

# INTERNET GAMING:

SOME OF THE MAJOR ASPECTS OF CHARITABLE GAMING, LEGAL GAMING, ILLEGAL GAMING, AND LOCAL TAX MATTERS AS THEY RELATE TO THE OFFICE OF THE COMMISSIONER OF THE REVENUE

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Commissioner of the Revenue

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- ▶ Some of the Major Aspects of Charitable Gaming, Legal Gaming, Illegal Gaming, and Local Tax Matters as they Relate to the Office of the Commissioner of the Revenue.

## FORMS OF GAMING IN VIRGINIA

## ▶ Legal / Charitable Gaming Virginia Code

- ▶ §18.2-340.15
- ▶ §18.2-340.16
- ▶ §18.2-340.22
- ▶ §18.2-340.23

VIRGINIA STATE CODE

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ADVANCE SWEEPSTAKES, INTERNET  
GAMING, VAPE SHOPS (RETAIL)



WITNESSED ACTIVITIES



LEGITIMATE BUSINESS ACTIVITY?



**QUEEN**  
OF VIRGINIA SKILL  
& ENTERTAINMENT

**PLAY HERE - WIN HERE**

REAL GAMES OF SKILL !!!

NO OUT-OF-POCKET EXPENSE.  
EXCELLENT OPPORTUNITY  
TO EARN EXTRA DOLLARS  
FOR YOUR BUSINESS.

SKILLED PLAYERS HAVE A  
BETTER CHANCE OF WINNING.

PRACTICE PAYS OFF, SO  
PATRONS RETURN MORE OFTEN.

WATCH YOUR FOOD  
& BEVERAGE SALES SOAR.



For Legal & Compliance  
Questions Call  
1-804-485-0004

MIELE  
PLAYERS BY DESIGN

QUEEN OF VIRGINIA SKILL AND  
ENTERTAINMENT TYPE GAMES  
(SKILL VS. CHANCE)



## COMMONWEALTH of VIRGINIA

### Department of Alcoholic Beverage Control

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July 7, 2017

VIA ELECTRONIC MAIL

Jeffrey L. McGinness  
Pace-O-Matic  
4150 Blue Ridge Industrial Pkwy  
Norcross, Ga. 30071

Dear Mr. McGinness,

Thank you for your recent inquiry concerning the propriety of alcoholic beverage licensed establishments in Virginia utilizing electronic games developed by Pace-O-Matic. As we discussed, this game is currently being widely used in Pennsylvania (including establishments with alcoholic beverage licenses) and has been found to be a game of skill by the Court of Common Pleas of Beaver County, Pennsylvania.

We have thoroughly reviewed the documents forwarded concerning the Court's finding in Pennsylvania and the letter of Mr. Guy M. Harbet, III of Gentry Locke. Additionally, we have asked our Virginia Office of Attorney General to review these documents, as well as any case law of precedential value in Virginia that might be of significance in reaching a determination in this matter.

After weighing these various pieces of information, we have concluded that this game appears to be predominately a game of skill. While two of the factors in the definition of illegal gambling are present - (1) placing a bet or wage, and 2) the opportunity to win a prize, we don't think the element of chance is a predominant factor in winning a prize in this game. It is apparent that there is a significant element of skill involved in all three games as presented to us.

The "tic-tac-toe" game (while it has a random number generator to determine the puzzle) depends on the player's ability to spot the pattern and determine the best place to put the "wild" to enhance his/her chances of a higher score. The court in Pennsylvania indicated that each puzzle has the ability to win and a player's skill, which includes the ability to recognize the most advantageous spots to play, will result in a higher score.

The shooter game involves manual dexterity and hand eye coordination and the "follow me" game

involves memory. I think these three elements 1) pattern recognition, 2) hand-eye coordination, and 3) memory are sufficient to say that skill is the predominant factor in the game rather than chance. Accordingly, The Virginia Department of Alcoholic Beverage Control will not consider these machines, in their current configuration and intended use, to be gambling devices and no administrative charges will be initiated against any licensee which utilizes the machines on their premises.

I would like to stress that this determination is limited to the aforementioned circumstances and impacts only potential administrative changes that may be initiated by Virginia ABC. This decision is obviously not binding on the multitude of other agencies or elected officials that may have jurisdiction in this arena and reach a different conclusion than that cited above.

If you have any questions, please do not hesitate to give me a call at 804-213-4569.

Sincerely,

*Thomas W. Kirby*  
Thomas W. Kirby  
Deputy Chief

# VIRGINIA DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL



# DO YOUR RESEARCH AND DISCOVERY

When in doubt ask for assistance.

- ▶ Keep it Simple, Commissioner Of The Revenue Cannot Approve / Condone Illegal Activities

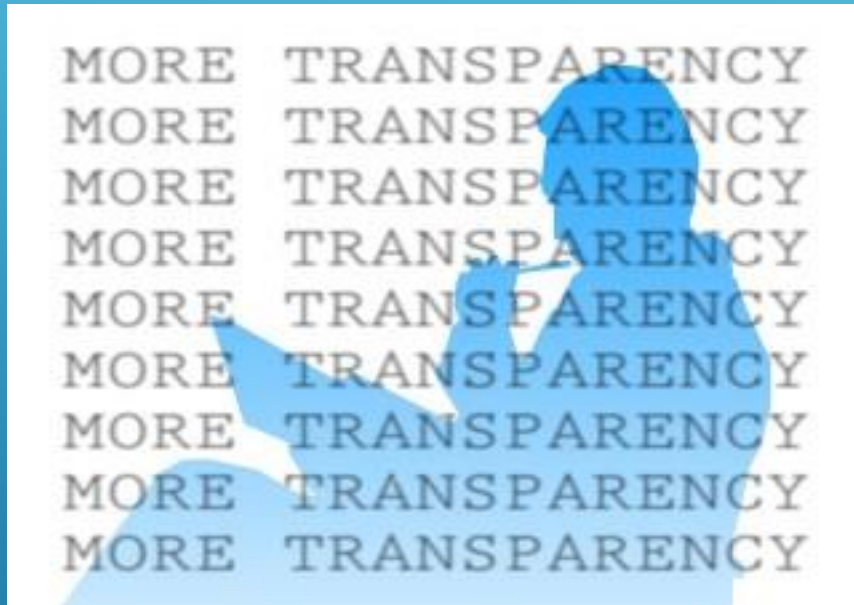
WE ARE LIMITED IN OUR SCOPE OF  
APPROVAL REGARDING THIS ISSUE



## REFER SUSPICIOUS ACTIVITIES TO THE APPROPRIATE AUTHORITIES:

- Commonwealth Attorney's Office
- Sheriff's Office
- Police Department
- Zoning, Permits, Inspectors

# NOTICE TO TAXPAYERS:



Put Disclaimer  
Language on the face  
of Business License  
documents as well as  
communicate it to the  
Taxpayer.



## KNOW YOUR ROLE:

Business Owners Must Remember that it is their responsibility to understand all Local, State, and Federal Laws and Regulations that apply to their business activities.

# WE ARE OPEN FOR BUSINESS:

We can only license per a zoning clearance and/or approved application. Refer all other inquiries to the appropriate state or local agency.

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THERE ARE MORE QUESTIONS THAN  
ANSWERS AT THIS TIME,...

# Q & A



**Franklin D. Edmondson, MCR**  
**Commissioner of the Revenue**

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*Virginia Association of Local Elected Constitutional Officers: President 2017*  
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