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### **Remarks to Gaming Subcommittee**

Mr. Chair, members of the committee. My name is Steven Skaist. I serve as counsel to multiple nonprofit organizations in the Commonwealth, and I have the privilege to serve our charities on a volunteer basis as well. As this committee evaluates the regulatory framework of charitable gaming, a task I sense we all recognize is long overdue, I'd like to zoom out from just the gaming law, and consider that charitable gaming exists in a broader legal context of both tax-exempt and state nonprofit law. It has been insinuated that complexity has given rise to confusion, and somehow leads to a conclusion of wrongdoing. Just the opposite is the case. Tax and nonprofit compliance and structuring is nuanced, and if you want to run an impactful charity, working through the complexity is part of doing it well. Entity structuring, conflicts management, tax compliance and governance policy are the arenas in which nonprofits operate. This includes the likes of the red cross and the united way, as well as churches, foundations and universities across the country. If you are confused and in search of counsel, I would, as would other attorneys, be glad to walk you through some explanations and suggestions. So, in the nonprofit world, we are not afraid of complexity and nuance. And so with policy making for this industry. This is the key point: it's easy to say "let's limit it" and "let's circumscribe the activity". This is a shortcut to the agreed goal of rooting out any improper element. However, it's also a shortcut to inhibiting the actual work of actual charities. With the structuring and compliance best practices advised by the IRS and state nonprofit law - and utilized by the likes of the red cross and universities, our Virginia charities are able to operate properly and truly enhance our communities. Of course, enforcement is a necessary component. And this subcommittee's last meeting bore out very well that more funding and implemented enforcement has been lacking

and needs improvement. So, as thoughtful people working to bolster the ability of charities to effectuate their mission and improve our communities, we can appreciate that, with adequate enforcement - partnerships, resource and facility sharing, and intertwining of industry expertise adds real value to our charities' work. I urge this committee to not be afraid of the complexity and nuance in the charitable gaming industry resulting from the intersectionality of gaming, tax and nonprofit law. Instead, let's couple appropriate funding for enforcement with creating the maximal opportunity for the charities to serve our communities.