

Senate Bill No. 547

(By Senators Stollings and D. Hall)

[Introduced February 23, 2015; referred to the Committee on Finance.]

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9 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
10 designated §19-24A-1, §19-24A-2, §19-24A-3, §19-24A-4, §19-24A-5, §19-24A-6,
11 §19-24A-7 and §19-24A-8, all relating to creating the West Virginia Greyhound Racing
12 Cessation Program; legislative findings and definitions; creating West Virginia Greyhound
13 Racing Cessation Fund; and providing formulas for pay outs to greyhound racing entities and
14 termination of the program and fund following verification that all pay outs have been made.

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

16 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
17 article, designated §19-24A-1, §19-24A-2, §19-24A-3, §19-24A-4, §19-24A-5, §19-24A-6,
18 §19-24A-7 and §19-24A-8, all to read as follows:

19 **ARTICLE 24A. WEST VIRGINIA GREYHOUND RACING CESSATION PROGRAM.**

20 **§19-24A-1. Legislative findings.**

21 The Legislature finds that the original greyhound breeding development program created by

1 the Legislature in the mid to late 1990's created and caused significant private investment in
2 greyhound breeding and greyhound ownership within West Virginia. Also, the Legislature finds that
3 the original legislation depositing fourteen percent from net terminal income of racetrack video
4 lottery into greyhound track purses and seventy-five one hundredths of one per cent of the same into
5 the West Virginia Greyhound Breeding Development Fund caused significant internal and imported
6 economic investment in real and personal property for greyhound breeding and greyhound ownership
7 within West Virginia.

8 The Legislature finds that legislative cutbacks in deposits to the greyhound track purses and
9 to the Greyhound Development Fund for Workers' Compensation Debt Reduction, for balancing the
10 West Virginia state budget, and for helping to safeguard the bond rating of the State of West Virginia
11 in the 2000's were necessary and appropriate.

12 The Legislature finds that these cutbacks helped create a hardship on greyhound breeding and
13 ownership investors to produce a return on investment and to recoup their investment. Accordingly,
14 the Legislature finds it is in the best interest of the State of West Virginia and the West Virginia
15 greyhound racing entities to cease greyhound racing in West Virginia and to compensate the West
16 Virginia greyhound racing entities for their investment in West Virginia greyhound racing.

17 **§19-24A-2. Definitions.**

18 (a) "Accredited West Virginia greyhound owners" means current owners of West Virginia
19 whelped greyhounds approved by the West Virginia Racing Commission to draw moneys from the
20 West Virginia Greyhound Breeding Development Fund.

21 (b) Cessation Date shall be the date on which all greyhound racing in the State of West

1 Virginia is mandated to cease by direction of this code. The Cessation Date shall be July 1, 2015.

2 (c) "Contract greyhound racetrack kennels" means a current kennel business entity having
3 a contract with one or both of the two West Virginia greyhound racetracks to provide and race
4 greyhounds at the racetrack(s).

5 (d) "Current" means as of December 31, 2014.

6 (e) "West Virginia greyhound racing entities" includes accredited West Virginia greyhound
7 owners.

8 **§19-24A-3. West Virginia Greyhound Racing Cessation Fund created.**

9 There is hereby created the West Virginia Greyhound Racing Cessation Fund (WVGRCF)
10 to be funded by the transfer and deposit of \$37.5 million into the West Virginia Greyhound Racing
11 Cessation Fund from stated sources as follows:

12 (a) Existing balance and deposits presently going to the West Virginia Greyhound Breeding
13 Development Fund created in section 10 (d), article twenty-three of this chapter, which deposits are
14 derived from:

15 (1) The Racetrack Video Lottery in section ten (c) (5), article twenty-two-a, chapter twenty-
16 nine of this code.

17 (2) Table Games created in section twenty-seven(c) (3), article twenty-two-c, chapter twenty-
18 nine of this code.

19 (3) Excess Video Lottery created in section one (4), article eighteen-a, chapter twenty-two
20 of this code.

21 (4) Unredeemed Tickets created in section thirteen, article twenty-three, chapter nineteen of

1 this code.

2 (b) Existing balance and deposits presently going to the West Virginia Racing Commission's
3 ten percent administration, promotion, and education account for the West Virginia greyhound
4 development program created in section ten-d, article twenty-three of this chapter.

5 (c) Existing balance and deposits going to greyhound racetrack purses created in section nine
6 (b), article twenty-three of this chapter, which deposits are coming from sources as follows:

7 (1) Racetrack Video Lottery created in section ten- c, article twenty-two-a, chapter twenty-
8 nine of this code.

9 (2) Table Games created in section twenty-seven -c (2), article twenty-two-c, chapter twenty-
10 nine of this code.

11 (3) Simulcast Signals created in section twelve-a, article twenty-three of this chapter.

12 (d) Existing balance and deposits going to capital improvement funds for the benefit of
13 greyhound racing created in section nine-b, article twenty-three of this chapter.

14 (e) Existing balance and deposits for marketing and promotion of greyhound racing created
15 in section nine-b, article twenty-three of this chapter.

16 (f) Twelve and one-half million dollars shall be deposited into the West Virginia Greyhound
17 Racing Cessation Fund from the stated sources in this section each fiscal year for three consecutive
18 fiscal years for a total of \$37.5 million.

19 (g) After the deposit of \$12.5 million each fiscal year from stated sources into the West
20 Virginia Greyhound Racing Cessation Fund, additional moneys from the stated sources shall be
21 deposited into the State Excess Lottery Fund created by section eighteen-a, article twenty-two,

1 chapter twenty-nine of this code and shall be appropriated as the Legislature determines.

2 (h) After the total of \$37.5 million has been deposited into the West Virginia Greyhound
3 Racing Cessation Fund, all moneys from the stated sources shall be deposited into the State Excess
4 Lottery Fund created by section eighteen-a, article twenty-two, chapter twenty-nine of this code and
5 shall be appropriated as the Legislature determines.

6 **§19-24A-4. Utilization of money accumulated in the West Virginia Racing Cessation Fund.**

7 (a) Four hundred thousand dollars may be used to administrate the West Virginia greyhound
8 racing cessation program by the West Virginia Racing Commission. Any amount not utilized for
9 administration shall be carried forward for use as remaining payments.

10 (b) Six hundred thousand dollars shall be utilized as follows:

11 (1) To pay no-kill animal adoption agencies \$300 per greyhound to facilitate hauling, care
12 for and adoption of greyhounds no longer racing as a result of the cessation of live greyhound racing.

13 (2) To pay greyhound owners for relocation of usable greyhounds at the rate of \$150 per
14 greyhound stopped from racing as a result of the cessation of live greyhound racing in West Virginia.

15 (3) To deposit \$100,000 into the spaying and neutering account of the West Virginia
16 Department of Agriculture created in section two, article twenty-c of this chapter.

17 (c) The remaining \$36.5 million shall be utilized to buy out the current accredited West
18 Virginia greyhound owners.

19 (d) Deposits shall continue to be transferred into the West Virginia Greyhound Racing
20 Cessation Fund for a period of time until sufficient moneys have accumulated to fund the \$37.5
21 million buy-out of the current West Virginia greyhound racing entities.

1 (e) The West Virginia Greyhound Racing Cessation Fund shall continue to exist until all
2 cessation financial transactions have been completed.

3 **§19-24A-5. Basis of buy-outs to qualified current West Virginia greyhound racing entities.**

4 For current West Virginia Racing Commission accredited West Virginia greyhound owners
5 the buy-outs shall be based on:

6 (a) Ratio of number of years of a qualified entity in the West Virginia greyhound breeding
7 development program since year 2000 to total number of the years for all qualified entities; and

8 (b) Ratio of earnings of a qualified entity from the West Virginia Greyhound Breeding
9 Development Fund since year 2000 to the total of the earnings for all qualified West Virginia owner
10 entities; and

11 (c) Ratio of number of accredited West Virginia whelped greyhounds a qualified entity has
12 registered with the West Virginia Racing Commission since the year 2000 to the total number of the
13 registered greyhounds for all qualified entities.

14 (d) Ratio of number or years an accredited West Virginia greyhound owner entity was also
15 an owner entity of a West Virginia greyhound racetrack kennel between January 1, 2001, and
16 December 1, 2014, to the sum of years for all such qualified entities.

17 **§19-24A-6. Same – How structured– initial phase, first year after cessation.**

18 Twelve and one-half million dollars shall be used for the buy-out during the initial phase
19 which shall occur the first year after the cessation date of which:

20 (1) An amount equal to \$150,000 may be utilized for administration of the initial phase of
21 the cessation program. Any of this amount not used shall remain in the fund for use in the next

1 phase.

2 (2) Six hundred thousand dollars shall be utilized to pay no-kill animal adoption agencies to
3 transport, care for, and adopt greyhounds no longer racing as a result of the West Virginia cessation
4 program; to pay greyhound owners for relocation of greyhounds from the two West Virginia
5 greyhound racetracks no longer racing as a result of the West Virginia cessation program; and to
6 deposit \$100,000 into the spaying and neutering account of the West Virginia Department of
7 Agriculture created in section two, article twenty-c of this chapter. The payment for an adopted
8 greyhound shall be \$300 per adopted greyhound. The amount paid for each relocated greyhound
9 shall be \$150 per relocated greyhound. The administrator shall implement a voucher system to pay
10 the no-kill adoption agencies and greyhound owners for relocation of usable greyhounds. Any of
11 the \$ 600,000 not utilized for adoptions or relocations shall be carried forward and utilized for buy-
12 out payments.

13 (3) An amount equal to \$11.75 million shall be utilized during the initial phase to buy out
14 current accredited West Virginia greyhound owner entities.

15 (A) Each accredited West Virginia greyhound owner shall receive a minimum payment of
16 \$100,000 plus:

17 (B) From the remainder after subtraction of all \$100,000 payments from the amount in
18 subsection (3) of this section, the accredited West Virginia greyhound owner shall receive an added
19 amount based on the ratio of number of years in the West Virginia greyhound breeding development
20 program as determined in subsection five (a)(1) of this article times the remainder.

21 (5) The pay outs for the start of administration of subsection six (1) of this article and for the

1 start of greyhound adoptions and relocations in subsection six (2) of this article shall be paid out in
2 the first two months after the greyhound racing cessation date. The remaining pay outs for the initial
3 phase shall be uniformly paid over the twelve months immediately after the cessation date.

4 **§19-24A-7. Same – How structured– phase 2; second and third year after cessation.**

5 (a) Twenty-five million dollars shall be used for the buy out during Phase 2 which shall occur
6 the second and third years after cessation date, of which:

7 (1) An amount equal to \$250,000 may be utilized for administration of Phase 2 of the
8 cessation program. Any of this amount not used shall remain in the fund for use as remaining
9 buy-out payments.

10 (2) An amount equal to \$24.75 million shall be utilized during the Phase 2 to complete the
11 buy-out of current accredited West Virginia greyhound owner entities.

12 (A) Ten million eight hundred seventy-five thousand dollars of the \$24.75 million shall be
13 paid out in uniform monthly payments during Phase 2 to accredited West Virginia greyhound owner
14 entities based on the ratios of earnings as determined in subdivision five of this article.

15 (B) Ten million eight hundred seventy-five thousand dollars of the \$24.75 million shall be
16 paid out in uniform monthly payments during Phase 2 to accredited West Virginia greyhound owner
17 entities based on the ratios of accredited West Virginia whelped greyhounds as determined in
18 subdivision five of this article.

19 (C) Three million dollars of the \$24.75 million shall be paid out in uniform monthly
20 payments during Phase 2 to accredited West Virginia greyhound owner entities who were also owner
21 entities of West Virginia greyhound contract greyhound racetrack kennels based on the ratios of

1 years as a West Virginia contract greyhound racetrack kennel between January 1, 2001, and
2 December 31, 2014, as determined in subdivision five of this article.

3 **§19-24A-8. Termination of cessation; verification.**

4 (a) The West Virginia Racing Commission shall report to the Legislature within thirty days
5 after it has determined that sufficient funds have accumulated in the West Virginia Greyhound
6 Cessation Fund and verify that the funds are sufficient to complete the buy-out of all qualified
7 greyhound racing entities.

8 (b) Following receipt of the report from the West Virginia Greyhound Racing Commission
9 all moneys from sources deposited into the West Virginia Greyhound Racing Cessation Fund shall
10 be deposited into the State Excess Lottery Revenue Fund created by section eighteen-a, article
11 twenty-two, chapter twenty-nine of this code and shall be appropriated as the Legislature determines.

12 (c) The West Virginia Greyhound Racing Cessation Fund shall continue until all pay outs
13 have been made and verification of the pay outs have been made and an audit of these funds have
14 been made by the Legislative Auditor and it is determined that the cessation is complete.

15 (d) Upon verification by the Legislative Auditor that all qualified greyhound racing entities
16 have received the pay-outs provided by this article and that the cessation is complete, the West
17 Virginia Greyhound Racing Cessation Fund shall terminate.

NOTE: The purpose of this bill is to create the West Virginia Greyhound Racing Cessation Program and West Virginia Greyhound Racing Cessation Fund, providing formulas for pay outs to greyhound racing entities and termination of the program and fund following verification that all pay outs have been made.

This article is new; therefore, strike-throughs and underscoring have been omitted.