboratory testing and approval by office of charitable gaming.
  - 2. Laboratory testing used in the operation that is involved in the outcome of play) electronic poker tables, card shufflers, handheld units, stationary cabinet devices must be performed by the currently certified state approved lab.
- C. Agreements
- 1. Game Operator written agreement requirements:
    - i. Must be in writing
    - ii. Agreement must include the duration and termination rights
    - iii. Maximum 50% of net poker proceeds (net of prizes) may go to the game operator. Percentage split must be identified in the agreement
    - iv. No other fees may be charged or paid, including in exchange for products or services
- D. The audit fee of 1 and 3/8ths shall be paid by the charier but shared equally between the charity and the game operator.
- E. Up-to-date-disclosures if at any time the charitable applicant or the operator discovers that the information provided in accordance with (a) above has changed, or is otherwise found to be inaccurate, the applicant or licensee shall submit updated or corrected information to the office of charitable or regulatory programming within 3 (three) business days of the event that resulted in the change, or discovery of the inaccuracy
- F. Record keeping
- 1. Conform to bingo forms and rules
  - 2. Charity and game operator required to each maintain independent records
  - 3. Both game manager and charitable host representatives must sign game reconciliation forum. Charitable host representatives have up to 72 hours and may do so with DocuSign. Game manager must be game reconciliation forum at the conclusion of each event.

4. Use of proceeds for poker shall be two and a half [2.5%] percent of gross proceeds (net of prizes, prior to profit share, expenses)

#### Penalties

(Failure to disclose)

1. In the event that any interested party fails to report common interests in either poker operations, real estate, or charitable membership or board membership in charity, said party shall have its respected license revoked for a period of one year. Reconsideration of revocation may be presented to the charitable gaming board.
  - A. Any qualified charity that has been found playing Texas Hold Em without a permit may not qualify for a permit at any time in the future.
  - B. No landlord may knowingly allow an unlicensed charity to be Texas Hold'Em events in their facility. Failure to comply will result in landlord's ability to lease said space to license charities in the future.
  - C. Failure of poker operator to comply with any provision with these regulations may result in a loss or suspension of license up to one (1) year at the pleasure of the charitable gaming board.
  - D. A standing subcommittee of a charitable gaming board shall be created comprising with at least five (5) who shall review complaints [adhere to D.P.O.R.].

The workgroup adjourned at 5:00 p.m. each day.

Respectfully submitted,

Charles Lessin  
Charitable Gaming Board, Chair