

Senate Bill No. 497

(By Senator Edgell, Facemire, Snyder, Yost and D. Hall)

[Introduced February 5, 2014; referred to the Committee on the
Judiciary; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §29-22-9 of the Code of West Virginia,
1931, as amended, relating to removing restrictions on where
certain lottery games may be played.

Be it enacted by the Legislature of West Virginia:

That §29-22-9 of the Code of West Virginia, 1931, as amended,
be amended and reenacted to read as follows:

ARTICLE 22. STATE LOTTERY ACT.

**§29-22-9. Initiation and operation of lottery; restrictions;
prohibited themes, games, machines or devices;
distinguishing numbers; winner selection; public
drawings; witnessing of results; testing and
inspection of equipment; price of tickets; claim for
and payment of prizes; invalid, counterfeit tickets;
estimated prizes and odds of winning; participant**

1 **bound by lottery rules and validation procedures;**
2 **security procedures; additional games; electronic**
3 **and computer systems.**

4 (a) The commission shall initiate operation of the state
5 lottery on a continuous basis at the earliest feasible and
6 practical time, first initiating operation of the preprinted
7 instant winner type lottery. The lottery shall be initiated and
8 shall continue to be operated so as to produce the maximum amount
9 of net revenues to benefit the public purpose described in this
10 article consonant with the public good. Other state government
11 departments, boards, commissions, agencies and their officers shall
12 cooperate with the Lottery Commission so as to aid the Lottery
13 Commission in fulfilling these objectives.

14 (b) The commission shall promulgate rules and regulations
15 specifying the types of lottery games to be conducted by the
16 lottery: *Provided, That:*

17 (1) No lottery may use the results of any amateur or
18 professional sporting event, dog race or horse race to determine
19 the winner.

20 (2) Electronic video lottery systems must include a central
21 site system of monitoring the lottery terminals utilizing an
22 on-line or dial-up inquiry.

23 (3) In a lottery utilizing a ticket, each ticket shall bear a

1 unique number distinguishing it from each other ticket.

2 (4) No lottery utilizing a machine may use machines which
3 dispense coins or currency.

4 ~~(5) A lottery game which utilizes an electronic computer and
5 a video screen to operate a lottery game and communicate the
6 results thereof, such as the game "Travel", and which does not
7 utilize an interactive electronic terminal device allowing input by
8 an individual player, may only be made available by the commission
9 in (A) private clubs licensed in accordance with the provisions of
10 article seven, chapter sixty of this code, (B) retail licensees
11 licensed in accordance with the provisions of article three-a of
12 said chapter sixty, and (C) in the facilities of class A licensees
13 which are licensed in accordance with the provisions of section
14 nine, article sixteen, chapter eleven of this code, in which
15 facility at least seventy-five percent of the nonintoxicating beer
16 sold by the class A licensee in the preceding year was sold for
17 consumption on the premises: *Provided, That if sales information
18 is not available for the preceding year, the commission in its
19 discretion may base any issuance or denial of an annual license
20 upon a reasonable projection of the volume of sales of
21 nonintoxicating beer for consumption on the premises as a
22 percentage of the total sales of nonintoxicating beer.*~~

23 ~~(6)~~ (5) Selection of the winner must be predicted totally on
24 chance.

1 ~~(7)~~ (6) Any drawings or winner selections shall be held in
2 public and witnessed by an independent accountant designated by the
3 director for such purposes.

4 ~~(8)~~ (7) All lottery equipment and materials shall be regularly
5 inspected and tested, before and after any drawings or winner
6 selections, by independent qualified technicians.

7 ~~(9)~~ (8) The director shall establish the price for each
8 lottery and determine the method of selecting winners and the
9 manner of payment of prizes, including providing for payment by the
10 purchase of annuities for prizes payable in installments.

11 ~~(10)~~ (9) All claims for prizes shall be examined and no prize
12 shall be paid as a result of altered, stolen or counterfeit tickets
13 or materials, or which fail to meet validation rules or regulations
14 established for a lottery. No prize shall be paid more than once,
15 and, in the event of a binding determination by the commission that
16 more than one person is entitled to a particular prize, the sole
17 remedy of the claimants shall be the award to each of them of an
18 equal share in the single prize.

19 ~~(11)~~ (10) A detailed tabulation of the estimated number of
20 prizes of each particular prize denomination that are expected to
21 be awarded in each lottery, or the estimated odds of winning such
22 prizes shall be printed on any lottery ticket, where feasible, or
23 in descriptive materials, and shall be available at the offices of
24 the commission.

1 ~~(12)~~ (11) No prizes shall be paid which are invalid and not
2 contemplated by the prize structure of the lottery involved.

3 ~~(13)~~ (12) By purchasing a ticket or participation in a
4 lottery, a participant agrees to abide by, and be bound by, the
5 lottery rules which apply to the lottery or game play involved. An
6 abbreviated form of such rules may appear on tickets and shall
7 appear on descriptive materials and shall be available at the
8 offices of the commission. A participant in a lottery agrees that
9 the determination of whether the participant is a valid winner is
10 subject to the lottery or game play rules and the winner validation
11 tests established by the commission. The determination of the
12 winner by the commission shall be final and binding upon all
13 participants in a lottery and shall not be subject to review or
14 appeal.

15 ~~(14)~~ (13) The commission shall institute such security
16 procedures as it deems necessary to ensure the honesty and
17 integrity of the winner selection process for each lottery. All
18 such security and validation procedures and techniques shall be,
19 and remain, confidential, and shall not be subject to any discovery
20 procedure in any civil judicial, administrative or other
21 proceeding, nor subject to the provisions of article one, chapter
22 twenty-nine-b of the ~~Code of West Virginia, 1931, as amended~~ code.

23 (c) The commission shall proceed with operation of such
24 additional lottery games, including the implementation of games

1 utilizing a variety of existing or future technological advances at
2 the earliest feasible date. The commission may operate lottery
3 games utilizing electronic computers and electronic computer
4 terminal devices and systems, which systems must include a central
5 site system of monitoring the lottery terminals utilizing direct
6 communication systems, or other technological advances and
7 procedures, ensuring honesty and integrity in the operation of the
8 lottery.

NOTE: The purpose of this bill is to remove restrictions on where lottery games may be played that utilize an electronic computer and a video screen to operate a lottery game and communicate the results thereof, such as the game "Travel", and which does not utilize an interactive electronic terminal device allowing input by an individual player.

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