

## **Initial casino gaming regulations for Virginia approved by Lottery Board Sports betting in the Commonwealth moving forward**

February 3, 2021

The Virginia Lottery Board today formally approved initial regulations governing casino gaming in the Commonwealth. Board members also received an update on the recent launch of mobile sports betting in Virginia. Regulatory oversight of expanded gaming, which includes both land-based casinos and the licensing and regulation of mobile sports wagering, was assigned to the Virginia Lottery and its Board by the General Assembly in its 2020 session.

### **Casino regulations**

The approved emergency casino regulations are posted for viewing [here](#). The regulations apply to proposed land-based casinos in Bristol, Danville, Norfolk and Portsmouth, which were endorsed by voters in those localities in local referenda in the November 2020 elections. A fifth casino, in the City of Richmond, has been proposed and is pending a public referendum in November 2021. The 2020 casino legislation required adoption of an initial regulatory framework by April 2021.

The Lottery will further refine today's initial regulations through the regular rulemaking process, which will include an opportunity for public and stakeholder participation. Details on that process can be found [here](#). For further information on the report presented at the Lottery Board meeting, click [here](#), then under the 'Regulations' tab, click 'Casino Regulations Update – Board Meeting, 2/3/21.'

"The Lottery's role as regulator is based on its three-decade track record as a respected and trusted gaming authority in the Commonwealth," said [Kevin Hall](#), executive director of the Virginia Lottery. "The Lottery's professional staff and our Board will work to protect the public interest by ensuring the integrity of casino gaming through the strict enforcement of the law and our regulations."

As part of the pre-certification process prior to referendum, the Lottery conducted a preliminary assessment of the financial viability of each city's preferred casino partner and the partner's experience in operating casinos in a regulated environment. As applications for casino operating licenses are submitted, the Lottery will conduct a comprehensive review of casino operators, including criminal history and financial reviews of designated gaming operators. Regulatory requirements also will specify robust internal controls and on-site security and surveillance requirements.

### **Mobile Sports Wagering**

Live, legal sports wagering launched in Virginia on Jan. 21 and now includes five approved permit holders, and additional permits are expected to be awarded soon. Licensed operators are Betfair Interactive US LLC (d/b/a FanDuel) in conjunction with the Washington Football Team, Crown Virginia Gaming, LLC (Draft Kings), BetMGM, LLC, Portsmouth Gaming Holdings, LLC d/b/a Rivers Casino Portsmouth, and Caesars Virginia,

LLC. By law, operators are required to submit financial reports on total wagering activities by the 20<sup>th</sup> day of each month, so the first reports will be due by Feb. 20.

Sports betting and casino regulations, information and approvals can be viewed at [www.vagaminingregulations.com](http://www.vagaminingregulations.com), a microsite providing key information and public transparency on issues around expanded gaming.

"In the seven months since sports betting was authorized by state law, the Virginia Lottery has crafted responsible regulations, accepted and reviewed applications and awarded the first licenses to qualified operators," said Hall. "We have built a regulatory program that protects consumers and ensures the integrity of legal sports wagering in Virginia."

### **Fiscal year performance to-date**

Along with the expansion of gaming in the Commonwealth, Lottery Board members also received an update today on what is shaping up to be a record-breaking fiscal year for the Virginia Lottery. The first half of Fiscal Year 2021, from July 1 through Dec. 31, 2020, saw Virginia Lottery sales reach \$1.4 billion, an increase of more than 37 percent compared to the same period last year. Total profits during the six-month period were up more than 20 percent from the previous year for a total of \$349.7 million. By law, all Virginia Lottery profits go to K-12 public education in the Commonwealth.

The increase in lottery sales was driven by a variety of factors, including the July 1, 2020 launch of online iLottery games, in which registered adult consumers can play many of their favorite games, along with new instant-win games, on their devices at [valottery.com](http://valottery.com). The launch of this digital platform is the most successful in U.S. Lottery history, shattering performance targets and recording \$283 million in topline sales in the first six months of the fiscal year.

"We have seen strong growth across our product portfolio, and we are very pleased to see that our experience with online sales confirms what's been seen in other iLottery states: online sales make lottery products more relevant to digital consumers who place a premium on convenience," Hall said. "Since launching iLottery last July, we've continued to see strong year-over-year sales growth at the retail counter, too. That's great news for the good cause the Virginia Lottery supports: K-12 schools in the Commonwealth."

### **About Virginia Lottery**

The [Virginia Lottery](#) was created in a 1987 referendum by Virginia voters. Under legislation passed by the Virginia General Assembly in 2020, the Lottery also assumed regulatory oversight of sports wagering and casino gaming in the Commonwealth. While proceeds from traditional games offered by the Lottery support a variety of K-12 programs, the taxes generated by sports wagering and casino gaming will benefit other priorities of the Commonwealth.