

**FINAL MINUTES**

Charitable Gaming Board  
Department of Agriculture and Consumer Services (VDACS)  
Electronic Meeting via WebEx  
Thursday, June 20, 2024

**CALL TO ORDER**

The Honorable Dirksen Compton called the meeting to order at 10:04 a.m. Mr. Joel Maddux provided information to members and the public on the use of WebEx during the meeting. Hon. Compton asked Mr. Michael Menefee to call the roll.

**MEMBERS PRESENT:**

The Honorable Dirksen Compton, Chair  
Ms. Joanne Smith, Vice-Chair  
Mr. Anthony Amos  
Mr. Mark Biladeau  
Ms. Lasonja Black  
The Honorable Tyrone Foster  
Mr. Michael Kimlick  
Ms. Bonnie Whitlock  
Mr. Anthony Williams

**MEMBERS ABSENT:**

None

**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

**OFFICE OF THE ATTORNEY GENERAL STAFF PRESENT:**

Mr. Justin Bell, Assistant Attorney General, Office of the Attorney General

Mr. Menefee informed Hon. Compton that a quorum was present.

**APPROVAL OF MINUTES**

Hon. Compton asked members to review the draft minutes of the March 12, 2024, Board meeting after which, he asked for a motion to approve them. The Honorable Tyrone Foster motioned approval of the draft minutes as presented. Mr. Anthony Williams seconded the motion, and it passed by a unanimous vote.

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### **REPORT FROM BOARD MEMBERS**

Hon. Compton asked the members whether they had any reports for the Board. Mr. Michael Kimlick reported the American Legion uses revenue from charitable gaming activities to support and administer its mission. He further stated the legion's donation budget is forecasted based on the expected revenue from charitable gaming activities and its fiscal year operates from July 1 to June 30 of each year. Lastly, Mr. Kimlick had positive feedback about OCRP staff. Mr. Mark Biladeau provided information to members on the use of proceeds and the profitability of paper instant bingo/seal cards/pull-tabs. With no further remarks from members, Hon. Compton informed members that there were no further reports before the Board.

### **OLD BUSINESS**

Hon. Compton asked members whether there was any old business that needed to be discussed by the Board. With no further comments from members on any old business, Hon. Compton moved on to the next item on the agenda.

### **NEW BUSINESS**

#### **Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission.**

Hon. Compton asked Mr. Menefee for an update on the Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission. Mr. Menefee informed members VDACS met with Guidehouse, Inc. consultants hired by the joint subcommittee several times to advise them on the feasibility of transferring the oversight of charitable gaming to a new state agency thereby consolidating regulated gaming activities under the Virginia Gaming Commission. VDACS discussed with the consultants the organizational structure and staffing of the Office of Charitable and Regulatory Programs as it relates to the oversight of charitable gaming.

#### **Texas Hold'em Poker Tournament Regulations**

Hon. Compton asked Mr. Menefee for an update on the Texas Hold'em Poker Tournament regulations. Mr. Menefee informed members that the regulations governing Texas Hold'Em Poker Tournaments became effective on May 9, 2024, and permit applications for poker tournaments are available online.

#### **Review of the Statutory Prize Limitations**

Hon. Compton asked Mr. Menefee for a briefing on the creation of a stakeholder work group to review the statutory prize limitations. Mr. Menefee informed members, pursuant to Chapter 491 of the 2021 Acts of Assembly, the agency is required to submit a report every two years on its review of the prize limitations set forth in 18.2-340.33 of the *Code of Virginia*. As such, VDACS will be paneling a stakeholder work group to receive feedback on the statutory prize limitations.

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**Online Financial Reporting System**

Hon. Compton asked Mr. Menefee for an update on the online financial reporting system. Mr. Menefee informed members the system to incorporate the organization's financial information on electronic gaming/pull-tab activities is in the final phase of testing. Once testing is complete, then the financial information from the organization's submitted paper financial reports will be entered into the system. The next phase for updates to the system is to incorporate the organization's financial information on Texas Hold'Em Poker Tournament activities.

**Use of Proceeds Requirement**

Hon. Compton asked Mr. Menefee for a brief overview on the use of proceeds requirement. Mr. Menefee informed members on minimum percentage that must be used for charitable, community, educational or religious purposes as required by the charitable gaming statutes and regulations as well as the type of expenses that would qualify towards meeting the minimum percentage. Mr. Kimlick suggested lowering the percentage on the adjusted gross receipts generated from electronic gaming/pull-tab devices from 20% to 15%. Mr. Kimlick cited the higher cost of property improvements, drainage improvements, tree maintenance, grass cutting, parking lot maintenance and general costs associated with maintaining property such as sewage and gas. Under current law, these costs are considered a business expense and thereby they do not qualify towards the minimum percentage. Mr. Kimlick stated lowering the percentage would make more of the adjusted gross receipts available for an organization to spend on its business expenses. Ms. Joanne Smith agreed with lowering the minimum percentage on the adjusted gross receipts generated from electronic gaming/pull-tab devices from 20% to 15%. She also stated organizations are seeing a higher cost for maintaining a security system, which also does not qualify towards the minimum percentage. Ms. Bonnie Whitlock suggested lowering the percentage on the adjusted gross receipts for electronic gaming/pull-tab devices further from 20% to 10%, which was agreed upon by Hon. Foster. Mr. Biladeau stated he was aware that a cost for paving a parking lot was approximately \$100,000. Hon. Compton thanked members for their comments on the use of proceeds and moved onto the next agenda item.

**NEXT BOARD MEETING**

Hon. Compton asked members on their availability to attend the next Board meeting tentatively scheduled on Thursday, September 26, 2024. After discussing member's availability, the Board agreed to meet on Wednesday, October 2, 2024, at 10:00 a.m. in Richmond, Virginia.

**PUBLIC COMMENT**

Hon. Compton asked for public comments and there were none.

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With no public comment, Mr. Kimlick motioned for the Board to adjourn, which was seconded by Ms. Smith and the motion passed.

Respectfully submitted,

Michael Menefee  
Program Manager  
Office of Charitable and Regulatory Programs