

SPORTS BETTING REGULATIONS AND
VIRGINIA SPORTS BETTORS' BILL OF RIGHTS

TITLE 11 – Gaming

Agency 5 – Virginia Lottery Board

11VAC5-60 – Self-exclusion program

11 VAC 5-60-10 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

“Self-excluded individual” means any individual whose name is included, at his or her own request, on the self-exclusion list maintained by the Department.

“Self-exclusion list” means a list maintained by the Department of names of individuals who, pursuant to this subchapter, have voluntarily agreed to refrain from (i) playing any account based lottery game authorized under the provisions of the Virginia Lottery Law; (ii) participating in sports betting, as defined in § 58.1-4030 of the Code of Virginia; and (iii) participating in gaming activities administered by the Office of Charitable and Regulatory Programs or the Virginia Racing Commission. Self-excluded individuals whose names are on the self-exclusion list are prohibited from collecting any winnings or recovering any losses resulting from violation of the restrictions to which such individuals have agreed.

“Targeted mailing” means an advertisement or promotional offer directed to an individual on the basis of specific criteria, such as being a member or former member of a casino rewards club, a former sports betting participant, or a participant in social games. “Targeted mailing” does not include mass mailings made to an entire area or zip code, nor does it include an advertisement that arrives in a packet of five or more non-gaming advertisements, if such packet of advertisements is addressed to “resident,” “occupant,” or some similar wording and not to a specific individual.

“Targeted mailing” further does not include any Internet “pop-up” advertisement that appears on an individual's computer or mobile device on the basis of his or her IP Address.

“Thing of value” means anything of value which may be used to engage in Lottery or sports betting activity including, without limitation, cash and other forms of payment permissible under § 58.1-4000, et seq. of the Code of Virginia, as well as free play offers and incentives.

“Winnings” means the aggregate total of proceeds from each individual winning lottery ticket, sports wager and shall not be reduced by any individual losses resulting from such activities.

11 VAC 5-60-20 Request for self-exclusion

- A. An individual may have his or her name placed on the self-exclusion list by submitting a request in the form and manner required by this section.

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- B.** An individual requesting placement on the self-exclusion list shall submit a completed request for self-exclusion over the Internet as required by this chapter. Notwithstanding the above, if an individual requests to be placed on the self-exclusion for life list, such request shall be made in person at Department headquarters or any other location specified by the Department.
- C.** An individual requesting placement on the self-exclusion for life list shall submit, in person, a completed request for self-exclusion as required by this chapter. The request shall be delivered to Department headquarters or any other location specified by the Department. Any individual submitting a self-exclusion for life request shall be required to present valid identification credentials containing his or her signature and either a photograph or a general physical description. t
- D.** A request for self-exclusion shall be in a form prescribed by the Department, which shall include:
1. The following identifying information concerning the individual submitting the request:
 - a. Name, including any aliases or nicknames;
 - b. Date of birth;
 - c. Street and mailing address of current residence;
 - d. Telephone number; and
 - e. Social Security Number, which information is voluntarily provided in accordance with section 7 of the Privacy Act, 5 U.S.C. § 552a;
 2. The length of self-exclusion requested by the individual:
 - a. Two years;
 - b. Five years; or
 - c. Lifetime;
 3. An acknowledgment that individuals on the self-exclusion list shall be prohibited from participating in any form of legalized gaming in the Commonwealth and are prohibited from collecting any winnings or recovering any losses resulting from violation of the restrictions to which such individuals have agreed;
 4. An acknowledgment that the Department shall coordinate the administration of the self-exclusion program with the Office of Charitable and Regulatory Programs and the Virginia Racing Commission pursuant to procedures developed by the Department;
 5. An acknowledgement that the Department will share the self-exclusion list with operators of legal gambling in the Commonwealth and that such operators, pursuant to their own policies, may extend the exclusion of the individual to offerings at the operator's locations outside the borders of the Commonwealth;
 6. An acknowledgement that the individual requesting self-exclusion shall notify the Department within seven days if his or her address or other contact information changes; and

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7. A waiver and release, which shall release and forever discharge the Commonwealth of Virginia, the Department, its employees and agents, all holders of permits to operate a sports betting platform and their employees and agents, the Office of Charitable and Regulatory Programs and the Virginia Racing Commission and their employees and agents, from any liability to the individual requesting self-exclusion, as applicable, and his or her heirs, administrators, executors, and assigns for any harm, monetary or otherwise, which may arise out of or by reason of any act or omission relating to the request for self-exclusion, or request for removal from the self-exclusion list, including:
 - a. Its processing or enforcement;
 - b. The failure to withhold gaming privileges from, or restore gaming privileges to, a self-excluded individual;
 - c. Permitting a self-excluded individual to engage in gaming activity while on the list of self-excluded individuals; and
 - d. Disclosure of the information contained in the self-exclusion list, except for a willfully unlawful disclosure of such information.

E. For self-exclusion submissions for a stated period of time:

1. A sports betting permit holder shall provide a link directly to the Department's self-exclusion application form.

2. The Department's online self-exclusion form shall provide to the self-excluding individual for his or her acknowledgment the following statement: "I am voluntarily requesting exclusion from all Virginia sports betting and account based lottery. I also understand that the Department will share my information with the Office of Charitable and Regulatory Programs, the Virginia Racing Commission, and all sports betting permit holders, any of whom may prohibit me from participating in further gaming activities regulated or provided by those entities, including out-of-state sports betting sites in accordance with the policies of that sports betting permit holder. I agree to notify the Department within seven days if my contact information changes. I certify that the information I have provided is true and accurate, and that I have read and understand and agree to the waiver and release included with this request for self-exclusion. I am aware that my digital signature authorizes the Department to prohibit me from participating in all account-based lottery games and to direct all holders of sports betting permits in Virginia to restrict my gaming activities. I am further aware that my digital signature authorizes the Department to share my information with the Office of Charitable and Regulatory Programs and the Virginia Racing Commission, who may further restrict my gaming activities. In accordance with this request and until such time as the Department removes my name from the self-exclusion list under the terms of my request for voluntary self-exclusion, I am aware and agree that during any period of self-exclusion any money obtained by me in violation of the terms of my self-exclusion shall be subject to forfeiture and donated to the Commonwealth's Problem Gambling Treatment and Support Fund."

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F. For life-time self-exclusion submissions:

1. The signature of the individual submitting the request shall acknowledge the following statement: "I am voluntarily requesting exclusion from all Virginia sports betting and account based lottery. In addition, I understand that my information will be shared with the Office of Charitable and Regulatory Programs the Virginia Racing Commission, and all sports betting permit holders, any of whom may prohibit me from participating in further gaming activities regulated or provided by those entities, including out-of-state sports betting sites in accordance with the policies of that sports betting permit holder. I agree to notify the Department within seven days if my contact information changes. I certify that the information provided above is true and accurate, and that I have read and understand and agree to the waiver and release included with this request for self-exclusion. I am aware that my signature below authorizes the Department to prohibit me from participating in all account-based lottery games and to direct all holders of sports betting permits in Virginia to restrict my gaming activities. I am further aware that my signature authorizes the Department to share my information with the Office of Charitable and Regulatory Programs and the Virginia Racing Commission, who may further restrict my gaming activities. In accordance with this request I am aware and agree that any money obtained by me in violation of the terms of my self-exclusion shall be subject to forfeiture and donated to the Commonwealth's Problem Gambling Treatment and Support Fund."

2. The Department shall document the type of identification credentials that were examined containing the signature of the individual requesting life-time self-exclusion.

3. A Department employee authorized to accept a self-exclusion request shall sign the application form and confirm that the signature of the individual on the request for life-time self-exclusion appears to agree with that contained on his or her identification credentials.

4 The Department shall confirm the individual's request to be placed on the life-time self-exclusion list.

11VAC 5-60-30 Self-exclusion list

A. The Department shall maintain the official self-exclusion list and shall transmit notification of any addition to or deletion from the list to:

1. each sports betting permit holder;
2. the Office of Charitable and Regulatory Programs; and
3. the Virginia Racing Commission.

B. Each party noted in A. above shall maintain its own copy of the self-exclusion list and shall establish procedures to ensure that its copy of the list is kept up to date. All appropriate employees and agents of the parties noted in A. above who are notified of any addition to or deletion from the self-exclusion list shall update their lists accordingly. Changes to the

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list shall be made by each party noted in A. above within seven days after the day the notice is transmitted and any remaining balance in the individual's gaming account shall be refunded pursuant to internal control standards approved by the Department and the Department's regulations. The notice provided by the Department shall include the following information concerning any individual whose name is added to the list:

1. Name, including any aliases or nicknames;
2. Date of birth;
3. Street and mailing address of current residence;
4. Telephone number; and
5. Social Security number, if voluntarily provided by the individual requesting self-exclusion.

C. Information furnished to or obtained by the Department pursuant to this subchapter shall be deemed confidential and not be disclosed except in accordance with this chapter. The voluntary self-exclusion list and the personal information of participants in the voluntary self-exclusion program shall not be subject to disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

D. Except as provided in this subsection, no employee or agent of the Department or any of the parties included in A. above shall disclose the name of, or any information about, any excluded individual to anyone other than employees and agents whose duties and functions require access to such information.

1. Notwithstanding the foregoing, any sports betting permit holder may disclose the name of and information about a self-excluded individual to appropriate employees of other sports betting permit holders in Virginia for the purpose of alerting them that a self-excluded individual has tried to gamble or obtain gaming related privileges or benefits from the sports betting permit holder. In addition, the permit holder may share the name of and information about self-excluded individuals across its corporate enterprise, including sharing such information with any of its affiliates.

2. It shall be permissible for a sports betting permit holder, or an employee or agent thereof, to disclose the names of individuals on the self-exclusion list to a third party that is registered or licensed by the Department pursuant to chapter 70 of this subtitle for the purpose of allowing the third party to remove the names of such individuals from a targeted mailing or other advertising or promotion to be made on behalf of the sports betting permit holder. The company to whom such self-exclusion list is disclosed shall be prohibited from distributing or disclosing the list to the public or to any other party and shall be required to establish procedures approved by the Department to ensure the self-exclusion list is not disclosed.

3. A licensed or registered company that obtains the self-exclusion list from a sports betting permit holder shall be permitted to use the list solely to exclude names or addresses from a marketing campaign on behalf of the sports betting permit holder. Such company may not use the self-exclusion list for any other type of marketing or for any other purpose whatsoever.

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11 VAC 5-60-40 Duties of sports betting permit holder

A. A sports betting permit holder shall establish procedures that are designed, to the greatest extent practicable, to:

1. Prevent an individual on the self-exclusion list from opening a new sports betting account;
2. Identify and suspend any sports betting accounts of an individual on the self-exclusion list;
3. Refund any remaining balance to an individual on the self-exclusion list consistent with the Department's regulations and the permit holder's internal control standards as approved by the Department;
4. Ensure that self-excluded individuals do not receive, either from the permit holder or any agent thereof, targeted mailings, telemarketing promotions, player club materials, or other targeted promotional materials relating to sports betting; and
5. Enforce the provisions of this chapter.

B. Each sports betting permit holder shall, upon notification that an individual has been added to or deleted from the self-exclusion list, comply with all relevant provisions of 11 VAC 5-60-50.

C. Each sports betting permit holder shall maintain on file a current copy of its internal control standards procedures established pursuant to 11 VAC 5-60-60 and chapter 70 of this subtitle.

11 VAC 5-60-50 Removal from self-exclusion list

- A. Upon expiration of the period of self-exclusion requested pursuant to 11 VAC 5-60-20, the Department shall remove the individual's name from the self-exclusion list and notify each sports betting permit holder, the Office of Charitable and Regulatory Programs, and the Virginia Racing Commission of the removal.
- B. Within seven days of receipt of notice from the Department, the parties notified in A above shall delete the name of the individual from their self-exclusion lists.

11 VAC 5-60-60 Forfeiture of winnings by self-excluded individual

- A. If a sports betting permit holder detects, or is notified of, the presence of a sports bettor suspected of being a self-excluded individual who has engaged in or is engaging in gaming activity, the permit holder shall take reasonable measures to verify that the sports bettor is a self-excluded individual and the evidence of the individual's exclusion.
- B. Upon verification of the individual's self-excluded status, the sports betting permit holder shall:

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- 1.** Immediately prohibit access to the individual's sports betting account, return the balance accrued prior to the exclusion request, and seize any winnings that accrue after the exclusion request;
- 2.** Issue a Payout Receipt and Notice of Forfeiture to the excluded player via electronic or regular mail, containing the following:
 - a.** The total value and a detailed description of winnings that were seized;
 - b.** The date of the incident;
 - c.** The name of the self-excluded individual, if known, and basis for determining the individual is a self-excluded individual;
 - d.** The street and mailing address of the self-excluded individual, if known, at which he or she may be notified regarding any future proceedings;
 - e.** The date of the internet or mobile wagering session during which the self-excluded individual was engaged in a gaming transaction; and
 - f.** Notice to the self-excluded individual that the Department shall be seeking forfeiture of the winnings seized that the individual has the right to be heard about the forfeiture, and that failure to respond to a forfeiture notice from the Department shall be deemed a waiver of the right to be heard.

C. The original Payout Receipt and Notice of Forfeiture prepared and signed as required in B. above shall be maintained on file by the sports betting permit holder. Copies of the document shall be provided to the self-excluded individual and filed with the Department, which filing may be made electronically.

D. All funds identified by a permit holder as subject to forfeiture shall be maintained separately and held by the sports betting permit holder until further order of the Department or upon notice from the Department that they may be released.

E. Pursuant to the self-excluded individual's request submitted under 11 VAC 5-60-20, any winnings seized from a self-excluded individual shall be subject to forfeiture, following notice to the self-excluded individual and an opportunity to be heard. A failure to respond to a forfeiture notice shall result in the waiver of the right to be heard.

F. The internal control standards of a sports betting permit holder shall contain procedures for processing any winnings seized from a self-excluded individual as if the winnings were paid and reported in accordance with normal procedures applicable to such payouts. Such procedures shall include, however, such modification to forms or additional documentation as necessary to record and report the payout as a payout withheld from a self-excluded individual. This documentation shall be compared by the sports betting permit holder's accounting department at the end of the gaming day to the copy of the Payout Receipt and Notice of Forfeiture. Any winnings withheld from a self-excluded individual that are paid and reported in accordance with the normal procedures applicable to such payouts, as modified in this section, shall be deducted in the calculation of gross revenue as if the winnings were actually paid to the self-excluded individual.

G. The Department may initiate forfeiture of a self-excluded individual's winnings by sending notice to the self-excluded individual via personal service or regular mail sent to the address

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provided by the individual. Notice shall include a description of the winnings subject to forfeiture and the self-excluded individual's right to a hearing.

H. If the self-excluded individual wishes to contest the forfeiture, the individual shall submit a written request for a hearing within 15 days of the date of the notice of the forfeiture. If no response is filed by the self-excluded individual within 15 days of the date of the notice of the forfeiture, the winnings shall be deemed forfeited and transmitted to the Commonwealth's Problem Gambling Treatment and Support Fund. The decision of the Board shall be final and may not be appealed.

11VAC5-70 – Sports Betting

11VAC5-70-10. Definitions.

The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

“ACH” means Automated Clearing House, which is a network that connects all banking and financial institutions within the United States.

“Adjusted gross revenue” means gross revenue, minus:

1. All cash or the cash value of merchandise paid out as winnings to players, and the value of all bonuses or promotions provided to players as an incentive to place or as a result of their having placed wagers,
2. Uncollectible gaming receivables, which shall not exceed 2% or a different percentage as otherwise determined by the Board pursuant to subsection F of § 58.1-4007, of gross revenue minus all cash paid out as winnings to players;
3. If the permit holder is a significant infrastructure limited licensee, as defined in § 59.1-365 of the Code of Virginia, any funds paid into the horsemen's purse account pursuant to the provisions of subdivision 14 of § 59.1-369 of the Code; and
4. All excise taxes on sports betting paid pursuant to federal law.

“Administrative process act” means Chapter 40 (§ 2.2-4000 et seq.) of Title 2.2 of the Code of Virginia.

“Affiliate” means a person that directly, or indirectly through one or more intermediaries, owns, controls, is controlled by, or is under common ownership or control with, the other person.

“Affiliated marketer” means a person involved in promoting, marketing, and directing business to online gaming sites who have an agreement with a permit holder to be compensated based on the number of registrations, the number of depositing registrations, or a percentage of adjusted gross receipts.

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“AML” means anti-money laundering.

“Annual permit application period” means the period occurring annually when the Department will accept sports betting permit applications. The annual permit application period shall begin May 15 and end May 31 at 11:59:59 PM. The annual permit application period does not apply to applications other than permit holder applications.

“Applicant” means a person who applies for a sports betting permit, license, or registration.

“Application” means the forms, information, and documents submitted electronically to the Lottery to seek a permit, license, or registration.

“Board” means the Virginia Lottery Board established by the Virginia Lottery Law.

“Cancelled wager” means a wager that has been cancelled due to an event or circumstance that prevents the wager’s completion.

“Cheating” means behavior that includes but is not limited to improving the chances of winning or of altering the outcome of a wager, sports betting platform, or sporting event by deception, interference, or manipulation or use of inside or non-public information or through use of any equipment, including software pertaining to or used in relation to the equipment used for or in connection with a wager, sports betting platform, or the sporting event on which wagers are placed or are invited, including attempts and conspiracy to cheat and colluding with other bettors.

“College sports” means an athletic event (i) in which at least one participant is a team from a public or private institution of higher education, regardless of where such institution is located, and (ii) that does not include a team from a Virginia public or private institution of higher education.

“Covered persons” means athletes; umpires, referees, and officials; personnel associated with clubs, teams, leagues, and athletic associations, medical professionals and athletic trainers who provide services to athletes; and the immediate family members and associates of such persons.

“Date of final action on a denial” means:

1. If, after the Director sends written notice of permit, license, or registration denial or recommendation of denial, an applicant fails to timely request a reconsideration meeting, the date of the Director’s written notice;
2. If, after a reconsideration meeting, an applicant fails to timely request a Board hearing, the date of the Director’s written notice after the reconsideration meeting; or
3. If the Board holds a hearing on an appeal of the Director’s permit, license, or registration denial or reconsideration of such a denial, the date of the Board’s written decision.

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“Date of final action on a sanction” means:

1. If, after the Director sends a deficiency notice under the Lottery’s regulations, a permit holder, licensee, or registrant fails to submit a timely, acceptable corrective action plan, the date the Board adopts as final the Director’s deficiency notice; or
2. If the Board holds a hearing on the Director’s recommendation to impose a sanction, the date of the Board’s written decision.

“Department” or “Lottery” means the Virginia Lottery Department, the independent Department responsible under the Virginia Sports Betting Law for the administration of the sports betting program in the Commonwealth of Virginia pursuant to Article 2 of Chapter 40 of the Code of Virginia (§ [58.1-4030](#) et seq.).

“Director” means the Executive Director of the Virginia Lottery or his designee.

“Global risk management” means management, consultation, instruction, or transmission of information relating to sports betting by a permit holder or sports betting platform supplier who also holds a license to conduct sports betting in another permissible jurisdiction. The term includes: the management of risks associated with sports betting involving a sporting event for which a wager may be accepted; the setting or changing of bets or wagers; cutoff times for bets or wagers; acceptance or rejection of bets or wagers; pooling or laying off of bets or wagers; lines; point spreads; odds; or other activity relating to betting or wagering.

"Gross revenue" means the total of all cash, property, or any other form of remuneration, whether collected or not, received by a permit holder from its sports betting operations.

“Individual” means a human being, and not a corporation, company, partnership, association, trust, or other entity.

“Initial permit application period” means the period during which initial sports betting permit applications may be submitted to the Department. The initial application period begins October 15, 2020 and ends October 31, 2020 at 11:59:59 PM.

“Integrity monitoring system” means a system of policies and procedures approved by the Board through which a permit holder receives and sends reports from other permit holders to assist in identifying unusual or suspicious wagering activity.

“Internal control standards” mean the internal procedures, administration, and accounting controls designed by the permit holder to conduct sports betting operations.

“License” means the authority granted by the Director to a person to perform the functions and responsibilities of a principal, sports betting supplier, or sports betting employee.

“Licensee” means a person who holds a license, including a temporary license.

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“Minor” means an individual who is younger than twenty-one years old.

“Mobile application” means any interactive platform for use through the Internet, mobile device, or computer, which has been approved by the Virginia Lottery Board for operation of sports betting by a permit holder.

“Multi-source authentication” means a strong procedure that requires more than one method to verify a player’s identity through a combination of two or more independent credentials such as information known only to the player, such as a password, pattern or answers to challenge questions and a player’s personal biometric data, such as fingerprints, facial or voice recognition, to the extent it does not violate any privacy laws.

“Permissible jurisdiction” means any jurisdiction in which global risk management or the betting or wagering on a sporting event is lawful or not otherwise expressly prohibited under the laws of that jurisdiction.

“Permit” or “Sports betting permit” means written authorization given by the Director following an application and investigation process that allows a person to legally operate a sports betting platform in the Commonwealth of Virginia.

“Permit holder” means a person who has been issued a permit by the Director to operate a sports betting platform.

“Person” means any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, government, political subdivision, or any other legal or commercial entity and any successor, representative, agent, agency or instrumentality thereof.

"Personal biometric data" means any information about an individual that is derived from his DNA, heart rate, blood pressure, perspiration rate, internal or external body temperature, hormone levels, glucose levels, hydration levels, vitamin levels, bone density, muscle density, or sleep patterns, or other information as may be prescribed by the Board by regulation.

“Player” or “Sports bettor” means an individual physically located in the Commonwealth of Virginia who participates in sports betting.

“Principal” means an individual who, solely or together with the individual’s immediate family members, (i) owns or controls, directly or indirectly, five percent or more of the pecuniary interest in any entity that is a permit holder, or (ii) has the power to vote or cause the vote of five percent or more of the voting securities or other ownership interests of such entity. “Principal” includes an individual who is employed in a managerial capacity for a sports betting platform on behalf of a permit holder, and for purposes of this definition, “employed in a managerial capacity” means the Chief Executive Officer of the permit holder and, if applicable, its sports betting platform supplier, and any individual who has ultimate responsibility for the operation of the sports betting platform in Virginia.

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"Professional sports" means an athletic event involving at least two human competitors who receive compensation, in excess of their expenses, for participating in such event. "Professional sports" does not include charitable gaming, as defined in § 18.2-340.16; fantasy contests, as defined in § 59.1-556; or horse racing, as defined in § 59.1-365.

"Prohibited conduct" means any statement, action, or other communication intended to influence, manipulate, or control a betting outcome of a sports event or of any individual occurrence or performance in a sports event in exchange for financial gain or to avoid financial or physical harm. "Prohibited conduct" includes statements, actions, and communications made to a covered person by a third party. "Prohibited conduct" includes cheating. "Prohibited conduct" does not include statements, actions, or communications made or sanctioned by a sports team or sports governing body.

"Prohibited individual" means any individual: (1) who is prohibited from wagering pursuant to the sports betting law; (2) whose name is on any self-exclusion list or Virginia Lottery Exclusion List; (3) whose participation may undermine the integrity of the wagering or the sporting event; (4) who is excluded from wagering for any other good cause; or (5) who makes or attempts to make a wager as an agent or proxy on behalf of another for compensation (i.e., messenger betting).

"Prohibited wager" means an attempted wager on any sporting event or occurrence which is not explicitly permitted: (1) under the sports betting law; or (2) by Board action, whether by regulation or according to any list of permissible wagers published and updated by the Department from time to time. "Prohibited wager" includes wagers on youth sports, proposition bets on college sports, and bets on Virginia college sports. For youth sports and Virginia college sports, "prohibited wagers" are limited to the single game or match in which a youth sports or Virginia college sports team is a participant, and shall not be construed to prohibit wagering on other games in a tournament or multigame events in which a youth sport or Virginia college sports team participates, so long as such other games do not have a participant that is a youth sports or Virginia college sports team.

"Proposition wager" or "Proposition bet" means a wager on a single specific action, statistic, occurrence, or non-occurrence to be determined during a sporting event and includes any such action, statistic, occurrence, or non-occurrence that does not directly affect the final outcome of the sporting event to which it relates.

"Registrant" means a person who has received a registration approval from the Director.

"Registration" means the authority granted by the Director to a person to perform the functions and responsibilities of a sports betting vendor.

"Sports betting" means placing wagers on professional sports, college sports, sporting events, and any portion thereof, and includes placing wagers related to the individual performance statistics of athletes in such sports and events. "Sports betting" includes any system or method of wagering approved by the Director, including single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets. "Sports betting" does not include: (i) participating in charitable gaming authorized by Article 1.1:1

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(§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2; (ii) participating in any lottery game authorized under Article 1 (§ 58.1-4000 et seq.); (iii) wagering on horse racing authorized by Chapter 29 (§ 59.1-364 et seq.) of Title 59.1; (iv) participating in fantasy contests authorized by Chapter 51 (§ 59.1-556 et seq.) of Title 59.1.; (v) placing a wager on a college sports event in which a Virginia public or private institution of higher education is a participant; or (vi) placing a wager on sports events organized by the International Olympic Committee.

“Sports betting account” or “Player account” means an account established by a permit holder for an individual to use for sports betting with a specific identifiable record of deposits, wagers, and withdrawals established by a sports bettor and managed by the permit holder.

“Sports betting employee” means an individual who does not meet the definition of a principal and works within the borders of the Commonwealth of Virginia for a permit holder, sports betting supplier, or vendor on non-management support services such as software or hardware maintenance, provision of products, services, information or assets, directly or indirectly, to the permit holder.

“Sports betting law” means Chapter 40 ([§ 58.1-4030 et seq.](#)) of Title 58.1 of the Code of Virginia.

“Sports betting operation” means the legal provision of sports betting to individuals through a sports betting platform in the Commonwealth of Virginia.

“Sports betting platform” means a website, app, or other platform accessible via the Internet or mobile, wireless, or similar communications technology that sports bettors may use to participate in sports betting.

“Sports betting supplier” or “Supplier” means a person who: (a) manages, administers, or controls wagers initiated, received or made on a sports betting platform; (b) manages, administers, or controls the games on which wagers are initiated, received, or made on a sports betting platform; or (c) maintains or operates the software or hardware of a sports betting platform, including geolocation services, customer integration, and customer account management.

“Sports event” or “Sporting event” means professional sports, college sports, and any athletic event, motor race event, electronic sports event, or competitive video game event.

“Sports governing body” means an organization, headquartered in the United States, that prescribes rules and enforces codes of conduct with respect to a professional sports or college sports event and the participants therein. “Sports governing body” includes a designee of the sports governing body.

“Submit” means to deliver a document or electronic information: (a) in a manner that ensures its receipt by the party to whom it is addressed, and (b) which is considered complete only upon actual receipt by that party.

“Suspicious wagering activity” means unusual wagering activity which cannot be explained; is in violation of the sports betting law or these regulations; is made or attempted to be made by an

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agent or proxy for compensation (i.e., messenger betting); or which is or may be indicative of match-fixing, the manipulation of an event, misuse of inside information, sports corruption, or other prohibited activity.

“Unusual wagering activity” means abnormal wagering activity exhibited by players and deemed by a permit holder as a potential indicator of suspicious wagering activity. Unusual wagering activity may include, but is not limited to, the size of a player’s wager or increased wagering volume on a particular event or wager type.

“Vendor” or “Sports betting vendor” means a person within the Commonwealth of Virginia who is engaged by, under contract to, or acting on behalf of a permit holder to provide sports betting-related goods or services that directly affect sports betting in Virginia and who does not meet the criteria for licensing as a principal or a supplier, such as an affiliated marketer or an equipment maintenance provider..

“Virginia college sports” means an athletic event in which at least one participant is a team from a Virginia public or private institution of higher education.

“Voided wager” means a wager voided by a permit holder for a specified sporting event.

“Wager” or “Bet” means a sum of money or thing of value risked that is risked by a sports bettor on the unknown outcome of one or more sporting event, including, but not limited to, the form of fixed-odds betting, a future bet, live betting, a money line bet, pari-mutuel betting, parlay bet, pools, proposition bets, spread bet, or in any other form or manner as authorized by regulation of the Board. Wager or Bet does not include a sum of money or thing of value risked on an unknown outcome pursuant to the Fantasy Sports Act.

“Written notice” or “Notice” means notice provided in paper or electronic form, including electronic mail.

“Youth sports” means an athletic event (i) involving a majority of participants under age 18 or (ii) in which at least one participant is a team from a public or private elementary, middle, or secondary school, regardless of where such school is located. Regardless of the age of the participants, an athletic event that meets the definition of “college sports” or “professional sports” shall not be considered “youth sports.”

11VAC5-70-20. Application Process.

A. General Provisions

1. Upon filing of an online application for a permit, license, or registration, the applicant shall pay by wire transfer the applicable investigation and nonrefundable application fees established by the Board by regulation.

2. If an application for a permit, license, or registration must be submitted to the Director by a particular date, the application shall be delivered to the Director not later than 11:59:59 p.m. on

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the last day of the specified period, and an application submitted after the deadline may not be accepted or considered by the Director.

3. Applications and required fees for permits will be accepted by the Director only during the initial permit application period, and thereafter, during an annual permit application period, as defined in these regulations.

4. Applications and required fees for licenses and registrations may be accepted by the Director at any time following the effective date of these regulations.

5. An applicant may not submit an application earlier than one year after the Director has:

a. Taken final action on a denial of a previous permit, license, or registration application involving the applicant;

b. Taken final action on a sanction resulting in revocation of a previous permit, license, or registration application involving the applicant; or

c. Provided a permit holder, licensee, registrant, or individual with written notice of termination of a temporary permit, license, or registration.

B. Applications

1. Information and documents submitted to the Director under this chapter shall be made using the electronic form required by the Director and, as required by the Director, may include an original and copies.

2. Information and documents submitted to the Director in a permit, license, or registration application shall be sworn under the penalties of perjury as to their truth and validity by the applicant or, if the applicant is not an individual, by an officer or director of the applicant.

3. Upon receipt of an application by the Director, Department staff shall review the application to determine whether it contains all the information required under this chapter.

4. If the Director determines that required information has not been submitted, Department staff shall notify the applicant and state the nature of the deficiency.

5. An applicant notified in accordance with subdivision 4 of this subsection shall submit the information necessary to complete the application no later than 15 days after issuance of the notice.

6. The Director will not consider the application of an applicant who is notified in accordance with subdivision 4 of this subsection and who fails to submit the requested information in a timely manner.

7. The Director will consider only a timely, complete application.

C. Changes in Application

1. If information submitted by an applicant as part of a permit, license, or registration application

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changes or becomes inaccurate before the Director acts on the application, the applicant shall immediately notify Department staff of the change or inaccuracy.

2. After an application has been filed by an applicant, the applicant may not amend the application except:

a. To address a deficiency in accordance with a notice sent under subdivision 4 of subsection B;

b. As required by the Director or Department staff for clarification of information contained in the application; or

c. To address a change in the circumstances surrounding the application that was outside the control of the applicant and that affects the ability of the applicant to comply with the law or the regulations of the Board.

3. To amend an application under this subsection, an applicant shall submit to the Director a written request to amend the application, stating:

a. The change in the circumstances surrounding the application that necessitates the amendment;

b. The nature of the amendment; and

c. The reason why the amendment is necessary to bring the application into compliance with the law or the regulations of the Board.

4. The Director or Department staff shall grant or deny each request submitted under subdivision 2.c of this subsection.

5. A request shall be granted if the applicant demonstrates to the satisfaction of the Director that:

a. Before the change in the circumstances surrounding the application, the application complied with the pertinent provisions of the law or the regulations of the Board; and

b. The amendment is necessary to bring the application into compliance with the pertinent provisions of the law or the regulations of the Board.

6. An application for a permit, license, or registration may be withdrawn if the:

a. Applicant submits a written request to the Director to withdraw the application; and

b. Written request is submitted before the Director has:

(1) Denied the application; or

(2) Terminated a temporary permit, license, or registration.

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D. Burden of Proof

1. The burden of proof shall be on the applicant to show by clear and convincing evidence that the applicant complies with the laws of the Commonwealth of Virginia and the regulations of the Board regarding eligibility and qualifications for the permit, license, or registration, and that the applicant is not otherwise disqualified from holding a permit, license, or registration.
2. The Director may deny a permit, license, or registration to an applicant whose gaming or similar license has been suspended or revoked in another jurisdiction.
3. The Director may deny a permit, license, or registration to an applicant whose past or present conduct would bring the Commonwealth of Virginia into disrepute.
4. Inadvertent, nonsubstantive errors that might be made in furnishing the information required by this section may not be used as a reason by the Director for disqualifying the applicant.

E. Administrative Costs of Background Investigations

1. Except for a permit, principal license, or supplier license application, the administrative costs associated with performing background investigations shall be incorporated into the fixed application/license fee set out in this chapter.
2. For a permit, principal license, or supplier license application, the administrative costs associated with performing background investigations shall vary depending on the complexity of the investigation and the time spent conducting it.
3. Promptly upon receipt of an invoice from the Department, an applicant for a permit, principal license, or supplier license shall reimburse the Department by wire transfer for:
 - a. The administrative costs associated with performing background investigations of the applicant and any individual required to provide information under this chapter; and
 - b. Any payments made by the Director to a person approved by the Director to conduct the background investigation.
4. Failure to reimburse the Director shall be grounds for disqualification of the applicant.
5. The Director may require initial and additional deposits from an applicant for the administrative costs of conducting the applicant's background investigation.
6. The Director will refund to an applicant for a permit, principal license, or supplier license any unused amount of the advance deposit.

F. Effect of Permit, License, or Registration

1. Participation in sports betting operations by a permit holder, licensee, or registrant shall be deemed a revocable privilege, and shall be conditioned on the proper and continued qualification of the permit holder, licensee, or registrant and on the discharge of the affirmative responsibility

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of each permit holder, licensee, and registrant to provide to the regulatory and investigatory authorities under this chapter or any other provision of law, any assistance and information necessary to assure that the policies underlying this chapter are achieved.

2. Consistent with the policy described in subdivision 1 of this subsection, it is the intent of this chapter to:

a. Preclude:

(1) The creation of any property right in any permit, license, or registration required under this chapter;

(2) The accrual of any monetary value to the privilege of participation in sports betting operations; and

(3) Except as specifically provided by the sports betting law and the Board's regulations, the transfer of any permit, license, or registration issued under this chapter; and

b. Require that participation in sports betting operations be conditioned solely on the continuing qualifications of the person who seeks the privilege.

3. A permit holder may sublicense, convey, concede, or otherwise transfer its permit to a third party only after the transferee:

a. Applies and pays all application and background investigation fees for a permit;

b. Receives the approval of the Director; and

c. Pays a nonrefundable transfer fee of \$200,000.

G. Continuing Obligations.

1. Applicants who are awarded a permit, license, or registration shall, during the term of their permits, licenses, or registrations, conform to all the information contained in their applications.

2. If information submitted by an applicant who is issued a permit, license, or registration changes during its term, the permit holder, licensee, or registrant shall immediately submit to the Director notice in writing of the change.

3. As a condition of holding a permit, license, or registration, a permit holder, licensee, or registrant must comply with all requirements of the Sports Betting Law, this chapter, and any other chapter in this title related to sports betting.

4. Failure to comply with the obligations of subdivisions 1, 2, or 3 of this subsection shall be grounds for the Director taking enforcement action against the permit holder, licensee or registrant.

H. Temporary or Conditional Permit, License, or Registration.

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1. Upon request of an applicant, the Director may in his sole discretion issue a temporary or conditional permit, license, or registration to an apparently-qualified applicant.
2. An applicant for a permit, license, or registrant may not be considered to be apparently-qualified if:
 - a. The applicant has an immediately known present or prior activity, criminal record, reputation, habit, or association that would disqualify the applicant from holding a permit, license, or registration under the Sports Betting Law or this chapter;
 - b. The applicant poses a serious imminent risk of harm to the integrity, security, or profitability of the Commonwealth of Virginia's sports betting program; or
 - c. There are reasonable grounds to believe that the applicant will not be able to establish the applicant's qualifications by clear and convincing evidence under this chapter.
3. By accepting a temporary or conditional permit, license, or registration, an applicant waives the right to challenge or contest a final decision by the Director concerning the application.
4. A temporary or conditional permit holder, licensee, or registrant whose permanent permit, license, or registration is denied shall not receive a refund of any fees paid toward the application and the costs of the Department's investigation.
5. A temporary or conditional permit, license, or registration:
 - a. May not be issued until the applicant has acknowledged in writing that the Commonwealth of Virginia is not financially responsible for any consequences resulting from termination of a temporary or conditional permit, license, or registration, or a denial of the application;
 - b. Expires 180 days after the date of issuance; and
 - c. May be extended by the Director for one period of up to 180 days.
6. When the Director changes a temporary or conditional permit, license, or registration into permanent status, the date of issuance of the permanent permit, license, or registration shall be deemed to be the date that the Director approved the temporary permit, license, or registration.
7. By written notice to a temporary or conditional permit holder, licensee, or registrant, the Director may terminate, without a hearing and without following the denial process under section 120 of this chapter, the temporary or conditional permit, license, or registration of an applicant for:
 - a. Failure to pay a required fee;
 - b. Failure to submit required information and documentation to Department staff within 15 days of responding to a request for additional information or documents;

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- c. Failure to comply with any other request of Department staff;
 - d. Engaging in conduct that obstructs Department staff from completing the applicant's background investigation;
 - e. Failure to comply with the conditions imposed by the Director, or
 - f. Violating any provision of Sports Betting Law or this chapter.
8. The Director's written notice of termination of a temporary or conditional permit, license, or registration is the final action of the Director.
9. If, during the course of conducting an applicant's background investigation, Department staff reasonably believes there is a basis for recommending denial of a permanent permit, license, or registration to a temporary or conditional permit holder, licensee, or registrant, Department staff shall:
- a. Notify the Director and the temporary or conditional permit holder, licensee, or registrant; and
 - b. If the Director has not yet issued a final decision on the application, allow the application to be withdrawn.

11VAC5-70-30. Consent for Investigation.

A. An individual who is required to provide personal and background information under this chapter shall provide a statement that irrevocably gives consent to the Director, Department staff and its investigative contractors, and persons authorized by the Director to:

- 1. Verify all information provided in the application; and
- 2. Conduct a background investigation of the individual.

B. An applicant shall authorize the Director and Department staff and investigative contractors to have access to any and all information the applicant has provided to any other jurisdiction while seeking a gaming or similar license in that other jurisdiction, as well as the information obtained by that other jurisdiction during the course of any investigation it may have conducted regarding the applicant

11VAC5-70-40. Waiver of Requirement.

A. General

- 1. The Director may waive any of the grounds for denial or renewal of a permit, license, or registration.

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2. The Director may waive the grounds for denial under this section only after the Director determines that denial would limit the number of applicants, permit holders, licensees, or registrants in a manner contrary to the best interests of the Commonwealth of Virginia.

B. Process

1. A person requesting a waiver shall submit a written request in a format specified by the Director.

2. A written request shall contain at least the following:

- a. The standard for which the waiver is sought;
- b. Detailed facts in support of the request;
- c. An explanation of the unique circumstances justifying the request; and
- d. Any other information requested by Department staff or the Director.

3. Upon receipt of a waiver request that fails to comply with subdivision 1 or 2 of this subsection, Department staff shall notify the requestor:

- a. Of any deficiency; and
- b. That the request will not be presented to the Director unless the identified deficiency is corrected.

C. Decision

1. Upon receipt of a request that complies with subsection A and B of this section, Department staff shall present the request to the Director as soon as practicable.

2. At any time before or after a waiver has been granted, the Director may:

- a. Limit or place restrictions on the waiver as the Director considers necessary in the best interest of the Commonwealth of Virginia; and
- b. Require the permit holder or licensee who is granted the waiver to cooperate with the Director and to provide the Director with any additional information required as a condition of the waiver.
- c. After the Director decides whether to grant or deny the request for a waiver, Department staff shall notify the requestor of the decision.
- d. The decision of the Director on a request for a waiver is final and may not be appealed.

11VAC5-70-50. Sports Betting Permit Applications.

A. An application for a sports betting permit shall consist of two parts and shall include:

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1. A narrative description in an electronic format of the applicant's plan for offering a sports betting platform in the Commonwealth of Virginia; and

2. Information to be provided to the Department in an electronic format for the purposes of allowing the Department to conduct its background investigation.

B. The narrative component of the application shall include information describing:

1. The applicant's background in sports betting;

2. The applicant's experience in wagering activities in other jurisdictions, including the applicant's history and reputation of integrity and compliance;

3. The applicant's proposed internal control standards, including controls to ensure that no prohibited or voluntarily excluded person will be able to participate in sports betting;

4. The applicant's history of working to prevent compulsive gambling including training programs for its employees;

5. If applicable:

a. All supporting information and documentation necessary to establish eligibility for substantial and preferred consideration pursuant to the provisions of the Sports Betting Law;

b. The identity of any partner, subcontractor, or other affiliate through which the applicant wishes to demonstrate compliance with the requirements of this chapter; and

c. Assurances that the permit application also includes a completed application, along with all applicable permitting, licensing, registration, and background investigation fees, for the applicant's partner, subcontractor, or other affiliate, and their applicable principals.

6. The applicant's proposed procedures to detect and report suspicious or illegal gambling activity;

7. Whether the applicant intends to limit its participation in any of the types of allowable sports events available in the Commonwealth of Virginia;

8. Whether the applicant has entered into or plans to enter into any agreements to offer its sports betting platform in coordination with other applicants or persons; and

9. If the applicant is the subsidiary of another entity, an explicit statement that the parent organization will fully and absolutely guarantee the performance of the subsidiary for at least the first year of operation.

C. Information that is provided to the Department in electronic format for the purposes of allowing the Department to conduct its background investigation need not be repeated in the narrative

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submission.

D. The applicant shall include in its narrative:

1. A high-level description of the application, which shall be designed to be released to the public; and
2. An authorization for the Department to release that portion of the narrative despite the otherwise-applicable provisions of §2.2-3704.01 of the Code of Virginia.

E. The applicant shall submit the information described in subsections F through X using the electronic form required by the Director, along with copies if requested by Department staff.

F. If the applicant is a corporation, the application shall include a:

1. Statement of when the corporation was organized;
2. Copy of the articles of incorporation and bylaws of the corporation;
3. Statement and documentation of whether the corporation has been reorganized or reincorporated during the 5-year period preceding the date on which the application is submitted to the Director;
4. Statement and documentation of whether the corporation has filed restated articles of incorporation; and
5. List identifying each person who:
 - a. Exercises voting rights in the corporation; and
 - b. Directly or indirectly owns 5 percent or more of the corporation.

G. If the applicant is an unincorporated business association, the application shall include a:

1. Copy of each organizational document of the applicant, including any partnership agreement;
2. Description of any oral agreements involving the organization of the applicant; and
3. List identifying each person who:
 - a. Exercises voting rights in the applicant;
 - b. Directly or indirectly owns 5 percent or more of the business association.

H. If the applicant is authorized to issue capital stock, the applicant shall state, for each class of stock authorized, the:

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1. Total number of shares;
2. Par value, if any;
3. Voting rights;
4. Current rate of dividend;
5. Number of shares outstanding and the market value of each share on the date of the application;
6. Existence of any voting trust or voting agreement in which capital stock of the applicant is held, and the:
 - a. Name and address of each stockholder participating in the trust or agreement;
 - b. Class of stock involved; and
 - c. Total number of shares held by the trust or agreement.
- I. The application shall include a certified copy of each voting trust or voting agreement in which capital stock is held.
- J. The application shall describe the terms of any proxy by which any capital stock may be voted and shall state the:
 1. Name and address of the person holding the proxy;
 2. Name and address of the stockholder who granted the proxy;
 3. Class of stock for which the proxy may vote; and
 4. Total number of shares voted by the proxy.
- K. The application shall state any provisions, and the procedures by which these provisions may be modified, for the redemption, repurchase, retirement, conversion, or exchange of an ownership interest.
- L. The application shall state whether the applicant's stock may be traded through options and whether the corporation or a stockholder has executed an agreement or contract to convey any of the corporation's or the stockholder's stock at a future date.
- M. The application shall include a copy or a description of each agreement or contract disclosed under subsection L of this section.
- N. The application shall include a copy of each prospectus, pro forma, or other promotional material given to potential investors about the permit holder applicant's operation.

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O. The application shall provide full disclosure for any stock options that may exist or have been granted.

P. The application shall:

1. Disclose all individuals and entities that have an ownership interest of 5% or more in the applicant, including any beneficial ownership as defined Article 1, Chapter 14 ([§ 13.1-1201](#)) of the Code of Virginia; and

2. Describe the:

a. Nature of the ownership, and

b. Extent of control exercised by the owner, and

3. Include information and documents required by this chapter as to each owner.

Q. If the applicant is not an individual, the application shall include a list of the individuals who are serving, or who are designated to serve, during the first year after the date the application is submitted to the Director, as a director, officer, partner, or principal as defined in this chapter and provide:

1. The individual's name and address;

2. Each position or office of the applicant held by the individual;

3. The individual's primary occupation during the 5-year period preceding the date on which the application is submitted to the Director; and

4. The nature and extent of any ownership interest that the individual has in the applicant.

R. The Director shall take final action on a completed initial application for a sports betting permit within the time set forth in Article 2 of Chapter 40 ([§ 58.1-4032](#)) of the Code of Virginia, including the application of any required principals.

S. The Director may award a sports betting permit after consideration of the application and based on:

1. The contents of the submitted application;

2. The extent to which the applicant has demonstrated past experience, financial viability, compliance with applicable laws and regulations, and success with sports betting in other U.S. jurisdictions;

3. The extent to which the applicant has demonstrated that it will be able to meet the duties of a

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permit holder;

4. Whether the applicant has demonstrated that it has made serious, good faith efforts to solicit and interview a reasonable number of investors that are minority individuals as defined in Article 1, Chapter 16.1 ([§ 2.2-1604](#)) of Title 2.2 of the Virginia Code;

5. The amount of adjusted gross revenue and associated tax revenue that an applicant expects to generate;

6. The effect of issuing an additional permit on the amount of gross revenue and associated tax revenue generated by all permit holders, considered in the aggregate;

7. The extent to which the applicant will generate new jobs within the Commonwealth of Virginia; and

8. Whether the applicant has adequate capitalization and the financial ability and the means to develop, construct, operate, and maintain the applicant's proposed internet sports betting platform in accordance with the Sports Betting Law and these regulations.

9. Whether the applicant has the financial ability to purchase and maintain adequate liability and casualty insurance and to provide an adequate surety bond.

10. Whether the applicant has adequate capitalization and the financial ability to responsibly pay its secured and unsecured debts in accordance with its financing agreements and other contractual obligations.

11. Whether the applicant has a history of material noncompliance with casino or casino-related licensing requirements or compacts with this state or any other jurisdiction, where the noncompliance resulted in enforcement action by the person with jurisdiction over the applicant.

12. Whether the applicant or the applicant's principals have been indicted for, charged with, arrested for, or convicted of, pleaded guilty or nolo contendere to, forfeited bail concerning, or had expunged any criminal offense under the laws of any jurisdiction, either felony or misdemeanor, not including traffic violations, regardless of whether the offense has been expunged, pardoned, or reversed on appeal or otherwise. The Board may consider mitigating factors.

13. Whether the applicant has filed, or had filed against it, a proceeding for bankruptcy or has ever been involved in any formal process to adjust, defer, suspend, or otherwise work out the payment of any debt.

14. Whether the applicant has a history of material noncompliance with any regulatory requirements in this state or any other jurisdiction where the noncompliance resulted in an enforcement action by the regulatory agency with jurisdiction over the applicant.

15. Whether at the time of application the applicant is a defendant in litigation involving the integrity of its business practices; and

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16. Any other factor the Director considers relevant.

T. If during the initial application period, the Director receives more applications for permits than are authorized under the Sports Betting Law, the Director shall:

1. Evaluate whether any of the applications are so deficient that they should be rejected immediately;
2. Qualitatively compare the remaining applications and award permits only from the pool of the top two-thirds of the remaining applicants who meet all the qualifications of a permit holder and are not otherwise disqualified from holding a permit; and
3. Conduct further investigation and comparison before determining which, if any, of the remaining one-third of the applicants should be awarded a permit.

U. Prior to issuance of a permit, an applicant awarded a permit shall pay to the Lottery a nonrefundable permit issuance fee of \$250,000.

V. The term of a permit is three years from the date of issuance.

W. At least 60 days before the end of the term of a permit, a permit holder shall submit a:

1. Renewal application in the form required by the Department, and
2. Nonrefundable wire transfer of \$200,000 as a permitting and background investigation fee.

X. Renewal applications not submitted in compliance with subsection W.1 or W.2 of this section will not be considered.

11 VAC 5-70-60. Principal Applications.

A. An applicant for a principal license who is associated with a sports betting permit applicant shall submit the principal application together with the permit application.

B. A principal who will be employed in a managerial capacity for a sports betting platform on behalf of a permit holder:

1. Shall submit the application separately from the application for the sports betting permit; and
2. May submit the application together with a supplier license application.

C. The application for a principal shall be made using the electronic form required by the Department.

D. For an applicant who is a citizen of any country other than the United States, the background

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investigation shall require an international criminal history records check.

E. The application for each principal license shall be accompanied by a wire transfer of \$50,000, \$1,000 of which shall be considered an application/license fee, with the remainder constituting a non-refundable initial deposit toward the Department's administrative costs to conduct the background investigation of the applicant.

F. The term of a principal license shall be three years from the date of issuance.

G. At least 60 days before the end of the term of a principal license, a principal shall submit a:

1. Renewal application using the electronic form required by the Department, and
2. Nonrefundable wire transfer of \$50,000 as an application/license and background investigation fee.

11VAC5-70-70. Sports Betting Supplier Applications.

A. An applicant for a sports betting supplier license shall be made using the electronic form required by the Department.

B. A principal who will be employed in a managerial capacity for a sports betting platform may submit the principal application together with a supplier license application.

C. The application for a sports betting supplier license shall include all information required by Department staff.

D. The application for a supplier license to operate a permit holder's sports betting platform shall be made using the electronic form required by the Department.

E. The application for a supplier license to operate a permit holder's sports betting platform shall be accompanied by a wire transfer of \$125,000, \$10,000 of which shall be considered an application/license fee, with the remainder constituting a refundable initial deposit toward the Department's administrative costs to conduct the background investigation of the applicant and its employees and directors.

F. An applicant for a supplier license to operate a sports betting platform shall identify those individuals who will be employed in a managerial capacity on the platform.

G. The application for a supplier license other than to operate a permit holder's sports betting platform shall be accompanied by a wire transfer of \$50,000, \$5,000 of which shall be considered an application/license fee, with the remainder constituting a refundable initial deposit toward the Department's administrative costs to conduct the background investigation of the applicant and its employees and directors.

H. The term of a supplier license shall be three years from the date of issuance.

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I. At least 60 days before the end of the term of a supplier license, a supplier shall submit a:

1. Renewal application in the form required by the Department, and
2. Nonrefundable wire transfer of \$50,000 as an application/license and background investigation fee.

11VAC5-70-80. Sports Betting Vendor Registrations.

A. Any person not approved by the Director as a registered sports betting vendor may not perform vendor functions for a permit holder or sports betting supplier within the Commonwealth of Virginia.

B. An applicant for a sports betting vendor registration shall complete and submit the electronic application form required by the Department.

C. The application for a sports betting vendor registration shall include all information required by Department staff.

D. The application for a sports betting vendor registration shall be accompanied by a wire transfer of nonrefundable \$500 application/registration fee toward the Department's administrative costs to conduct the background investigation of the applicant.

E. The term of a sports betting vendor registration shall be three years from the date of issuance.

F. At least 60 days before the end of the term of a vendor registration, a vendor registrant shall submit a:

1. Renewal application in the form required by the Department, and
2. Nonrefundable wire transfer of \$500 as an application/registration and background investigation fee.

11VAC5-70-90. Sports Betting Employee Applications.

A. Any individual not holding a valid sports betting employee license issued by the Director may not be employed by a permit holder or sports betting supplier to work within the borders of the Commonwealth of Virginia as a sports betting employee.

B. The Director may issue a sports betting employee license to an individual upon:

1. Payment of all required application/license and background investigation fees;
2. Submission of a completed license application to the Director;

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3. Disclosure of all personal and background information and other information required by Department staff;
 4. Signed consent for investigation required under this chapter;
 5. Unless exempt, issuance of any applicable bond required under this chapter;
 6. Receipt of at least a conditional offer of employment as a sports betting employee from a permit holder or sports betting supplier which has:
 - a. Obtained a bond if required under this chapter; and
 - b. Performed, at a minimum, criminal, credit, and tax checks, employment verification, and a national database search;
 7. Provided confirmation that within the 365 days before the application is submitted, the applicant has not served as a Board member or been employed by the Department;
and
 8. Provided the Director with sufficient information, documentation, and assurances to establish, by clear and convincing evidence, that the individual meets the applicable requirements of the laws of Virginia and this chapter; and is otherwise qualified for a sports betting employee license.
- C. The application/license and background investigation fee for a sports betting employee license or renewal is \$500.
- D. A licensed sports betting employee may not wager on a sports event at, or receive winnings from, a permit holder where the individual is employed or that is operated by the individual's employer, or where the individual is currently assigned to work.
- E. A licensee has a continuing duty to inform the Director of any act or omission the licensee knows or should know constitutes a violation of the Code of Virginia or this chapter.
- F. Term; Renewal.
1. The term of a sports betting employee license is three years from the date of initial licensure.
 2. Except in the case of a temporary license, the Director may renew the sports betting license if, 60 days before the term of the license expires, the licensee:
 - a. Applies for renewal in the format required by the Department;
 - b. Continues to demonstrate compliance with all licensing requirements;
 - c. Maintains employment as a sports betting employee;

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- d. Submits to a background investigation under this chapter; and
- e. Pays the fees for licensure and backgrounding as described in this section.

11VAC5-70-100. Bonds.

A. The Director may require an applicant, permit holder, licensee, or registrant to obtain a bond before the Director issues or reissues a permit, license, or registration.

B. A sports betting employee may be exempted from obtaining a bond if the employee is involved in activities that the Director has determined do not require a bond to protect the public interest.

C. A bond shall be for the benefit of the Commonwealth of Virginia for the faithful performance of the requirements imposed by the laws of Virginia and this chapter; shall be renewable annually; and may not be cancelled without at least 30 days written notice submitted to the Director. The original bond shall be submitted to the Director.

D. A bond shall be issued only by a company that is financially rated A or better by a nationally recognized rating agency and is permitted to transact business in the Commonwealth of Virginia.

E. For a permit holder, the amount of the bond may not exceed \$5,000,000.

F. As approved by the Director, the bond for a principal may be included in the bond submitted by the permit holder or sports betting supplier.

G. For a principal or sports betting employee not covered by a bond under subsection E of this regulation, the amount of the bond:

1. Shall be determined by the Director based on the employee's level of responsibility and the Commonwealth of Virginia's risk of exposure to liability for the employee's performance; and

2. May not exceed \$150,000.

H. For a sports betting supplier licensee or vendor registrant, the amount of the bond:

1. Shall be determined by the Director based on the licensee's or vendor's level of responsibility and the Commonwealth of Virginia's risk of exposure to liability for the licensee's or vendor's performance; and

2. May not exceed \$150,000.

I. The Director will not issue or reissue a permit, license, or registration until the Director has received satisfactory proof of a bond.

J. The Director may apply a bond to the payment of an unpaid liability associated with this chapter of the applicant, permit holder, licensee, or registrant.

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K. On an annual basis, the Director shall review the need for, and the amount of, bonds required of a permit holder, licensee, or registrant.

11VAC5-70-110. Denial of a Permit, License or Registration.

A. In addition to the hearing requirements in subsection C of this section, the process set out in subsection B of this section shall precede a hearing by the Board on the denial of a permit, license, or registration application.

B. After reviewing an application submitted for a permit, license, or registration, Department staff may recommend that the Director deny the application of an applicant who:

1. Has not established by clear and convincing evidence that the applicant meets applicable qualifications set out in the sports betting law and this chapter, including demonstration of the good character, honesty, and integrity of the applicant and its principals and employees; or

2. Has violated:

a. A provision of the Sports Betting Law;

b. A provision of this chapter or any other chapter related to sports betting; or

c. A condition set by the Director.

3. If Department staff recommends that the Director deny a permit, license, or registration, the Director or the Director's designee shall promptly provide the applicant with written notice of:

a. The recommendation and the basis therefor; and

b. The applicant's right to request an Informal Fact-Finding Conference with the Director or the Director's designee as provided by Article 1, Chapter 40 ([§ 58.1-4007](#)) of the Code of Virginia.

4. An applicant may submit to the Director a written request for an Informal Fact-Finding Conference within 15 days of the date of the notice described in subdivision 3 of this subsection.

5. If an applicant fails to timely submit a request under subdivision 4 of this subsection, the Director may adopt as final the recommendation of Department staff.

6. During an Informal Fact-Finding Conference, an applicant may:

a. Be represented by counsel; and

b. Present evidence as to why the permit, license, or registration should be granted;

7. If after the Informal Fact-Finding Conference, the applicant is dissatisfied with the decision of

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the Director, the applicant may submit to the Board, in writing:

- a. A request for hearing before the Board on the decision of the Director; and
 - b. The applicant's legal and factual bases for disagreeing with the recommendation of the Director.
8. An applicant may submit a hearing request to the Board within 15 days of the date of the recommendation of the Director after the Informal Fact-Finding Conference.
9. If an applicant fails to timely submit a written hearing request under subdivision 8 of this subsection, the Director's decision shall be adopted as final.

C. Board Process.

1. Upon receipt of a timely written hearing request, the Board shall provide the applicant a hearing notice for a hearing before the Board.
 2. The Board's hearing notice, and the Board's hearing at which the Director's denial will be considered, shall comply with the requirements of the Virginia Administrative Process Act, Chapter 40 (§ [2.2-4000](#) *et seq.*) of Title 2.2 of the Code of Virginia.
 3. The Board shall:
 - a. Grant the permit, license, or registration after determining that the applicant is qualified; or
 - b. Deny the permit, license, or registration after determining that the applicant:
 - (1) Is not qualified for a permit, license, or registration, or is disqualified from holding a permit, license, or registration;
 - (2) Has violated a provision described in subdivision B. 2. of this section; or
 - (3) Has failed to demonstrate by clear and convincing evidence that its application should have been granted.
 4. Following a hearing, if it decides to uphold the decision of the Director, the Board shall:
 - a. Prepare an order denying the permit, license, or registration with a statement of the reasons and specific findings of fact; and
 - b. Provide the applicant with written notice of its final action.
 5. The Board's final action on a permit, license, or registration denial is subject to judicial review as provided in § 58.1-4027 of the Code of Virginia.
- D. The procedures set out in this section shall apply to decisions by the Director not to renew a

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permit, license, or registration.

11VAC5-70-120. Sanctions.

A. In addition to any other permissible enforcement action, the Director may impose sanctions on a permit holder, licensee, or registrant.

B. Permissible sanctions against a permit holder include:

1. Suspension or revocation of the permit; and
2. A monetary penalty of up to \$1,000 per day per violation.

C. Permissible sanctions against a licensee or registrant include suspension or revocation of the license or registration.

D. The Director may impose sanctions on a permit holder, licensee, or registrant for violations committed by its principals, suppliers, vendors, or employees.

E. The Director may impose a sanction for any violation of the sports betting law or this chapter or other chapters in this title related to sports betting, including:

1. Any basis for the denial of a permit, license, or registration under section 110 of this chapter;
2. Knowingly making a false statement of material fact to the Director;
3. Having been suspended or denied from operating a gambling game, gaming device, gaming or sports betting operation, or having had a license revoked by any governmental authority responsible for the regulation of gaming activities in any jurisdiction;
4. Having been convicted of or pled guilty to a felony or misdemeanor in any jurisdiction that could affect the suitability of the permit holder, licensee, or registrant, as determined by the Director;
5. Having been convicted of or pled guilty to a gambling-related, theft, embezzlement, or fraud offense;
6. Having been arrested, charged, indicted, convicted, or received notice of civil or criminal investigation or threat of prosecution for illegal or offshore sports betting activities that serviced the United States or otherwise accepted wagers in violation of state or federal law from individuals located inside the United States;
7. Failure to fully and timely submit a tax, fee, or penalty as required by the Board, the Commonwealth of Virginia or any applicable subdivision;
8. Failure to submit a report as required to the Director;

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9. Failure to participate in an investigation as required by the Director;
 10. Failure to maintain reserves, insurance, or bond as required by the Director;
 11. Failure to adhere to the internal control standards approved by the Director;
 12. Knowing, or grossly negligent, failure to prevent prohibited conduct from occurring within a sports betting platform; or
 - 13 Any other activity or failure to act that the Director determines requires the imposition of a sanction in order to maintain the integrity of the sports betting program and the interests of the Commonwealth of Virginia.
- F. The procedure for imposing a sanction shall parallel the procedure established in section 110 of this chapter for the denial of a permit, license, or registration, including judicial review of the Board's final action on the imposition of a sanction.
- G. In addition to the requirements set out in subdivision F, a permit holder shall be afforded at least 15 days' notice and a hearing before the Board prior to the imposition of a sanction.
- H. If the Director determines that it is in the best interests of the Commonwealth of Virginia, the Director may negotiate and reach an agreed-upon settlement of a violation with a permit holder, licensee, or registrant, and that the sanctions imposed in that settlement shall not be subject to appeal.

11VAC5-70-130. RESERVED.

11VAC5-70-140. Reserve and Insurance Requirements.

- A. A permit holder shall maintain a reserve in the form of cash, cash equivalents, irrevocable letter of credit, or bond, or a combination thereof, in an amount approved by the Director to cover the outstanding liability of the permit holder to players. A bond used by a permit holder to maintain any portion of its reserve shall comply with the bond requirements of section 100 of this chapter. A permit holder may not remove, release, or withdraw funds from its reserves without the written approval of the Director. Permit holders shall at all times also maintain cash reserves in amounts to be established by Board regulation.
- B. The amount in the reserve fund shall be at least \$500,000 and equal or exceed the aggregate sum of:
1. Funds held by the permit holder in player accounts;
 2. The total amount of funds accepted by the permit holder as wagers on sports events with outcomes that have not been determined; and

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3. Money owed but unpaid by the permit holder to players on winning wagers.

C. All reserve funds shall be held with a financial institution federally insured by the FDIC and licensed to transact business in the Commonwealth of Virginia.

D. A permit holder shall calculate its reserve requirements each day and, if the permit holder determines its reserve is insufficient to cover the requirement of this subsection, it shall notify the Director of the deficiency within 24 hours and identify the steps taken to remedy the deficiency.

E. Before its sports betting permit or renewal is issued, a permit holder shall provide the Director with certificates of insurance from a company financially rated A or better by a nationally recognized rating agency and permitted to transact business in the Commonwealth of Virginia.

F. A permit holder shall maintain the following types and levels of insurance:

1. General commercial liability insurance in the amount of \$5,000,000;

2. Errors and omissions insurance in the amount of \$15,000,000; and

3. Such other types and amounts of insurance as the Director requires.

11VAC5-70-150. Liability Pooling.

A. A permit holder may offset loss and manage risk, directly or with a third party approved by the Director, through the use of a liquidity pool in Virginia or, if the permit holder or its affiliate is licensed to operate a sports betting business in a permissible jurisdiction, in that permissible jurisdiction.

B. A permit holder's use of a liquidity pool does not eliminate the permit holder's reserve obligations under section 140 of this chapter.

11VAC5-70-160. Audit, Financial, Recordkeeping, and Banking Requirements.

A. A permit holder shall engage a certified public accountant to prepare in accordance with generally accepted accounting principles an annual audit of the financial transactions and condition of the permit holder's sports betting operation and submit that audit to the Director.

B. A permit holder shall establish and maintain books, records, and documents, including electronic storage media, in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds associated with its sports betting operation.

C. A permit holder shall retain all records, financial records, supporting documents, statistical records, and any other documents, including electronic storage media, pertinent to its sports betting operation for at least five years from their creation.

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D. Books and records pertaining to a permit holder's sports betting operation shall be subject to inspection, review, and audit by the Director or Department staff at any time within the sole discretion of the Director.

E. A permit holder shall deliver all data requested by the Director either by report or data file in the form and frequency required by the Director while achieving compliance with the standards of integrity, security, and control.

F. A permit holder shall generate reports necessary to record all the components of the adjusted gross revenue calculation over a specific period as required by the Director.

G. All requested data shall be made available in the report formats and database formats required by the Director.

H. All required reports shall be generated by the permit holder even if the period specified contains no data to be presented, in which case the report shall indicate all required information and contain an indication of "No Activity" or similar message.

I. A permit holder shall generate reports for each day of operation in order to calculate the adjusted gross revenue and to ensure the integrity of its sports betting platform.

J. A permit holder shall maintain an operating account with a financial institution that is federally insured by the FDIC and licensed to transact business in the Commonwealth of Virginia.

K. A permit holder shall maintain an escrow account with a financial institution federally insured by the FDIC and licensed to transact business in the Commonwealth of Virginia, into which shall be deposited all taxes and fees due to be transferred to the Department pursuant to procedures to be established by the Director. The Department shall be designated as sole beneficiary on the account. This escrow account shall be separate from all other operating accounts of the permit holder to ensure the security of funds due to the Commonwealth of Virginia.

11VAC5-70-170. Permissible Wagers.

A. A permit holder may accept a wager from a player on sporting events, including:

1. A proposition wager, except a proposition wager on college sports or a proposition wager placed on any type of possible injury, unsportsmanlike conduct, or any other officiating call;
2. A bet placed before or after the sporting event has started; or
3. A bet placed after the sporting event has started, in compliance with § 58.1-4036 of the Code of Virginia and section 190 of this chapter.

B. A permit holder may accept wagers on those sporting events, leagues, and bet types approved by the Director and published on an Authorized Sports Events, Leagues and Bets List.

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C. If a sports league has been generally authorized by the Director, a permit holder may accept wagers on all sports events of the kind generally conducted by that league.

D. The Director shall post on the Lottery's website the Authorized Sports Events, Leagues and Bets list.

E. When new sporting events, leagues, or bet types are authorized by the Director, the Director shall update the Authorized Sports Events, Leagues and Bets List.

F. A permit holder shall be responsible for keeping itself up-to-date with respect to the contents of the Authorized Sports Events, Leagues and Bets list

G. At least 72 hours before any proposed new scheduled sports event, a permit holder may request in writing that the Director authorize sporting events, leagues, or bet types not previously authorized.

H. The application shall be in the form and format specified by the Director, including, if applicable, the name of the sports governing body and a description of its policies and procedures regarding event integrity.

I. If a permit holder requests that the Lottery authorize a sporting event of a type not generally conducted by that sports league, the Director may request input from that sports governing body

J. Before authorizing a request for a new sporting event, league, bet type, or any portion of a sporting event, league, or bet type, the Director shall consider:

1. Input from the sports governing body or conductor of the sporting event;
2. Whether the outcome of the sporting event is determined solely by chance;
3. Whether the outcome of the sporting event can be verified;
4. Whether the event generating the outcome is conducted in a manner that ensures sufficient integrity controls so the outcome can be trusted;
5. Whether the outcome may be affected by any bet placed; and
6. Whether the event is conducted in conformity with all applicable laws.

11VAC5-70-180. Requests from Sports Governing Bodies.

A. If a sports governing body has a good faith, reasonable basis to believe such restriction, limitation or prohibition is reasonably necessary to protect the integrity or the public's confidence in the integrity of the sports governing body, by written request in the form and format required by the Director, a sports governing body may ask the Director to restrict, limit, or prohibit sports betting on its sporting events, or to restrict the types of bets on such sporting events that may be

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offered by a permit holder.

B. For any request made by a sports governing body under subsection A.:

1. The requester shall bear the burden of establishing to the satisfaction of the Director that the relevant betting or other activity poses a significant and unreasonable integrity risk;
2. The Director shall seek input from affected permit holders before making a determination on the request; and
3. If the Director grants the request, the Board shall promulgate by regulation such restrictions, limitations, or prohibitions as appropriate.

C. If the Director denies a request made by a sports governing body under subsection A., the Director shall notify the requestor:

1. Of the decision;
2. That the decision may be reviewed by the Board after an Informal Fact-Finding Conference with the Director or the Director's designee as provided by Article 1, Chapter 40 (§ 58.1-4007) of the Code of Virginia;
3. That the general process in section 110 of this chapter for appealing the denial of a permit, including its timeframes and burden of proof, shall be followed by the Board; and
4. That the requestor must offer proof in opposition to the Director's decision.

D. A permit holder may not offer or take any bets in violation of regulations promulgated by the Board pursuant to this subsection.

11VAC5-70-190. Use of Official League Data.

A. In this section, "official league data" means statistics, results, outcomes, and other data relating to a professional sports event obtained by a permit holder under an agreement with a sports governing body or with an entity expressly authorized by a sports governing body for determining the outcome of a bet placed after the sporting event has started.

B. Unless a sports governing body, pursuant to this section, has requested that permit holders use official league data to settle bets, a permit holder may use any lawful data source for determining the result of a wager. A permit holder shall not purchase or use any personal biometric data unless the permit holder has received written permission from the athlete.

C. A permit holder shall report to the Director the data source that it uses to resolve sports wagers. The Director may disapprove of a data source for any reason, including but not limited to, the type of wager and method of data collection.

D. A sports governing body may submit a request to the Director in the form and format required by the Director to require permit holders to use official league data to settle those bets placed after

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a sporting event has started.

E. Within 60 days after notification from the Director to do so, permit holders shall use only official league data to determine the results of bets placed after a sporting event has started.

F. Subsection E. shall not apply if:

1. The sports governing body is unable to provide, on commercially reasonable terms as determined by the Director, a feed of official league data; or

2. A permit holder demonstrates to the Director that a sports governing body has not provided or offered to provide a feed of official league data to the permit holder on commercially reasonable terms, by providing the Director with sufficient information to show:

a. The availability of a sports governing body's official league data for such bets from more than one authorized source;

b. Market information regarding the purchase, in Virginia and in other states, by permit holders of data from all authorized sources;

c. The nature and quantity of the data, including the quality and complexity of the process used for collecting the data; and

d. Any other information the Director requires.

G. While the Director is considering whether official league data is available on commercially reasonable terms pursuant to this section, a permit holder may use any lawful data source for determining the results of bets placed after a sporting event has started, unless otherwise determined by the Director.

11VAC5-70-200. System Integrity and Security Assessment.

A. Within 90 days after beginning operations and annually thereafter, a permit holder shall engage an independent testing laboratory or an independent firm approved by the Director to perform a system integrity and security assessment of its sports betting operations.

B. The scope of the integrity and security assessment shall include, at a minimum, all of the following:

1. A vulnerability assessment of internal, external and wireless networks with the intent of identifying vulnerabilities of all devices, internet sports betting platforms, and applications transferring, storing and/or processing personally identifiable information (PII) and/or other sensitive information connected to or present on the networks;

2. A penetration test of all internal, external and wireless networks to confirm if identified vulnerabilities of all devices, internet sports betting platforms, and applications are susceptible to

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compromise;

3. A technical security control assessment against the provisions of the sports betting law and this chapter consistent with generally accepted professional standards and as approved by the Director;

4. An evaluation of information security services, cloud services, payment services (financial institutions, payment processors, etc.), location services, and any other services which may be offered directly by the permit holder or involve the use of third parties; and

5. Any other specific criteria or standards for the integrity and security assessment required by the Director.

C. The independent testing laboratory or independent firm shall issue a report on its assessment and submit it to the Director. The report shall include, at a minimum, the:

1. Scope of review;

2. Name and company affiliation of any individual who conducted the assessment;

3. Date of assessment;

4. Findings;

5. Recommended corrective action, if any; and

6. Permit holder's response to the findings and recommended corrective action.

11VAC5-70-210. Minors and Prohibited Players.

A. A permit holder may not permit wagers to be placed by minors and shall maintain a system approved by the Director through which it verifies that wagers are not made by minors.

B. A permit holder shall submit to the Director for approval its methodology for verifying the age of an individual who wishes to place a wager on a sporting event, and shall notify the Director before making changes to its methodology or replacing a sports betting supplier or vendor who provides age verification services for the permit holder.

C. A permit holder shall prevent a minor from collecting payouts or winnings from its sports betting operation.

D. A permit holder shall confidentially maintain the Virginia Lottery Exclusion List of prohibited individuals that is provided to permit holders by the Director and shall prevent prohibited individuals from placing wagers through its platform. A permit holder shall maintain a system approved by the Director through which the permit holder verifies that wagers are not placed by such prohibited individuals.

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E. A permit holder shall submit to the Director for approval its screening methodology for preventing prohibited individuals from utilizing its sports betting platform and shall notify the Director before making any changes to its methodology.

F. A permit holder shall prohibit a prohibited individual from placing a wager on a sporting event and from collecting payouts or winnings.

11VAC5-70-220. Integrity Monitoring.

A. A permit holder shall maintain membership in the Global Lottery Monitoring System (GLMS), the Sports Wagering Integrity Monitoring Service (SWIMA), or other integrity monitoring association or contract with an integrity monitoring system provider as approved by the Department.

B. A permit holder shall have controls in place to identify unusual or suspicious wagering activity and report such activity to the Director according to the integrity monitoring system procedures approved by the Director.

C. A permit holder shall ensure that its integrity monitoring system procedures provide for the sharing of information with each other permit holder.

D. A permit holder shall review information and reports from other permit holders and, as approved by the Director, notify other permit holders of any similar activity. A permit holder shall comply with the specific reporting requirements designated in its internal control standards.

E. A permit holder shall immediately notify the Director of suspicious wagering activity, including previously reported unusual wagering activity rising to the level of suspicious wagering activity.

F. A permit holder that reports on suspicious wagering activity may suspend wagering on a sporting event related to the report.

G. A permit holder may void or cancel wagers related to suspicious wagering activity only after receiving the approval of the Director.

H. A permit holder's integrity monitoring system shall be accessible to the Director via remote access and shall produce, at a minimum:

1. Reports of all unusual wagering activity;
2. Reports of accounts showing unusual wagering activity subsequently determined to be suspicious wagering activity;
3. Reports of all activity initially deemed suspicious wagering activity; and
4. A summary of actions taken in response to all such reports.

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I. Notwithstanding any other provision of this section, all information and data received by the Director with respect to unusual or suspicious wagering activity shall be considered confidential, and such information and data may not be revealed in whole or in part, except:

1. In compliance with a valid court order;
2. To any law enforcement entity, regulatory agency, governing authority, integrity monitoring organization, or other organization necessary to facilitate integrity monitoring as approved by the Director; or
3. An accredited sports governing body as required by the Director pursuant to the sports betting law.

11VAC5-70-230. Investigations; Reporting.

A. In this section “regulated entity” means a person or individual who is a permit holder, license holder, or registrant.

B. A regulated entity shall cooperate in good faith with an investigation conducted by the Director, a sports governing body, or a law enforcement agency.

C. A regulated entity shall provide or facilitate provision of account-level betting information and data files relating to individuals placing wagers and any other information necessary for investigations conducted by the Director, a sports governing body, or a law enforcement agency.

D. During normal business hours, the Director may enter the premises of any facility of a regulated entity that is utilized by the regulated entity to conduct or to assist in the conducting of sports betting operations in the Commonwealth of Virginia for the purpose of inspecting equipment, books, and records kept as required by the sports betting law or this chapter to ensure that the regulated entity is in compliance with the sports betting law and this chapter, or to make any other inspection as necessary to enforce the sports betting law or this chapter. Failure to admit the Director or Department staff after presentation of credentials shall be grounds for the imposition of sanctions.

E. The Director, Department staff, and representatives of any law enforcement agency with jurisdiction may demand access to inspect the business records of any regulated entity without the requirement of obtaining a subpoena. Failure to provide access to the Director or Department staff after presentation of credentials shall be grounds for the imposition of sanctions.

F. A regulated entity shall maintain all records relating to the conduct of its sports betting operations in the Commonwealth of Virginia for a period of at least five years.

G. The Director may investigate the possibility of any of the following activities:

1. Acceptance of a prohibited wager;

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2. Transmission of material non-public information for the purpose of wagering on a sporting event or to influence a wager;
3. Abnormal betting activity, unusual wagering activity, suspicious wagering activity, or patterns that may indicate concerns about the integrity of a sporting event;
4. Violations of the Virginia Comprehensive Money Laundering Act ([§ 18.2-246.1, et seq.](#)) or federal law prohibiting money laundering;
5. Criminal, civil, administrative or disciplinary proceedings or nonroutine government or law enforcement investigations against the regulated entity;
6. Offering or extending credit to a player;
7. Directly targeting sports betting advertisements or promotions to minors;
8. Offering or accepting a wager on sporting events not approved by the Director, including high school and youth league sports events;
9. Offering or accepting any wager prohibited by the sports betting law or this chapter;
10. Engaging in or facilitating illegal or suspicious wagering activity;
11. Any complaints of illegal activity; or
12. Any other complaint, activity, or conduct that may affect the integrity of sports betting in the Commonwealth of Virginia.

H. Referral of Investigations.

1. Upon receipt of a report of prohibited conduct, the Director shall conduct a preliminary investigation.
2. After the preliminary investigation, if the Director concludes that the allegations contained in the report are credible, the Director shall refer the allegations to the appropriate law enforcement agency.
3. If the alleged conduct occurred entirely or primarily within the Commonwealth of Virginia, the referral shall be made to the Office of the Attorney General.
4. If the alleged conduct occurred entirely or primarily within a United States jurisdiction other than the Commonwealth of Virginia, the referral shall be made to the Office of the Attorney General of that jurisdiction and, if applicable, to any appropriate sports wagering regulatory agency of that jurisdiction.
5. If the alleged conduct implicates interstate commerce or any other violation of federal law, the

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referral shall be made to the Federal Bureau of Investigation.

6. In addition to any referral under this subsection, if a report alleged prohibited conduct by an athlete, upon determining that the allegations in the report are credible, the Director shall notify the appropriate sports governing body in writing, including in the report the identity of the athlete and a general description of the allegation.

I. A regulated entity shall immediately report to the Director any information relating to:

1. Criminal or disciplinary proceedings or non-routine government or law enforcement investigations commenced against the regulated entity in connection with its operations in any jurisdiction;

2. Unusual or suspicious wagering activity or wagering activities or patterns that may indicate a concern with the integrity of a sporting event;

3. Any potential or actual breach of a sports governing body's internal rules and codes of conduct pertaining to sports betting, either:

a. Known to the regulated entity, or

b. That reasonably should have been known by the regulated entity;

4. Conduct that corrupts, is intended to corrupt, or unduly influences the betting outcome of a sporting event for the purposes of financial gain, including match fixing; or

5. Suspicious or illegal wagering activities, including:

a. Cheating;

b. The use of funds derived from illegal activity;

c. Suspicious activities reported to the federal government pursuant to AML laws and regulations;

d. Prohibited wagers;

e. Wagers to conceal or launder funds derived from illegal activity;

f. Use of compensated agents or proxies to place wagers; and

g. Use of false identification in connection with sports betting activity.

J. Reporting Prohibited Conduct

1. Reports submitted via the hotline established pursuant to § 58.1-4043 or by any other method shall include a summary of the facts supporting the allegation.

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2. The identity of an individual making a report and the contents of any report under this subsection:

a. Shall be confidential and not subject to disclosure under the Virginia Freedom of Information Act ([§ 2.2-3700, et seq.](#)); and

b. Shall not be disclosed for any reason except:

(1) As authorized by the individual;

(2) Upon referral of the allegation to law enforcement; or

(3) As ordered by a court of competent jurisdiction.

K. A regulated entity shall promptly report information relating to conduct described in subdivision I. 2- 4 above, to the relevant sports governing body and provide written notice of that communication to the Director. With respect to information provided by a permit holder or supplier to a sports governing body, the sports governing body may use such information only for integrity purposes and shall maintain the confidentiality of such information unless disclosure is required by the Director, the sports betting or other law, or a court order; or if the permit holder or supplier consents to disclosure; or if the Director determines that disclosure is necessary to allow the sports governing body to conduct and resolve integrity-related investigations.

L. Upon request of the Director, a regulated entity promptly shall share with the Director, , in the form and format required by the Director at the account level, information regarding a bettor, amount and type of wager, the time the wager was placed, the location of the wager, including the internet protocol address if applicable, the outcome of the wager, and records of abnormal, unusual, or suspicious wagering activity.

M. If a sports governing body notifies the Director that real-time information sharing for wagers placed on its sporting events is necessary and desirable a regulated entity shall share the information described in subsection L. with the sports governing body or its designee with respect to wagers on the sports governing body sporting events. Such information may be provided in anonymized form and may be used by a sports governing body solely for integrity purposes.

11VAC5-70-240. Advertising and Marketing.

A. A permit holder shall maintain and make available to the Director upon request all advertising, marketing, and promotional materials developed by or on behalf of the permit holder by a supplier or vendor.

B. A supplier or vendor who advertises, markets, or offers promotions on behalf of more than one permit holder or without affiliation to any permit holder shall maintain and make available to the Director upon request all advertising, marketing, and promotional materials related to sports betting in the Commonwealth of Virginia that it has developed.

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C. A permit holder may not directly target sports betting advertisements or promotions to minors.

D. Advertising, marketing, and promotional materials shall include a responsible gaming message, which includes, at a minimum, a Director-approved problem gambling helpline number and an assistance and prevention message, except as otherwise permitted by the Director for certain mediums such as social media messages.

E. A permit holder shall communicate the minimum legal age to participate on any website, mobile application, and other mediums or forms of advertising, marketing, and promotions, except as otherwise permitted by the Director for certain mediums such as social media messages.

F. A permit holder shall comply strictly with all state and federal standards to make neither false or misleading claims, nor to create a suggestion that the probabilities of winning or losing with the permit holder's sports betting platform are different than those actually experienced.

G. Advertising, marketing, and promotional materials may not contain images, symbols, celebrity or entertainer endorsements, or language designed to appeal specifically to those under 21 years old.

H. Advertising, marketing, and promotional materials may not feature anyone who is or appears to be below 21 years old except for professional athletes who may be minors.

I. A permit holder may not advertise in a media outlet (including social media) that appeals primarily to those under the age of 21.

J. Advertisements may not be placed with such intensity and frequency that they represent saturation of that medium or become excessive.

K. Advertising, marketing, or promotional materials may not contain claims or representations that sports betting will guarantee an individual's social, financial, or personal success.

L. Advertising, marketing, or promotional materials may not be placed before an audience where the majority of the participants is presumed to be below the age of 21 or that targets potentially vulnerable persons, including self-excluded bettors.

M. Advertising, marketing, or promotional materials may not imply that chances of winning increase the more one participates in, or the more one spends on, sports betting.

N. A permit holder, or a supplier or vendor acting on behalf of a permit holder, shall discontinue targeted advertising and marketing to a self-excluded individual's mobile device through direct messaging or text, e-mail, or through other contact information collected by the permit holder, supplier, or vendor.

O. Advertising, marketing, or promotional materials may not be placed on any website or printed page or medium devoted primarily to responsible gaming.

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P. Advertising, marketing, or promotional materials shall neither contain nor imply lewd or indecent language, images, nor actions.

Q. Advertising, marketing, and promotional materials shall reflect generally accepted contemporary standards of good taste.

R. All direct advertising, marketing, and promotions via e-mail or text message shall allow the option to unsubscribe.

S. A permit holder shall respect user privacy and comply with all applicable legal privacy requirements, including those governing consent.

T. A permit holder shall provide the requirements of this section to advertising, marketing, and promotions personnel, contractors, agents, and agencies and shall require compliance.

U. Cooperative marketing with ABC licensee

1. For purposes of this subsection:

(a) "ABC licensee" means a person to whom a license has been issued pursuant to the provisions of [Title 4.1](#) of the Code of Virginia.

(b) "Casino gaming operator" and "casino gaming establishment" shall have the meanings established in [§ 58.1-4100](#) et seq. of the Code of Virginia.

(c) "Major league sports franchise" and "motor sports facility" shall have the meanings established in [§ 58.1-4030](#) of the Code of Virginia; and

2. A permit holder shall not combine its sports betting platform marketing efforts with those of an ABC licensee for the parties' mutual benefit, except as follows:

(a) A permit holder that is a: (i) motor sports facility or (ii) motor sports facility operator may combine its platform marketing efforts with those of an ABC licensee, provided such marketing is limited to consumers physically located on the premises of the motor sports facility;

(b) A permit holder that is a major league sports franchise may combine its platform marketing efforts with those of an ABC licensee, provided such marketing is limited to consumers physically located on the premises of the stadium where the sports franchise plays its games; and

(c) A permit holder that is a casino gaming operator may combine its platform marketing efforts with those of an ABC licensee, provided such marketing is limited to consumers physically located on the premises of the casino gaming establishment.

3. Prior to marketing its platform as permitted in this section, a permit holder must be able to demonstrate to the satisfaction of the Director:

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- (a) Compliance with all applicable zoning ordinances; and
- (b) Approval of the local governing body in the form of an ordinance allowing such marketing to occur with respect to the permit holder's motor sports facility, stadium or casino gaming establishment.

11VAC5-70-250. Reporting Requirements.

A. A permit holder shall report to the Director by January 15th of each year:

- 1. The total amount of wagers received from players in the Commonwealth of Virginia for the immediately preceding calendar year;
- 2. The adjusted gross revenue of the permit holder in the Commonwealth of Virginia for the immediately preceding calendar year;
- 3. The aggregate annual payout of the permit holder for the immediately preceding calendar year; and
- 4. Any additional information required by the Director.

B. A permit holder shall promptly report to the Director any information relating to:

- 1. The name, home address, and date of birth of any new officer, director, general partner, manager, trustee, or principal of the permit holder or supplier, or their parent, holding, intermediary, or subsidiary (whether or not wholly owned), and the individual shall submit to the Director any required application within 30 days;
- 2. Potential purchase or sale, transfer, assignment, gift or donation, or other disposal or acquisition of 5% or more ownership in the permit holder, with an acknowledgment that the transaction may require an application and findings of suitability and may not occur until advance approval is given by the Director, unless the ownership is of a publicly-traded entity not otherwise considered a change in control; and
- 3. The resignation, termination, removal, or departure of any new officer, director, general partner, manager, trustee, or principal of the permit holder, its parent, holding, intermediary, or subsidiary (whether or not wholly owned).

11VAC5-70-260. House Rules.

A. A permit holder shall adopt comprehensive house rules that shall be submitted to the Director for approval with the initial application for a permit. Amendments to the House Rules shall be submitted to the Director for approval.

B. House Rules shall address at least the following items:

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1. A method for the calculation and payment of winning wagers;
 2. The effect of schedule changes;
 3. The method of notifying players of odds or proposition changes;
 4. Acceptance of wagers at terms other than those posted;
 5. The method of contacting the permit holder for questions and complaints;
 6. A description of prohibited individuals and others who may be restricted from placing a wager;
 7. The permissible methods of funding a wager; and
 8. A description of all types of wagers that may be accepted.
- C. House rules shall include a provision prohibiting the structuring of bets to avoid federal currency transaction reporting thresholds.
- D. House rules shall put players on notice that wagers are subject to AML standards, including triggers and requirements for filing of currency transaction reports and suspicious activity reports.
- E. House rules shall disclose the operator's ability to limit the maximum bet amount.
- F. House rules shall be readily available on the permit holder's websites and mobile applications.

11VAC5-70-270. Sports Betting Platform Requirements.

- A. All wagers on sporting events authorized by the sports betting law and this chapter shall be initiated, received, and otherwise made within the Commonwealth of Virginia unless otherwise permitted by federal law. Consistent with the intent of the United States Congress as expressed in the Unlawful Gambling Enforcement Act, 31 U.S.C. §5361 et seq., the intermediate routing of electronic data relating to the lawful intrastate sports betting authorized under the sports betting law and this chapter shall not determine the location in which such bet is initiated and received.
- B. Before a permit holder is issued its permit, all equipment and software used in conjunction with its operation shall be submitted to an independent testing laboratory approved by the Director.
- C. A sports betting platform submitted to an approved independent testing laboratory shall contain a:
1. Complete, comprehensive, technically accurate description and explanation of the sports betting platform;
 2. Detailed operating procedures of the sports betting platform;

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3. Description of the risk management framework, including, but not limited to:

- a. User access controls for all permit holder personnel;
- b. Information regarding segregation of duties;
- c. Information regarding automated risk-management procedures;
- d. Information regarding identifying and reporting fraud and suspicious activity;
- e. Controls for ensuring regulatory compliance;
- f. A description of AML compliance standards;
- g. A description of all software applications that comprise the system;
- h. A description of all types of wagers available to be offered by the system;
- i. A description of all types of third-party systems proposed for utilization; and
- j. A description of the method proposed by the permit holder to prevent past posting.

D. Upon request, a permit holder shall promptly provide the Director with relevant reports and documentation that shall include, at a minimum:

1. Complete access to all wagers, including canceled, voided, pending, and redeemed wagers;
2. The ability to query or sort wagering data; and
3. The ability to export wagering data.

E. A permit holder or the supplier providing a permit holder's sports betting platform shall maintain all transactional wagering data for a period of five years.

F. The house rules that apply to wagers placed on a sports betting platform shall be readily available to a player.

G. A sports betting platform shall be capable of recording, for each wager made, the:

1. Description of the sporting event;
2. Wager selection;
3. Type of wager;

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4. Amount of wager;
 5. Date and time of the wager;
 6. Unique wager identifiers;
 7. Player identification number;
 8. Current wager status (i.e., active, cancelled, voided, pending, etc.);
 9. Relevant location information;
 10. Results of the wager;
 11. Amount won; and
 12. Date and time the winning wager was paid to the player.
- H. A sports betting platform that offers live betting shall be capable of:
1. Accurate and timely updates of odds for live betting wagers;
 2. Notifying a player of any change in odds that is not beneficial to the player while the wager is selected but before it is placed;
 3. Allowing players to confirm the wager after notification of the odds change; and
 4. Freezing or suspending the offering of wagers when necessary.
- I. A sports betting platform shall be capable of:
1. Creating wagers;
 2. Settling wagers;
 3. Voiding wagers;
 4. Cancelling wagers; and
 5. Preventing the acceptance of wagers on prohibited sports events.
- J. When a wager is voided or cancelled, a sports betting platform shall indicate clearly that the transaction was voided or cancelled, render the transaction nonredeemable, and make an entry in the system indicating the voiding or cancellation of the wager.
- K. Unless approved in advance by the Director, a permit holder or a supplier providing a permit

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holder's sports betting platform may not alter the odds or any other material aspect of the transaction after a player's wager has been accepted.

L. A sports betting platform shall prevent past posting of wagers and the voiding and cancellation of wagers after the outcome of an event is known.

M. If a player has a pending wager and the player subsequently self-excludes, the wager may settle and the funds and account balance shall be returned to the player in accordance with the permit holder's internal control standards.

N. At least once every 24 hours, a sports betting platform shall perform an authentication process on all software used to offer, record, and process wagers to ensure there have been no unauthorized modifications. As part of this authentication process, the sports betting platform must be able to detect if any system component is determined to be invalid in the event of an authentication failure.

O. In the event of an authentication failure, the permit holder shall notify the Director within 24 hours of the failure. The results of all authentication attempts shall be recorded by the sports betting platform and maintained for a period of 90 days.

P. A sports betting platform shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. If an incident or error occurs that results in a loss of communication with the data feeds used to offer or redeem wagers, such error shall be recorded in a log capturing the date and time of the error, the nature of the error, and a description of its impact on the system's performance. Such information shall be maintained for a minimum period of two years.

Q. A permit holder and a supplier providing a permit holder's sports betting platform shall grant the Director access to wagering systems, transactions, and related data as deemed necessary and in the manner required by the Director.

R. A sports betting platform shall provide a process for the Director to query and export, in the format required by the Director, all sports betting platform data.

S. Additional system specifications may be specified by the Director through the issuance of a technical bulletin.

11VAC5-70-280. Geolocation Systems.

A. A permit holder shall keep its geolocation system up to date, including integrating current solutions in real time that can detect the use of remote desktop software, rootkits, virtualization, or any other programs identified by the Director as having the ability to circumvent geolocation measures.

B. At least every 90 days, the integrity of the geolocation system shall be reviewed by the permit holder to ensure that the system detects and mitigates existing and emerging location fraud risks.

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C. In order to prevent unauthorized placement of an internet sports betting wager by an individual not within the Commonwealth of Virginia, the sports betting platform must utilize a geofencing system to reasonably detect the physical location of an individual attempting to access the sports betting platform and place an internet sports betting wager and to monitor and block unauthorized attempts to place an internet sports betting wager when an individual is not within the permitted boundary.

D. The geofencing system must ensure that an individual is located within the permitted boundary when placing an internet sports betting wager and must be equipped to dynamically monitor the individual's location and block unauthorized attempts to place an internet sports betting wager when an individual is not within the permitted boundary.

E. The Director may issue additional geolocation requirements in the form of a technical bulletin.

11VAC5-70-290. Player Accounts.

A. Wagering on sporting events is permitted only by a player who has established a player account with an approved permit holder.

B. The information necessary to initiate a player account shall be recorded and maintained for a period of five years, and shall include at least the:

1. Player's legal name;
2. Player's date of birth;
3. Player's residential address (other than a post office box) and mailing address if different;
4. Player's phone number;
5. Player's active e-mail address;
6. Player's social security number ("SSN") or equivalent for a foreign player who intends to place a wager within the Commonwealth of Virginia, such as a passport or taxpayer identification number. The player may enter only the last four digits of a SSN if other factors are sufficient to determine the entire nine-digit SSN within a reasonable time;
7. Verification that the player is not prohibited by the sports betting law or this chapter from participating in sports betting; and
8. Document number of the government-issued identification credentials entered, or other methodology for remote, multi-source authentication, which may include third-party and governmental databases, as approved by the Director.

C. A permit holder shall record the player's acceptance of the terms and conditions and privacy

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policy and acknowledgment that the information provided is accurate and the player is prohibited from allowing any other person to access or use the player's player account.

D. If a permit holder determines that the information provided by a player to make a deposit or process a withdrawal is inaccurate or incapable of verification; fails to verify the identity of the player; or the player violates the policies and procedures of the permit holder, the permit holder shall, within 21 days, require the submission of additional information from the player that can be used to remedy any violation or failure to verify the identity or funds deposit or withdrawal information of the player. If such information is not provided or does not result in verification of the player's identity or deposit or withdrawal information, the permit holder shall:

1. Immediately suspend the player account and not allow the player to place wagers;
2. Submit any winnings attributable to the player to the Director for distribution to the Commonwealth's Problem Gambling Treatment and Support Fund;
3. Refund the balance of deposits made to the account to the source of such deposit or by issuance of a check; and
4. Deactivate the account.

E. A permit holder shall notify the player of the establishment of the player account by e-mail, text message, or first-class mail. When a player account is created, a secure personal identification (e.g., a unique username and password) for the player authorized to use the player account shall be established that is reasonably designed to prevent unauthorized access to, or use of, the player account by any individual other than the player for whom the player account is established.

F. A player may have only one player account for each permit holder.

G. A player account may be funded using:

1. A debit card;
2. A credit card;
3. An electronic bank transfer, including a transfer through third parties;
4. An online or mobile payment systems that supports online money transfers;
5. Winnings or payouts;
6. Bonuses and promotions;
7. Reloadable prepaid card, which has been verified as being issued to the player and is non-transferable; and

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8. Any other means approved by the Board.

H. Funds may be withdrawn from a player account through:

1. Wagers;
2. Cashier's check, wire transfer, or money order by the permit holder made payable to the player and issued directly or delivered to the player's address on file with the permit holder;
3. Credits to the player's debit card;
4. Credits to the player's credit card;
5. Electronic bank transfers, including transfers through third parties;
6. Online or mobile payment systems that support online money transfers;
7. Reloadable prepaid card, which has been verified as being issued to the player and is non-transferable; or
8. Any other means approved by the Board.

I. A player's request for withdrawal of funds (i.e., deposited and cleared funds or funds won) in the individual's player account shall be completed within 10 days unless there is a pending unresolved player dispute or investigation prompted by a player dispute or the Director. Funds for withdrawal may be withheld from withdrawal until the funding transaction clears or the chargeback period ends.

J. All adjustments to a player account for individual amounts of \$500 or less shall be periodically reviewed by the permit holder consistent with the permit holder's internal control standards. All other adjustments shall be authorized by the permit holder's management before being entered.

K. A permit holder shall not allow the transfer of funds or credits between players.

L. Each transaction with respect to a player account between a player and permit holder, except the placement or settlement of a wager, shall be confirmed by e-mail, telephone, text message, or other means agreed upon by the player and permit holder.

M. A permit holder shall provide an account statement to a player on demand. An account statement shall include detailed account activity for at least six months preceding the 24 hours period before the request. In addition, permit holders shall, upon request, be capable of providing to a player a summary statement of all player activity during the previous twelve months.

N. A permit holder shall suspend wagers from being made and immediately re-verify a player's identification upon reasonable suspicion that the player's identification or player account has been compromised.

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O. A permit holder shall offer an easily accessible method for a player to close the player's account. Any balance remaining in an account closed by a player shall be refunded pursuant to the permit holder's internal control standards within ten days of notice from the player.

P. A sports betting platform shall employ a mechanism that can detect and prevent any player-initiated wagering or withdrawal activity that would result in a negative balance of a player account.

Q. A player's account shall be disabled by the permit holder after three failed log-in attempts and require multi-source authentication to recover or reset a password or username.

R. A permit holder shall suspend a player account if:

1. The player asks for suspension for a specified period not less than 72 hours as a self-limiting measure;
2. Required by the Director;
3. The permit holder determines that the player may be a prohibited individual; or
4. The permit holder knows or has reason to know of:
 - a. Illegal activity related to the account;
 - b. A negative account balance;
 - c. Five failed ACH deposit attempts within a 24-hour period; or
 - d. A violation of the terms and conditions that has taken place on the player's account.

S. When a sports betting account is suspended, the player shall be prevented from:

1. Wagering;
2. Depositing funds, unless the reason for the deposit is to clear a negative balance that resulted in the suspension;
3. Withdrawing funds, unless the reason for the suspension would not prohibit a withdrawal;
4. Making changes to the player account; or
5. Removing the player account from the sports betting platform.

T. A suspended player account may be restored:

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1. Upon expiration of the time period established by the player;
2. When permission is granted by the Director;
3. When the player is no longer a prohibited individual; or
4. When the permit holder has lifted the suspended status.

11VAC5-70-300. Internal Control Standards.

A. A permit holder and its sports betting platform supplier shall develop and maintain internal control standards that meet or exceed industry standards as approved by the Director.

B. A permit holder's internal control standards shall address at a minimum:

1. Safeguarding assets and revenues;
2. Safeguarding player accounts;
3. Requirements for internal and independent audits of the permit holder and its sports betting platform supplier;
4. User access controls for all personnel;
5. Segregation of duties among personnel;
6. Automated and manual risk management procedures;
7. Procedures for identifying and reporting fraud, cheating, and suspicious or unusual wagering activity;
8. Procedures for identifying and preventing sports betting by prohibited individuals;
9. Description of its AML compliance standards;
10. Description of all types of wagers available to be offered by the permit holder;
11. Description of all integrated third-party hardware, software, or systems;
12. A monitoring system to identify irregularities in volume or odds and swings that could signal unusual or suspicious wagering activity that should require further investigation; and
13. A wager or attempt to wager above any maximum wager threshold set by the permit holder that qualifies as unusual or suspicious wagering.

11VAC5-70-310. Information Security System.

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A permit holder shall implement, maintain, regularly review and revise, and comply with a comprehensive information security system, the purpose of which shall be to take reasonable steps to protect the confidentiality, integrity, and availability of personal information of individuals who place a wager with the permit holder, and shall contain administrative, technical, and physical safeguards appropriate to the size, complexity, nature, and scope of the operations and the sensitivity of the personal information owned, licensed, maintained, handled, or otherwise in the possession of the permit holder.

11VAC5-80 – Sports Betting Consumer Protection Program

11 VAC 5-80-10 Definitions

“Board” means the Virginia Lottery Board established by the Virginia Lottery Law.

“Department” or “Lottery” means the Virginia Lottery Department, the independent Department responsible under the Virginia Sports Betting Law for the administration of the sports betting program in the Commonwealth pursuant to Article 2 of Chapter 40 of the Code of Virginia (§ [58.1-4030](#) et seq.).

“Director” means the Executive Director of the Virginia Lottery or his designee.

“Individual” means a human being, and not a corporation, company, partnership, association, trust, or other entity.

“Permit holder” means a person who has been issued a permit by the Director to operate a sports betting platform.

“Player” or “sports bettor” means an individual physically located in Virginia who participates in sports betting.

“Person” means any individual, corporation, partnership, association, cooperative, limited liability company, trust, joint venture, government, political subdivision, or any other legal or commercial entity and any successor, representative, agent, agency or instrumentality thereof.

“Sports betting” means placing wagers on professional sports, college sports, sporting events, and any portion thereof, and includes placing wagers related to the individual performance statistics of athletes in such sports and events. “Sports betting” includes any system or method of wagering approved by the Director, including single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets, and straight bets. “Sports betting” does not include: (i) participating in charitable gaming authorized by Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2; (ii) participating in any lottery game authorized under Article 1 (§ 58.1-4000 et seq.); (iii) wagering on horse racing authorized by Chapter 29 (§ 59.1-364 et seq.) of Title 59.1; (iv) participating in fantasy contests authorized by Chapter 51 (§ 59.1-556 et seq.) of Title 59.1.; (v) placing a wager on a college sports event in which a Virginia public or private institution of higher education is a participant; or (vi) placing a wager on sports events organized by the International Olympic Committee.

“Sports betting law” means Chapter 40 ([§ 58.1-4030 et seq.](#)) of Title 58.1 of the Code of Virginia.

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“Sports betting platform” means a website, app, or other platform accessible via the Internet or mobile, wireless, or similar communications technology that sports bettors use to participate in sports betting.

11 VAC 5-80-20 Sports bettors' Bill of Rights

A. A permit holder shall make conspicuously available on its platform a link to the Virginia Sports Bettors' Bill of Rights on the Department's website and afford its players the protections found in that document.

B. A permit holder may not, as a condition of use of the permit holder's sports betting platform, require any player to waive any right, forum, or procedure including the right to pursue legal action or to file a complaint with, or otherwise notify, any instrument of the state or federal government, including the Commonwealth's Attorney, law enforcement, courts, and state and federal agencies, of any alleged violation of the sports betting law, these regulations or any other applicable law, regulation, or administrative policy.

11 VAC 5-80-30 Complaints

A. A permit holder shall develop and publish procedures by which a sports bettor may file a complaint with the permit holder in person, in writing, online, or by other means about any aspect of the sports betting program.

B. A permit holder shall respond to any such complaint in writing, via email or live chat, within 15 days of the filing of the complaint. If a sports bettor requests relief in a complaint, and the requested relief or part thereof will not be granted, the response to the complaint shall state with specificity the reasons for the denial of relief.

C. If the response to a complaint is that additional information is needed, the form and nature of the necessary information shall be specifically stated. When additional information is received, further response shall be required within seven days.

D. All complaints received by a permit holder from a sports bettor and the permit holder's responses to complaints, including email and live chat transcripts, shall be retained by the permit holder for at least four years and made available to the Department within seven days of any request from the Department.

11 VAC 5-80-40 Prohibition on out-of-state betting

A permit holder shall ensure that only people physically located in Virginia are able to place bets through its platform.

11 VAC 5-80-50 Underage betting

A. A permit holder shall implement age-verification procedures to verify that no sports bet is placed by or on behalf of an individual under the age of 21.

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B. A permit holder shall promptly refund any money wagered by or on behalf of a minor and close the account. A permit holder may withhold and, if practicable and as approved by the Department, redistribute to other winners any winnings won by a minor upon a good faith determination, following reasonable investigation, that the minor misrepresented his age in order to place a sports bet.

C. A permit holder shall make available, publish, and facilitate parental control procedures to allow parents or guardians to exclude minors from access to any sports betting platform.

11 VAC 5-80-60 Compliance with tax laws; disclosure.

A permit holder shall comply with all applicable tax laws and regulations, including laws and regulations applicable to tax reporting and laws and regulations applicable to providing information about winnings to taxing authorities and to sports bettors.

11 VAC 5-80-70 Excluded individuals

A. A permit holder shall take such actions and establish such procedures as may be necessary to identify and report to the Department any activity prohibited by the Board's regulations and Article 2, Chapter 40 (§ [58.1-4041](#)) of Title 58.1 of the Code of Virginia. Such actions and procedures include, but are not limited to:

1. Making known to all affected individuals and corporate entities the prohibition against disclosure of proprietary or nonpublic information that may affect sports betting or the outcome of sports betting to any individual permitted to participate in sports betting; and
2. Making commercially reasonable efforts to exclude individuals prohibited by the sports betting law from participating in sports betting. The Department shall maintain and distribute the Virginia Lottery Exclusion List and a list of self-excluded individuals to permit holders for the purpose of monitoring for and excluding such individuals from platforms operated by the permit holder

B. A permit holder, upon learning of a violation of Article 2, Chapter 40 (§ [58.1-4041](#)) of Title 58.1 of the Code of Virginia, shall immediately bar an individual committing the violation from participating in, or disclosing proprietary or nonpublic information about, sports betting by:

1. Banning the individual committing the violation or disclosing or receiving prohibited information, from all sports betting platforms operated by the permit holder;
2. Terminating any existing promotional agreements with the individual; and
3. Refusing to make any new promotional agreements that compensate the individual.

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11VAC 5-80-80 Corporate responsible gambling policies

A A permit holder's website or mobile application shall prominently publish a responsible gambling logo in a manner approved by the Director, and shall direct a player to the permit holder's responsible gambling page.

B. A permit holder's website or mobile application shall contain, at a minimum, the following:

1. A prominent message that provides a toll-free number approved by the Director for individuals to use if they suspect they or someone they know may have a gambling problem; and
2. A clear statement of the permit holder's commitment to responsible gaming and problem gambling prevention.

C. A permit holder shall maintain a corporate policy on responsible gambling that addresses the following:

1. Corporate commitment to responsible gambling and problem gambling prevention;
2. Responsible gambling strategy with defined goals;
3. Senior executive staff members are accountable for responsible gambling policies and programs;
4. Responsible gambling programs are embedded across all activities of the organization;
5. Methods for tracking levels of understanding and implementation of responsible gambling practices across its organization; and
6. Measures to ensure staff understand the importance of responsible gaming and are knowledgeable about their role and the company's expectations of their actions. Such measures should include:
 - a. Corporate responsible gambling policies are explained to employees along with local (e.g., site-specific) codes of practice, self-ban procedures and regulations,
 - b. Staff learn about problem gambling and its impact as well as key responsible gambling information,
 - c. Staff are taught skills and procedures required of them for assisting players who may have problems with gambling,
 - d. Staff are trained to avoid messages that reinforce misleading or false beliefs,
 - e. All staff are trained upon hiring and are retrained regularly,
 - f. Objectives are clear and accessible, training accommodates different learning styles, and material is tested or reviewed with staff,
 - g. A formal evaluation process is in place, and
 - h. Making reasonable efforts to ensure that the training program and/or evaluation is informed by evidence-based research.

11 VAC 5-80-90 Sports betting platform features

A sports betting platform must possess the following features:

1. A prominent link to information about the permit holder's self-exclusion program

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2. A mechanism for a player to take note of the passage of time
3. The ability to initiate a 'cooling off' period such as breaks in play and avoidance of excessive play
4. Practices and procedures on the site do not reinforce myths and misconceptions about gambling
5. Information about the website's terms and conditions is readily accessible
6. Promotional or free games do not mislead players
7. Notification to players of age-verification procedures
8. Access to credit is prohibited
9. Fund transfers and automatic deposits are prohibited or restricted
10. Games display credits/spending as cash

11 VAC 5-80-100 Security of funds and data

- A. A permit holder shall comply with all applicable state and federal requirements for data security.
- B. A permit holder shall not share information that could be used to personally identify a sports bettor with any third party other than the Department, law enforcement with a warrant or subpoena or a credit-reporting agency, except when a better provides consent. Information that could be used to personally identify a sports bettor includes gaming habits, except when this information has been anonymized.
- C. Funds in a sports bettor's player's account shall be held either (i) in trust for the sports bettor in a segregated account or (ii) in a special-purpose segregated account that is maintained and controlled by a properly constituted corporate entity that is not the permit holder and whose governing board includes one or more corporate directors who are independent of the permit holder and of any corporation related to or controlled by the permit holder. A corporate entity that maintains a special purpose segregated account shall:
 1. Require a unanimous vote of all corporate directors to file bankruptcy and have articles of incorporation that prohibit commingling of funds with those of the permit holder except as necessary to reconcile the accounts of sports bettors with sums owed by those sports bettors to the permit holder;
 2. Be restricted from incurring debt other than to sports bettors pursuant to the rules that govern their user accounts;
 3. Be restricted from taking on obligations of the permit holder other than obligations to sports bettors pursuant to the rules that govern their user accounts; and
 4. Be prohibited from dissolving, merging, or consolidating with another company, other than a special-purpose corporate entity established by another permit holder that meets the requirements of this section, while there are unsatisfied obligations to sports bettors.
- D. A permit holder shall maintain a reserve for bets that are settled, plus the amount of outstanding and unsettled bets.
- E. A permit holder shall implement and prominently publish the following on its platform, or within the Terms and Conditions inside the sports betting platform:

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1. Policies that prevent unauthorized withdrawals from a sports bettor's account by a permit holder or others;
 2. Notices that make clear that the funds in the segregated account do not belong to the permit holder and are not available to creditors other than the sports bettor whose funds are being held;
 3. Policies that prevent commingling of funds in the segregated account with other funds, including funds of the permit holder;
 4. Consistent with the provisions of Article 2, Chapter 40 (§ [58.1-4043](#)) of Title 58.1 of the Code of Virginia, procedures for responding to and reporting on complaints by sports bettors that their accounts have been misallocated, compromised, or otherwise mishandled;
 5. Procedures that allow a sports bettor to request withdrawal of funds from his user account, whether such account is open or closed. The permit holder shall honor any sports bettor's request to withdraw funds by the later of five days after receipt of the request or 10 days after submission of any tax reporting paperwork required by law, unless the permit holder believes in good faith that the sports bettor has engaged in either fraudulent conduct or other conduct that would put the permit holder in violation of this chapter, in which case the permit holder may decline to honor the request for withdrawal for a reasonable investigatory period until its investigation is resolved if it provides notice of the nature of the investigation to the sports bettor. For the purposes of this subdivision, a request for withdrawal shall be considered honored if it is processed by the permit holder but delayed by a payment processor, a credit card issuer, or the custodian of a segregated account; and
 6. Procedures that allow a sports bettor to permanently close a player account at any time and for any reason. The procedures shall allow for cancellation by any means, including by a sports bettor on any platform used by that sports bettor to make deposits into a segregated account.
- F. If winnings are awarded to a sports bettor with a closed account, those winnings, to the extent that they consists of funds, shall be distributed by the permit holder within seven days, provided, however, that if an account is closed on the basis of the permit holder's good faith belief, after investigation, that the sports bettor has engaged in fraud or has attempted to engage in behavior that would put the permit holder in violation of this chapter, such winnings may be withheld, provided that the winnings are redistributed in a manner that reflects the outcome that would have resulted had that sports bettor not participated.
- G. If a sports bettor's segregated account remains unclaimed for five years after the balances are payable or deliverable to the sports bettor, the permit holder shall presume the account to be abandoned. The permit holder shall report and remit all segregated accounts presumed abandoned to the State Treasurer or his designee pursuant to Chapter 25 (§ [55.1-2500](#) et seq.) of Title 55.1 of the Code of Virginia. Before closing an account pursuant to this subsection, a permit holder shall attempt to contact the player by mail, phone, and electronic mail.
- H. A permit holder shall prominently publish all contractual terms and conditions and rules of general applicability that affect a sports bettor's segregated account. Presentation of such terms,

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conditions, and rules at the time a sports bettor initially acquires a segregated account shall not be deemed sufficient to satisfy the provisions of this subsection.

11 VAC 5-80-110 Limitations on user accounts

A. A permit holder shall not allow a sports bettor to establish more than one username or more than one user account per sports betting platform.

B. A permit holder shall take commercially and technologically reasonable measures to verify a sports bettor's identity and shall use such information to enforce the provisions of this section.

C. A permit holder shall implement procedures to terminate all accounts of any sports bettor who establishes or seeks to establish more than one username or more than one account, whether directly or by use of another individual as proxy. Such procedures may allow a sports bettor who establishes or seeks to establish more than one username or more than one account to retain one account, provided that the permit holder investigates and makes a good faith determination that the sports bettor's conduct was not intended to commit fraud or otherwise evade the requirements of this chapter or regulations thereof.

D. A permit holder shall not allow a sports bettor to use a proxy server for the purpose of misrepresenting his location in order to engage in sports betting.

E. A permit holder shall take commercially and technologically reasonable measures to prevent one sports bettor from acting as a proxy for another. Such measures shall include, without limitation, use of geolocation technologies to prevent simultaneous logins to a single account from geographically inconsistent locations.

11 VAC 5-80-120 Protections for at-risk or problem bettors.

A. In accordance with chapter 60 of this subtitle, sports bettors have the right to self-exclude from and to self-impose restrictions on their participation in sports betting in the Commonwealth. Sports bettors may self-exclude through the voluntary exclusion program as provided in § 58.1-4015.1 or directly with a permit holder. In addition to participation in the voluntary exclusion program as provided in § 58.1-4015.1, a permit holder shall honor requests from a sports bettor to self-exclude from all sports betting activities for a period of at least 72 hours, to set deposit limits, to set limits on the sports bettor's total betting activity, or to limit participation to bets below an established limit .

B. A permit holder shall institute and prominently publish procedures for sports bettors to implement the restrictions provided in subsection A. Such procedures shall include, at a minimum:

1. Opportunities to self-exclude from or to set self-imposed limits on each permit holder's sports betting platform used by that sports bettor to make deposits into a segregated account;

2. Options to set pop-up warnings concerning sports betting activity; and

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3. Options to implement limits and timeouts (e.g. cooling off periods). Sports bettors shall have the option to adjust self-imposed limits to make them more restrictive as often as they like but shall not have the option to make limits less restrictive until the prior restriction has expired.

C. A permit holder shall not directly market sports betting by mail, phone, email, or social media or by knowingly directing any form of individually targeted advertisement or marketing material to a prohibited individual as defined in 11 VAC 5-70-100.

D. A permit holder shall prominently publish a description of opportunities for at-risk or problem bettors to receive assistance or that direct sports bettors to a reputable source, accessible in the Commonwealth, of such information.

E. A permit holder shall train employees on at-risk or problem betting. Such training shall include training on policies and best practices for identifying and assisting sports bettors who may be at-risk or problem sports bettors.

F. A permit holder shall establish clear protocols for staff to respond appropriately to:

1. a player in crisis or distress;
2. a player who discloses that he may have a problem with gambling; and
3. third-party concerns

G. A permit holder shall develop and prominently publish procedures for considering requests made by third parties to exclude or set limits for sports bettors.

H. A permit holder's platform shall have systems in place to identify players who may be at risk of having or developing problem gambling to enable staff to respond appropriately.

I. A permit holder shall maintain a database of interactions regarding gambling problems with players and a clear protocol for documenting and using the data to assist players.

11 VAC 5-80-130 Prohibition on the extension of credit.

A permit holder shall not extend credit to a sports bettor.

11 VAC 5-80-140 Promotional offers

A. A permit holder shall fully and accurately disclose the material terms of all promotional offers involving sports betting at the time any such offer is advertised and provide full disclosure of the terms of and limitations on the offer before the sports bettor provides anything of value in exchange for the offer. If the material terms of a promotional offer cannot be fully and accurately disclosed within the constraints of a particular advertising medium the material terms and conditions shall be accessed by hyperlink that takes the individual directly to the material terms or directs the individual to the site to access the offer or bonus terms and in reasonably prominent size.

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B. No promotional offer available to a sports bettor who sets up a new user account may contain terms that delay full implementation of the offer by the permit holder for a period of longer than 90 days, regardless of the number or amount of wagers in that period by the sports bettor.

11 VAC 5-80-150 Advertising in general

A. An advertisement for sports betting shall disclose the identity of the permit holder.

B. An advertisement for sports betting may not depict:

1. Minors, other than professional athletes who may be minors;
2. Students;
3. Schools or colleges; or
4. School or college settings.

Incidental depiction of nonfeatured minors shall not be deemed a violation of this subsection.

C. An advertisement for sports betting shall not state or imply endorsement by:

1. Minors, other than professional athletes who may be minors;
2. Collegiate athletes;
3. Schools or colleges; or
4. School or college athletic associations.

D. A permit holder shall not intentionally use characteristics of at-risk or problem bettors to target potentially at-risk or problem bettors with advertisements.

E. An advertisement for sports betting in published media shall: (i) include information concerning assistance available to at-risk or problem bettors, or (ii) direct consumers to a reputable source for such information. If an advertisement is not of sufficient size or duration to reasonably permit inclusion of such information, that advertisement shall refer to a website, application, or telephone hotline that does prominently include such information.

F. Any representation concerning winnings:

1. Shall be accurate and capable of substantiation at the time the representation is made;
2. Shall not mislead bettors about the outcomes of gambling; and
3. Shall not misrepresent the odds of winning.

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G. An advertisement is misleading if it makes representations about average winnings without representing with equal prominence the average net winnings of all sports bettors.

11 VAC 5-80-160 Restrictions on advertising to minors or at schools or school sporting events

A. An advertisement for sports betting published, disseminated, circulated, broadcast, or placed before the public in the Commonwealth shall not be aimed exclusively or primarily at minors.

B. A permit holder shall not advertise or run promotional activities at elementary or secondary schools or on college campuses in the Commonwealth.

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I. The Right to Integrity and Transparency

Sports bettors have the right to access information necessary for bet-making, as well as information demonstrating that the permit holder's offerings are administered legally and fairly in all respects. Such information includes but is not limited to:

- The amount wagered on the bet
- The odds at which the wager is offered
- The payout amounts
- Systems for reporting suspicions of fraud, such as internal reporting protocols and available legal actions
- A prohibition on athletes, coaches, game officials, and team affiliates, including employees and owners, from betting on games within their leagues or sports in which they participate
- Contact information for the sports betting permit holder
- Resources for problem gambling, expressed in a clear and easily accessible manner

II. The Right to Data Privacy and Security

Sports bettors have the right to privacy and protection of their personally identifiable information and to the security of their funds and financial activities on sports betting platforms.

III. The Right to Self-Exclude

Self-exclusion refers to systems employed within the gaming ecosystem that allow consumers to preemptively limit bet sizes, frequencies and other related behavior. Self-exclusion systems give the bettor the ability to exclude him- or herself from participation in sports betting in the Commonwealth, whether for a limited period or permanently.

IV. The Right to Protection of the Vulnerable

Sports betting permit holders must employ industry best practices to verify the age of the account holder and block access by anyone under 21 years of age. All sports bettors must have easy access, through their preferred sports betting platform, to resources about addiction warning signs and treatment. Sports betting permit holders are to be proactive in preventing at-risk customers from becoming problem gamblers by implementing responsible gaming programs, trainings, and other practices to help sports bettors play responsibly.

V. The Right to Recourse

A sports bettor has the right to recourse against a sports betting permit holder in the event he or she believes a transaction or other interaction has been mishandled. Such recourse is essential to establish the credibility of legalized sports betting and to maintain consumer trust. Sports bettors have the right to seek relief as outlined in the Virginia's sports betting laws and regulations, and sports betting permit holders must have a clear, expeditious protocol to address concerns raised by sports bettors.