

**Senate Bill No. 1001**

(By Senators Kessler (Mr. President) and M. Hall,

By Request of the Executive)

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[Introduced March 14, 2014; referred to the Committee on  
Finance.]  
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10 A BILL to amend and reenact §29-22-18d of the Code of West  
11 Virginia, 1931, as amended; to amend said code by adding  
12 thereto three new sections, designated §29-22A-10d,  
13 §29-22A-10e and §29-22A-10f; to amend said code by adding  
14 thereto a new section, designated §29-22C-27a; and to amend  
15 said code by adding thereto a new section, designated  
16 §29-25-22b, all relating to the transfer of certain revenues  
17 derived from lottery activities generally; reducing the  
18 distributions to the West Virginia Infrastructure Fund to \$20  
19 million for fiscal year 2015 and increasing the percentage of  
20 funds available for grants therefrom; reducing the amount that  
21 may be transferred to the Racetrack Modernization Fund to \$9  
22 million; transferring certain revenues derived from racetrack

1 video lottery, lottery racetrack table games and lottery  
2 historic resort hotel gaming activities to the State Excess  
3 Lottery Revenue Fund for appropriation; reducing statutory  
4 distributions to capital reinvestment, purse funds and  
5 development funds by ten percent; and authorizing  
6 distributions to be paid on a pro rata basis.

7 *Be it enacted by the Legislature of West Virginia:*

8 That §29-22-18d of the Code of West Virginia, 1931, as  
9 amended, be amended and reenacted; that said code be amended by  
10 adding thereto three new sections, designated §29-22A-10d,  
11 §29-22A-10e and §29-22A-10f; that said code be amended by adding  
12 thereto a new section, designated §29-22C-27a; and that said code  
13 be amended by adding thereto a new section, designated §29-25-22b,  
14 all to read as follows:

15 **ARTICLE 22. STATE LOTTERY ACT.**

16 **§29-22-18d. Increase in allocation to West Virginia**  
17 **Infrastructure Fund from State Excess Lottery**  
18 **Revenue Fund.**

19 Notwithstanding any provision of subsection (d), section  
20 eighteen-a of this article to the contrary, the deposit of \$40  
21 million into the West Virginia Infrastructure Fund set forth above  
22 is for the fiscal year beginning July 1, 2010, only. For the

1 fiscal year beginning July 1, 2011, and each fiscal year  
2 thereafter, in lieu of the deposits required under subdivision (5),  
3 subsection (d), section eighteen-a of this article, the commission  
4 shall first deposit \$6 million into the West Virginia  
5 Infrastructure Lottery Revenue Debt Service Fund created in  
6 subsection (h), section nine, article fifteen-a, chapter thirty-one  
7 of this code to be spent in accordance with the provisions of that  
8 subsection and, second, deposit \$40 million into the West Virginia  
9 Infrastructure Fund created in subsection (a), section nine,  
10 article fifteen-a, chapter thirty-one of this code to be spent in  
11 accordance with the provisions of that article: Provided, That for  
12 the fiscal year beginning July 1, 2014, the deposit to the West  
13 Virginia Infrastructure Fund shall be \$20 million: *Provided,*  
14 *however,* That notwithstanding the provisions of subsection (a),  
15 section ten, article fifteen-a, chapter thirty-one of this code,  
16 for the fiscal year beginning July 1, 2014, any moneys disbursed  
17 from the West Virginia Infrastructure Fund in the form of grants  
18 shall not exceed fifty percent of the total funds available for the  
19 funding of projects.

20 **ARTICLE 22A. RACETRACK VIDEO LOTTERY ACT.**

21 **§29-22A-10d. Changes in distribution of net terminal income;**  
22 **distributions from excess lottery fund.**

1           (a) Notwithstanding any provision of subsection (b), section  
2 ten of this article to the contrary, for the fiscal year beginning  
3 July 1, 2014, and each fiscal year thereafter, the commission may  
4 transfer up to \$9 million as actual costs and expenses to the  
5 Licensed Racetrack Modernization Fund.

6           (b) Notwithstanding any provision of subsection (c), section  
7 ten of this article to the contrary, for the fiscal year beginning  
8 July 1, 2014, and each fiscal year thereafter, each distribution,  
9 except those distributions to be made pursuant to subdivisions (1),  
10 (2), (3), (4), (5) and (7), subsection (c), section ten of this  
11 article, shall be reduced by one hundred percent. Payments shall  
12 not be made pursuant to section ten of this article, other than  
13 those excepted by this subsection, and are made in lieu thereof in  
14 an amount to be determined by appropriation from the State Excess  
15 Lottery Revenue Fund.

16           (c) The total amount of reductions resulting from subsection  
17 (b) of this section shall be paid into the State Excess Lottery  
18 Revenue Fund created by section eighteen-a, article twenty-two of  
19 this chapter. For the fiscal year beginning July 1, 2014, and each  
20 fiscal year thereafter, distributions to be made pursuant to  
21 subdivisions (2) and (5), subsection (c), section ten of this  
22 article shall be reduced by ten percent, and the amounts resulting

1 from the reduction shall be paid into the State Excess Lottery  
2 Revenue Fund.

3 (d) Notwithstanding any other provision of this code to the  
4 contrary, for the fiscal year beginning July 1, 2014, and each  
5 fiscal year thereafter, moneys deposited to the State Excess  
6 Lottery Revenue Fund pursuant to this section shall be expended by  
7 the Lottery in accordance with appropriations.

8 (e) Prior to payment of any appropriation made pursuant to  
9 this section, debt service payments payable from the State Excess  
10 Lottery Revenue Fund shall first be paid in accordance with the  
11 provisions of sections eighteen-a, eighteen-d and eighteen-e,  
12 article twenty-two of this chapter and in the priority as defined  
13 by subsection (c), section eighteen-f, article twenty-two of this  
14 chapter.

15 (f) Notwithstanding any other provision of this code to the  
16 contrary, after payment of debt service from the State Excess  
17 Lottery Revenue Fund, all other distributions required by section  
18 eighteen-a, article twenty-two of this chapter and the  
19 distributions appropriated pursuant to this section shall be paid  
20 on a pro rata basis.

21 (g) Notwithstanding the provisions of paragraph (B),  
22 subdivision (9), subsection (c), section ten of this article, upon

1 certification of the Governor to the Legislature that an  
2 independent actuary has determined that the unfunded liability of  
3 the Old Fund, as defined in chapter twenty-three of this code, has  
4 been paid or provided for in its entirety, the transfers made to  
5 the Workers' Compensation Debt Reduction Fund pursuant to paragraph  
6 (A), subdivision (9), subsection (c), section ten of this article  
7 shall expire and those funds shall remain in the State Excess  
8 Lottery Revenue Fund subject to appropriation.

9 **§29-22A-10e. Changes in distribution of excess net terminal**  
10 **income; distributions from Excess Lottery Revenue**  
11 **Fund.**

12 (a) Notwithstanding any provision of subsection (a), section  
13 ten-b of this article to the contrary, for the fiscal year  
14 beginning July 1, 2014, and each fiscal year thereafter, each  
15 distribution, except those distributions to be made pursuant to  
16 subdivisions (1), (2), (3), (4), (5) and (7), subsection (a),  
17 section ten-b of this article, shall be reduced by one hundred  
18 percent. Payments shall not be made pursuant to section ten-b of  
19 this article, other than those excepted by this subsection, and are  
20 made in lieu thereof in an amount to be determined by appropriation  
21 from the State Excess Lottery Revenue Fund.

22 (b) The total amount of reductions resulting from subsection

1 (a) of this section shall be paid into the State Excess Lottery  
2 Revenue Fund created in section eighteen-a, article twenty-two of  
3 this chapter. For the fiscal year beginning July 1, 2014, and each  
4 fiscal year thereafter, distributions to be made pursuant to  
5 subdivisions (2) and (5), subsection (a), section ten-b of this  
6 article shall be reduced by ten percent, and the amounts resulting  
7 from the reduction shall be paid into the State Excess Lottery  
8 Revenue Fund.

9 (c) Notwithstanding any other provision of this code to the  
10 contrary, for the fiscal year beginning July 1, 2014, and each  
11 fiscal year thereafter, moneys deposited to the State Excess  
12 Lottery Revenue Fund pursuant to this section shall be expended by  
13 the Lottery in accordance with appropriations.

14 (d) Prior to payment of any appropriation made pursuant to  
15 this section, debt service payments payable from the State Excess  
16 Lottery Revenue Fund shall first be paid in accordance with the  
17 provisions of sections eighteen-a, eighteen-d, and eighteen-e,  
18 article twenty-two of this chapter and in the priority as defined  
19 by subsection (c), section eighteen-f, article twenty-two of this  
20 chapter.

21 (e) Notwithstanding any other provision of this code to the  
22 contrary, after payment of debt service from the State Excess

1 Lottery Revenue Fund, all other distributions required by section  
2 eighteen-a, article twenty-two of this chapter and the  
3 distributions appropriated pursuant to this section shall be paid  
4 on a pro rata basis.

5 (f) Notwithstanding the provisions of paragraph (B),  
6 subdivision (9), subsection (a), section ten-b of this article,  
7 upon certification of the Governor to the Legislature that an  
8 independent actuary has determined that the unfunded liability of  
9 the Old Fund, as defined in chapter twenty-three of this code, has  
10 been paid or provided for in its entirety, the transfers made to  
11 the Workers' Compensation Debt Reduction Fund pursuant to paragraph  
12 (A), subdivision (9), subsection (a), section ten-b of this article  
13 shall expire and those funds shall remain in the State Excess  
14 Lottery Revenue Fund subject to appropriation.

15 **§29-22A-10f. Changes in distribution of surcharge.**

16 (a) Notwithstanding any provision of subsection (b), section  
17 ten-c of this article to the contrary, for the fiscal year  
18 beginning July 1, 2014, and each fiscal year thereafter, each  
19 distribution made pursuant to section ten-c of this article shall  
20 be reduced by ten percent.

21 (b) The total amount of reductions resulting from subsection  
22 (a) of this section shall be paid into the State Excess Lottery



1 Revenue Fund created in section eighteen-a, article twenty-two of  
2 this chapter.

3 **ARTICLE 22C. WEST VIRGINIA LOTTERY RACETRACK TABLE GAMES ACT.**

4 **§29-22C-27a. Changes in distribution of adjusted gross receipts;**  
5 **distributions from Excess Lottery Revenue Fund.**

6 (a) Notwithstanding any provision of section twenty-seven of  
7 this article to the contrary, for the fiscal year beginning July 1,  
8 2014, and each fiscal year thereafter, the distribution directed  
9 pursuant to subdivision (1), subsection (d) of that section shall  
10 be reduced by one hundred percent.

11 (b) The total amount of reductions resulting from subsection  
12 (a) of this section shall be paid into the State Excess Lottery  
13 Revenue Fund created in section eighteen-a, article twenty-two of  
14 this chapter. For the fiscal year beginning July 1, 2014, and each  
15 fiscal year thereafter, distributions to be made pursuant to  
16 subdivisions (2) and (3), subsection (c), section twenty-seven of  
17 this article shall be reduced by ten percent, and the amounts  
18 resulting from the reduction shall be paid into the State Excess  
19 Lottery Revenue Fund.

20 (c) Notwithstanding any other provision of this code to the  
21 contrary, for the fiscal year beginning July 1, 2014, and each  
22 fiscal year thereafter, moneys deposited to the State Excess

1 Lottery Revenue Fund pursuant to this section shall be expended by  
2 the Lottery in accordance with appropriations.

3 (d) Prior to payment of any appropriation made pursuant to  
4 this section, debt service payments payable from the State Excess  
5 Lottery Revenue Fund shall first be paid in accordance with the  
6 provisions of sections eighteen-a, eighteen-d and eighteen-e,  
7 article twenty-two of this chapter and in the priority as defined  
8 by subsection (c), section eighteen-f, article twenty-two of this  
9 chapter.

10 (e) Notwithstanding any other provision of this code to the  
11 contrary, after payment of debt service from the State Excess  
12 Lottery Revenue Fund, all other distributions required by section  
13 eighteen-a, article twenty-two of this chapter and the  
14 distributions appropriated pursuant to this section shall be paid  
15 on a pro rata basis.

16 **ARTICLE 25. AUTHORIZED GAMING FACILITY.**

17 **§29-25-22b. Changes in distribution of adjusted gross receipts**  
18 **and additional income; distributions from Excess**  
19 **Lottery Revenue Fund.**

20 (a) Notwithstanding any provision of section twenty-two of  
21 this article to the contrary, for the fiscal year beginning July 1,  
22 2014, and each fiscal year thereafter, after payment of the

1 commission's expenses pursuant to subsection (b), section  
2 twenty-two of this article, each distribution made in subsection  
3 (c), section twenty-two of this article from gross terminal income,  
4 and each distribution of the balance of the Historic Resort Hotel  
5 Fund made in subsection (d), section twenty-two of this article,  
6 except subdivisions (4), (5), (6), (7) and (8) of that subsection,  
7 shall be reduced by one hundred percent. Payments shall not be  
8 made pursuant to section twenty-two of this article, other than  
9 those excepted by this subsection, and are made in lieu thereof in  
10 an amount to be determined by appropriation from the State Excess  
11 Lottery Revenue Fund.

12 (b) The total amount of reductions resulting from subsection  
13 (a) of this section shall be paid into the State Excess Lottery  
14 Revenue Fund created in section eighteen-a, article twenty-two of  
15 this chapter.

16 (c) Notwithstanding any other provision of this code to the  
17 contrary, for the fiscal year beginning July 1, 2014, and each  
18 fiscal year thereafter, moneys deposited to the State Excess  
19 Lottery Revenue Fund pursuant to this section shall be expended by  
20 the Lottery in accordance with appropriations.

21 (d) Prior to payment of any appropriation made pursuant to  
22 this section, debt service payments payable from the State Excess

1 Lottery Revenue Fund shall first be paid in accordance with the  
2 provisions of sections eighteen-a, eighteen-d and eighteen-e,  
3 article twenty-two of this chapter and in the priority as defined  
4 by subsection (c), section eighteen-f, article twenty-two of this  
5 chapter.

6 (e) Notwithstanding any other provision of this code to the  
7 contrary, after payment of debt service from the State Excess  
8 Lottery Revenue Fund, all other distributions required by section  
9 eighteen-a, article twenty-two of this chapter and the  
10 distributions appropriated pursuant to this section shall be paid  
11 on a pro rata basis.

NOTE: The purpose of this bill is to redistribute certain  
revenues to the State Excess Lottery Revenue Fund for  
appropriation.

Strike-throughs indicate language that would be stricken from  
the present law, and underscoring indicates new language that would  
be added.

§29-22A-10d, §29-22A-10e, §29-22A-10f, §29-22C-27a and  
§29-25-22b are new; therefore, strike-throughs and underscoring  
have been omitted.