Study Resolution

Oversight and Administration of Gaming in the Commonwealth

Authorized by the Commission on January 10, 2022

WHEREAS, the forms of legal gaming in Virginia have expanded in recent years and include lottery, charitable gaming, pari-mutuel wagering on horse racing, casino gaming, online gaming, and sports betting; and

WHEREAS, these forms of gaming are administered and overseen by three different executive branch agencies: the Virginia Lottery, the Virginia Department of Agriculture and Consumer Services, and the Horse Racing Commission; and

WHEREAS, all forms of gaming require some similar administrative and oversight activities, such as licensing of gaming entities and inspections of facilities, equipment, and finances; and

WHEREAS, any form of gaming has the potential to be a source of illegal or unethical activities, such as fraud and self-dealing and therefore requires effective regulation and enforcement; and

WHEREAS, there may be opportunities to reduce duplication of administrative functions across the three agencies and better leverage each agency's resources to improve oversight and enforcement of gaming activities to deter illegal or unethical activities and hold gaming entities responsible for such activities; and

WHEREAS, several states combine oversight of multiple types of gaming into a single agency; and

WHEREAS, a 2019 report of the Joint Legislative Audit and Review Commission (JLARC) proposed the option of evaluating the roles, responsibilities, and performance of all Virginia gaming oversight agencies after additional forms of gaming have been implemented to determine whether consolidation of gaming oversight responsibilities is warranted; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to assess the advantages and disadvantages of consolidating the administration and oversight of Virginia's gaming activities into a single executive branch agency. In conducting the study, staff shall (i) evaluate the roles and responsibilities of each agency and the staffing and financial resources dedicated to them; (ii) identify potentially duplicative roles and responsibilities that could more efficiently and effectively be carried out under one agency; (iii) evaluate the effectiveness of each agency's enforcement policies and activities; (iv) compare and contrast the regulatory requirements used by each agency to carry out its roles and responsibilities, including licensing and inspection requirements; (v) consider how, if at all, consolidation could affect the various missions of the agencies that regulate gaming; and (vi) examine other states' approaches to administering and supervising legal gaming.

JLARC shall make recommendations as necessary and review other issues as warranted.

All agencies of the Commonwealth, including the Virginia Lottery, Horse Racing Commission, Virginia Department of Agriculture and Consumer Services, the Virginia State Police, and the Office of the Attorney General shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.