

Virginia Enacts Expansive Gaming Legislation

By: Joan Scott

The 2020 Virginia General Assembly Session enacted legislation significantly expanding gaming in the Commonwealth.

Charitable gaming permitted activities expanded to allow Texas Hold'em poker tournaments. Qualified organizations have the option to contract with an operator to conduct tournaments. The Charitable Gaming Board is currently in the process of drafting regulations.

Gray machines or skill games may remain in operation through June 2021 with a \$1,200 monthly tax assessed on each machine. The proceeds go into a COVID relief fund. The Governor has stated he will veto any legislation to extend the operation of these devices in Virginia beyond June 2021.

One Casino operator license may be issued to the cities of Richmond, Bristol, Portsmouth, Norfolk and Danville with approval of the voters in each city. A Joint Legislative Audit and Review Commission study <http://ilarc.virginia.gov/landing-2019-gaming.asp> estimated casinos would generate \$260 million a year in new state gaming taxes and 5,000 new jobs. The Hard Rock Bristol plan was certified by the Virginia Lottery Board and approved by the Bristol City Council for voter referendum November 3, 2020. The state tax revenue generated is earmarked primarily for public school construction, renovations, or upgrades.

Sports betting also became legal in the Commonwealth. Sportsbooks must pay \$250,000 for a three-year license and a 15% revenue tax to operate in the state. The tax revenue generated is will primarily go into the State's general fund. All legal sports betting in Virginia will be conducted only through the internet. There will be a minimum of four and a maximum of 12 licenses awarded based on the best financial opportunity for the state. Additional licenses can be granted to applicable major league sports franchises or to the operator of a major league facility. The Virginia Lottery said it expects to begin accepting applications for sports betting licenses starting in October. Officials stated licensed mobile platforms could also begin offering the first legal wagers on sports in Virginia as early as January 2021.