



January 28, 2026

To: Members of the Virginia Senate Committee on General Laws and Technology
From: Americans for Tax Reform
Re: Concern with Senate Bill 118

Dear Senator,

I thank you for your public service as we begin a new legislative session and urge you to protect Virginia taxpayers in 2026.

After the last four years, when Virginia Republicans held the line against tax increases and onerous new regulations, it is critically important that taxpayers and businesses see that you will continue to hold the line against further tax increases and regulation going forward. Likewise, Virginia should not be penalizing, or in this case, outright banning, longstanding productive businesses that can serve as a source of tax revenue, which is what SB 118 would do in relation to online sweepstakes, or “social plus” games.

This is not a clear-cut case of where all such apps are skirting the rules, nor do they qualify as illegal gambling. These games have evolved from sweepstakes contests of the past which have long had a legal status under federal and state law.

Last year, Attorney General Miyares rightfully called on the federal Department of Justice (DOJ) to examine betting platforms falling afoul of federal law and take appropriate action – as the DOJ has jurisdiction.

The letter from the National Association of Attorneys General (NAAG) refers to a broad set of platforms, stating, "These offshore entities routinely operate without proper licensure, offer limited or non-existent consumer protections, fail to verify user age, ignore state boundaries, and evade taxation."

However, the broad language to ban sweepstakes or social plus games in SB 118 would go far beyond the aforementioned illegal platforms that do not have the protections listed in the NAAG letter. SB 118 would ban all social plus operators, including those that use age verification, geolocation, and other measures to protect consumers and promote safe, responsible interaction.

Rather than rushing to ban an entire industry, Virginia should take a more measured approach. The Virginia Gaming Commission should study this issue thoroughly and develop thoughtful regulations that protect consumers and bring transparency to the market, not hastily pick industry winners and losers. A short session is not the time to make such consequential decisions without proper deliberation.

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Of course, far-left, Democrat-dominated California has chosen to ban these platforms. That heavy-handed, thinly considered move is not the example Virginia should follow.

For all these reasons, we urge you to take great caution as you consider this bill, and to remove language that would ban these "sweepstakes" or social plus games. Instead, we encourage a more deliberate approach that directs the appropriate commission to study the issue, works with existing federal laws and regulations, protects consumers through targeted safeguards, and does not onerously ban platforms that want to follow the rules.

Sincerely,

A handwritten signature in black ink, appearing to read "GN", written in a cursive style.

Grover Norquist

President Americans for Tax Reform