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## Final Regulation Agency Background Document

<b>Agency name</b>	Charitable Gaming Board
<b>Virginia Administrative Code (VAC) citation(s)</b>	11 VAC 15-40
<b>Regulation title(s)</b>	Charitable Gaming Regulations
<b>Action title</b>	Amendments to revise the limits on the number of electronic pull-tab devices that may be operated by qualified charitable organizations at various qualified sites
<b>Date this document prepared</b>	September 28, 2017

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 17 (2014) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

### Brief summary

*Please provide a brief summary of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.*

The Code of Virginia authorizes the Charitable Gaming Board (Board) to prescribe regulations and conditions under which charitable gaming is to be conducted in the Commonwealth. The *Charitable Gaming Regulations* currently include provisions prescribing the number of stand-alone electronic pull-tab devices and handheld electronic pull-tab devices that may be used at qualifying sites. This regulatory action will increase the number of electronic pull-tab devices that may operate in private social quarters from the currently allowed five devices to nine devices. The Board made no changes to the amendments proposed during the Proposed stage of this regulatory action before it adopted the amendments as final.

This regulatory action was initiated in response to a petition for rulemaking from a licensed manufacturer of electronic pull-tab systems, who requested an increase in the number of electronic pull-tab devices allowed in private social quarters.

## Acronyms and Definitions

*Please define all acronyms used in the Agency Background Document. Also, please define any technical terms that are used in the document that are not also defined in the "Definition" section of the regulations.*

"Board" means the Charitable Gaming Board.

"Charitable gaming statute" means Article 1.1:1 of Chapter 8 of Title 18.2 of the *Code of Virginia*.

"Department" means the Virginia Department of Agriculture and Consumer Services.

"Electronic pull-tab" means an electronic version of a single instant bingo card or pull-tab. An electronic pull-tab is a predetermined game outcome in electronic form, distributed on-demand from a finite number of game outcomes by a distributed pull-tab system.

"Electronic pull-tab device" means an electronic unit used to facilitate the play of an electronic pull-tab. An electronic pull-tab device may take the form of an upright cabinet or a handheld device or may be of any other composition as approved by the Department.

## Statement of final agency action

*Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.*

On September 12, 2017, the Board adopted as final the amendment to the *Charitable Gaming Regulations*.

## Legal basis

*Please identify the state and/or federal legal authority to promulgate this proposed regulation, including: 1) the most relevant citations to the Code of Virginia or General Assembly chapter number(s), if applicable; and 2) promulgating entity, i.e., agency, board, or person. Your citation should include a specific provision authorizing the promulgating entity to regulate this specific subject or program, as well as a reference to the agency/board/person's overall regulatory authority.*

Section 2.2-2455 of the Code of Virginia establishes the Board as a policy board. Section 18.2-340.15 of the Code of Virginia authorizes the Board to prescribe regulations and conditions under which charitable gaming is to be conducted in Commonwealth.

### Purpose

*Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Describe the specific reasons the regulation is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.*

This regulatory action will increase the number of electronic pull-tab devices that qualifying charitable organizations may operate in private social quarters. Increasing device limits will provide an opportunity for participating charitable organizations to increase revenue. Many of these organizations use these revenues to support numerous community programs that often benefit and promote the welfare of the citizens of the Commonwealth.

### Substance

*Please briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both.*

This regulatory action consists of one amendment to 11 VAC 15-40, *Charitable Gaming Regulations*. The amendment is substantive and increases the number of electronic pull-tab devices that qualifying charitable organizations may operate in private social quarters from five devices to nine devices.

### Issues

*Please identify the issues associated with the proposed regulatory action, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, please indicate.*

The decision to increase the allowable number of electronic pull-tab devices from five devices to nine devices is the result of a petition for rulemaking submitted by a manufacturer of electronic pull-tab systems. This manufacturer requested that the Board review the number of electronic pull-tab devices allowed in private social quarters, and the Board granted the petitioner’s request.

Special interest groups that are concerned with the expansion of gaming in the Commonwealth typically monitor the progress of all regulations pertaining to charitable gaming. The agency is not aware of specific concerns with the amendment made via this regulatory action.

The regulatory action poses no specific advantages or disadvantages to the public or the Commonwealth.

### Requirements more restrictive than federal

*Please identify and describe any requirement of the proposal which is more restrictive than applicable federal requirements. Include a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements or no requirements that exceed applicable federal requirements, include a statement to that effect.*

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No applicable federal requirements exist.

### Localities particularly affected

*Please identify any locality particularly affected by the proposed regulation. Locality particularly affected means any locality which bears any identified disproportionate material impact which would not be experienced by other localities.*

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No locality will bear a disproportionate material impact from this amendment to the regulation.

### Family impact

*Please assess the impact of this regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.*

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This regulatory action will have no impact on the institution of the family and family stability.

### Changes made since the proposed stage

*Please list all changes that made to the text of the proposed regulation and the rationale for the changes; explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation. \*Please put an asterisk next to any substantive changes.*

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The Board made no changes to the text of the proposed regulation in adopting the final text.

### Public comment

*Please summarize all comments received during the public comment period following the publication of the proposed stage, and provide the agency response. If no comment was received, please so indicate. Please distinguish between comments received on Town Hall versus those made in a public hearing or submitted directly to the agency or board.*

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Commenter	Comment	Agency response
Joel Bridges, Elks Lodge 227 Comment received via Town Hall	Expressed his organization's endorsement of the proposed amendments to the regulations.	The agency thanks Mr. Bridges and his organization for their interest in the proposed amendments to the regulations.
Fraternal Order of Eagles 4315 Comment received via Town Hall	Expressed the organization's endorsement of the proposed amendments to the regulations.	The agency thanks the organization for its interest in the proposed amendments to the regulations.
Adam Chilton, Newmarket Entertainment, LLC Comment received via Town Hall	Expressed his endorsement of the proposed amendments to the regulations.	The agency thanks Mr. Chilton for his interest in the proposed amendments to the regulations.
Past State President, Fraternal Order of Police Comment received via Town Hall	Expressed his endorsement of the proposed amendments to the regulations.	The agency thanks the Past State President for his interest in the proposed amendments to the regulations.
Brooke Selmer, Loyal Order of Moose 886 Comment received via Town Hall	Expressed his endorsement of the proposed amendments to the regulations.	The agency thanks Mr. Selmer for his interest in the proposed amendments to the regulations.
Dennis Henline, Elks Lodge 2382 Comment received at the public hearing on April 4, 2017	Presented several questions to the Board regarding the reason for the proposed amendments and how they might impact his fraternal organization.	The agency thanks Mr. Henline for his questions on the proposed amendments to the regulations.
Neal Blankenship, Moose International Comment received at the public hearing on April 4, 2017	Expressed the endorsement of several Moose Lodges for the proposed amendments to the regulations.	The agency thanks Mr. Blankenship and his organization for their interest in the proposed amendments to the regulations.

**All changes made in this regulatory action**

*Please list all changes that are being proposed and the consequences of the proposed changes. Describe new provisions and/or all changes to existing sections. Explain the new requirements and what they mean rather than merely quoting the proposed text of the regulation*

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale
11 VAC 15-40-300	N/A	The number of electronic pull-tab devices that may be used at qualifying sites is limited to five.	The amendment increases the number of electronic pull-tab devices that qualifying charitable organizations may operate in private social quarters from the currently allowed five devices to nine devices. This amendment will allow private social quarters to offer greater access to electronic pull-tabs to its members and their guests.