

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Committee Substitute

for

House Bill 105

(BY DELEGATE LANE)

[Originating in the Committee on Finance;

May 20, 2016.]

1 A BILL to amend and reenact §29-22A-10 of the Code of West Virginia, 1931, as amended; and
2 to amend and reenact §29-25-22 and §29-25-22b of said code, all relating to ending
3 transfers to the Licensed Racetrack Modernization Fund; transferring funds remaining in
4 the Licensed Racetrack Modernization Fund and the Historic Resort Hotel Modernization
5 Fund to the Revenue Shortfall Reserve Fund of the state during the fiscal year ending
6 June 30, 2016; providing exceptions for recoupment of certain expenditures for eligible
7 facility modernization improvements from the Licensed Racetrack Modernization Fund;
8 closing the Licensed Racetrack Modernization Fund and the Historic Resort Hotel
9 Modernization Fund; and preserving operative effect of certain provisions.

Be it enacted by the Legislature of West Virginia:

1 That §29-22A-10 of the Code of West Virginia, 1931, as amended, be amended and
2 reenacted; and that §29-25-22 and §29-25-22b of said code be amended and reenacted, all to
3 read as follows:

ARTICLE 22A. RACETRACK VIDEO LOTTERY.

**§29-22A-10. Accounting and reporting; commission to provide communications protocol
data; distribution of net terminal income; remittance through electronic transfer of
funds; establishment of accounts and nonpayment penalties; commission control
of accounting for net terminal income; settlement of accounts; manual reporting
and payment may be required; request for reports; examination of accounts and
records.**

1 (a) The commission shall provide to manufacturers, or applicants applying for a
2 manufacturer's permit, the protocol documentation data necessary to enable the respective
3 manufacturer's video lottery terminals to communicate with the commission's central computer
4 for transmitting auditing program information and for activation and disabling of video lottery
5 terminals.

6 (b) The gross terminal income of a licensed racetrack shall be remitted to the commission
7 through the electronic transfer of funds. Licensed racetracks shall furnish to the commission all
8 information and bank authorizations required to facilitate the timely transfer of moneys to the
9 commission. Licensed racetracks must provide the commission thirty days' advance notice of
10 any proposed account changes in order to assure the uninterrupted electronic transfer of funds.
11 From the gross terminal income remitted by the licensee to the commission:

12 (1) The commission shall deduct an amount sufficient to reimburse the commission for its
13 actual costs and expenses incurred in administering racetrack video lottery at the licensed
14 racetrack, and the resulting amount after the deduction is the net terminal income. The amount
15 deducted for administrative costs and expenses of the commission may not exceed four percent
16 of gross terminal income: *Provided*, That any amounts deducted by the commission for its actual
17 costs and expenses that exceeds its actual costs and expenses shall be deposited into the State
18 Lottery Fund. For the fiscal years ending June 30, 2011, through June 30, ~~2020~~ 2015, the term
19 "actual costs and expenses" may include transfers of up to \$10 million in surplus allocations for
20 each fiscal year, as calculated by the commission when the commission has closed its books for
21 the fiscal year to the Licensed Racetrack Modernization Fund created by subdivision (2),
22 subsection (b), of this section. For all fiscal years beginning on or after July 1, 2001, the
23 commission shall not receive an amount of gross terminal income in excess of the amount of
24 gross terminal income received during the fiscal year ending on June 30, 2001, but four percent
25 of any amount of gross terminal income received in excess of the amount of gross terminal income
26 received during the fiscal year ending on June 30, 2001 shall be deposited into the fund
27 established in section eighteen-a, article twenty-two of this chapter; ~~and~~

28 (2) A Licensed Racetrack Modernization Fund is created within the Lottery Fund. For all
29 fiscal years beginning on or after July 1, 2011, and ending with the fiscal year beginning July 1,
30 ~~2020~~ 2015, the commission shall deposit such amounts as are available according to subdivision
31 (1), subsection (b) of this section into a separate facility modernization account maintained within

32 the Licensed Racetrack Modernization Fund for each racetrack. Each racetrack's share of each
33 year's deposit shall be calculated in the same ratio as each racetrack's apportioned contribution
34 to the four percent administrative costs and expenses allowance provided for in subdivision (1),
35 subsection (b) of this section for that year. For each \$2 expended by a licensed racetrack for
36 facility modernization improvements at the racetrack, having a useful life of three or more years
37 and placed in service after July 1, 2011, the licensed racetrack shall receive \$1 in recoupment
38 from its facility modernization account. If the licensed racetrack's facility modernization account
39 contains a balance in any fiscal year, the unexpended balance from that fiscal year will be
40 available for matching for one additional fiscal year, after which time, the remaining unused
41 balance carried forward shall revert to the Lottery Fund. For purposes of this section, the term
42 "facility modernization improvements" includes acquisitions of new and unused video lottery
43 terminals and related equipment. Video lottery terminals financed through the recoupment
44 provided in this subdivision must be retained by the licensee in its West Virginia licensed location
45 for a period of not less than five years from the date of initial installation;

46 (3) Except as provided in subdivision (4) of this subsection, notwithstanding any other
47 provision of this code to the contrary, on the effective date of the amendment and reenactment of
48 this section during the first extraordinary session of the Legislature in 2016, all unexpended
49 moneys remaining in the Licensed Racetrack Modernization Fund created by subdivision (2),
50 subsection (b) of this section shall be transferred to the Revenue Shortfall Reserve Fund of the
51 state established in section twenty, article two, chapter eleven-b of this code, and the Licensed
52 Racetrack Modernization Fund shall be closed;

53 (4) Notwithstanding any provision of subdivision (2), subsection (b) of this section to the
54 contrary, on the effective date of the amendment and reenactment of this section during the first
55 extraordinary session of the Legislature in 2016 and thereafter, no moneys shall be available to
56 any licensed racetrack for recoupment of that racetrack's expenditures for facility modernization
57 improvements, regardless of when such expenditures took place or whether unexpended

58 balances remain in the Licensed Racetrack Modernization Fund, except a racetrack shall receive
59 a recoupment in accordance with subdivision (2) of this subsection for its expenditures for eligible
60 facility modernization improvements incurred prior to July 1, 2016; and

61 (5) Notwithstanding any provisions of section ten-d of this article to the contrary, on the
62 effective date of the amendment and reenactment of this section during the first extraordinary
63 session of the Legislature in 2016 and thereafter, the commission shall not transfer any moneys
64 from any source for any purposes to the Licensed Racetrack Modernization Fund.

65 (c) The amount resulting after the deductions required by subsection (b) of this section
66 constitutes net terminal income that shall be divided as set out in this subsection. For all fiscal
67 years beginning on or after July 1, 2001, any amount of net terminal income received in excess
68 of the amount of net terminal income received during the fiscal year ending on June 30, 2001,
69 shall be divided as set out in section ten-b of this article. The licensed racetrack's share is in lieu
70 of all lottery agent commissions and is considered to cover all costs and expenses required to be
71 expended by the licensed racetrack in connection with video lottery operations. The division shall
72 be made as follows:

73 (1) The commission shall receive thirty percent of net terminal income, which shall be paid
74 into the state Lottery Fund as provided in section ten-a of this article;

75 (2) Until July 1, 2005, fourteen percent of net terminal income at a licensed racetrack shall
76 be deposited in the special fund established by the licensee, and used for payment of regular
77 purses in addition to other amounts provided for in article twenty-three, chapter nineteen of this
78 code, on and after July 1, 2005, the rate shall be seven percent of net terminal income;

79 (3) The county where the video lottery terminals are located shall receive two percent of
80 the net terminal income: *Provided, That:*

81 (A) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent
82 received during fiscal year 1999 by a county in which a racetrack is located that has participated

83 in the West Virginia Thoroughbred Development Fund since on or before January 1, 1999 shall
84 be divided as follows:

85 (i) The county shall receive fifty percent of the excess amount; and

86 (ii) The municipalities of the county shall receive fifty percent of the excess amount, said
87 fifty percent to be divided among the municipalities on a per capita basis as determined by the
88 most recent decennial United States census of population; and

89 (B) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent
90 received during fiscal year 1999 by a county in which a racetrack other than a racetrack described
91 in paragraph (A) of this proviso is located and where the racetrack has been located in a
92 municipality within the county since on or before January 1, 1999 shall be divided, if applicable,
93 as follows:

94 (i) The county shall receive fifty percent of the excess amount; and

95 (ii) The municipality shall receive fifty percent of the excess amount; and

96 (C) This proviso shall not affect the amount to be received under this subdivision by any
97 other county other than a county described in paragraph (A) or (B) of this proviso;

98 (4) One percent of net terminal income shall be paid for and on behalf of all employees of
99 the licensed racing association by making a deposit into a special fund to be established by the
100 Racing Commission to be used for payment into the pension plan for all employees of the licensed
101 racing association;

102 (5) The West Virginia Thoroughbred Development Fund created under section thirteen-b,
103 article twenty-three, chapter nineteen of this code and the West Virginia Greyhound Breeding
104 Development Fund created under section ten of said article shall receive an equal share of a total
105 of not less than one and one-half of one percent of the net terminal income;

106 (6) The West Virginia Racing Commission shall receive one percent of the net terminal
107 income which shall be deposited and used as provided in section thirteen-c, article twenty-three,
108 chapter nineteen of this code.

109 (7) A licensee shall receive forty-six and one-half percent of net terminal income.

110 (8) (A) The Tourism Promotion Fund established in section twelve, article two, chapter
111 five-b of this code shall receive three percent of the net terminal income: *Provided*, That for the
112 fiscal year beginning July 1, 2003, the Tourism Commission shall transfer from the Tourism
113 Promotion Fund \$5 million of the three percent of the net terminal income described in this section
114 and section ten-b of this article into the fund administered by the West Virginia Economic
115 Development Authority pursuant to section seven, article fifteen, chapter thirty-one of this code,
116 \$5 million into the Capitol Renovation and Improvement Fund administered by the Department of
117 Administration pursuant to section six, article four, chapter five-a of this code and \$5 million into
118 the Tax Reduction and Federal Funding Increased Compliance Fund; and

119 (B) Notwithstanding any provision of paragraph (A) of this subdivision to the contrary, for
120 each fiscal year beginning after June 30, 2004, this three percent of net terminal income and the
121 three percent of net terminal income described in paragraph (B), subdivision (8), subsection (a),
122 section ten-b of this article shall be distributed as provided in this paragraph as follows:

123 (i) 1.375 percent of the total amount of net terminal income described in this section and
124 in section ten-b of this article shall be deposited into the Tourism Promotion Fund created under
125 section twelve, article two, chapter five-b of this code;

126 (ii) 0.375 percent of the total amount of net terminal income described in this section and
127 in section ten-b of this article shall be deposited into the Development Office Promotion Fund
128 created under section three-b, article two, chapter five-b of this code;

129 (iii) 0.5 percent of the total amount of net terminal income described in this section and in
130 section ten-b of this article shall be deposited into the Research Challenge Fund created under
131 section ten, article one-b, chapter eighteen-b of this code;

132 (iv) 0.6875 percent of the total amount of net terminal income described in this section and
133 in section ten-b of this article shall be deposited into the Capitol Renovation and Improvement

134 Fund administered by the Department of Administration pursuant to section six, article four,
135 chapter five-a of this code; and

136 (v) 0.0625 percent of the total amount of net terminal income described in this section and
137 in section ten-b of this article shall be deposited into the 2004 Capitol Complex Parking Garage
138 Fund administered by the Department of Administration pursuant to section five-a, article four,
139 chapter five-a of this code;

140 (9) (A) On and after July 1, 2005, seven percent of net terminal income shall be deposited
141 into the Workers' Compensation Debt Reduction Fund created in section five, article two-d,
142 chapter twenty-three of this code: *Provided*, That in any fiscal year when the amount of money
143 generated by this subdivision totals \$11 million, all subsequent distributions under this subdivision
144 shall be deposited in the special fund established by the licensee and used for the payment of
145 regular purses in addition to the other amounts provided in article twenty-three, chapter nineteen
146 of this code;

147 (B) The deposit of the seven percent of net terminal income into the Worker's
148 Compensation Debt Reduction Fund pursuant to this subdivision shall expire and not be imposed
149 with respect to these funds and shall be deposited in the special fund established by the licensee
150 and used for payment of regular purses in addition to the other amounts provided in article twenty-
151 three, chapter nineteen of this code, on and after the first day of the month following the month in
152 which the Governor certifies to the Legislature that: (i)The revenue bonds issued pursuant to
153 article two-d, chapter twenty-three of this code, have been retired or payment of the debt service
154 provided for; and (ii) that an independent certified actuary has determined that the unfunded
155 liability of the old fund, as defined in chapter twenty-three of this code, has been paid or provided
156 for in its entirety; and

157 (10) The remaining one percent of net terminal income shall be deposited as follows:

158 (A) For the fiscal year beginning July 1, 2003, the veterans memorial program shall receive
159 one percent of the net terminal income until sufficient moneys have been received to complete

160 the veterans memorial on the grounds of the State Capitol Complex in Charleston, West Virginia.
161 The moneys shall be deposited in the State Treasury in the Division of Culture and History special
162 fund created under section three, article one-i, chapter twenty-nine of this code: *Provided, That*
163 only after sufficient moneys have been deposited in the fund to complete the veterans memorial
164 and to pay in full the annual bonded indebtedness on the veterans memorial, not more than
165 \$20,000 of the one percent of net terminal income provided in this subdivision shall be deposited
166 into a Special Revenue Fund in the State Treasury, to be known as the “John F. ‘Jack’ Bennett
167 Fund”. The moneys in this fund shall be expended by the Division of Veterans Affairs to provide
168 for the placement of markers for the graves of veterans in perpetual cemeteries in this state. The
169 Division of Veterans Affairs shall promulgate legislative rules pursuant to the provisions of article
170 three, chapter twenty-nine-a of this code specifying the manner in which the funds are spent,
171 determine the ability of the surviving spouse to pay for the placement of the marker and setting
172 forth the standards to be used to determine the priority in which the veterans grave markers will
173 be placed in the event that there are not sufficient funds to complete the placement of veterans
174 grave markers in any one year, or at all. Upon payment in full of the bonded indebtedness on the
175 veterans memorial, \$100,000 of the one percent of net terminal income provided for in this
176 subdivision shall be deposited in the special fund in the Division of Culture and History created
177 under section three, article one-i, chapter twenty-nine of this code and be expended by the
178 Division of Culture and History to establish a West Virginia veterans memorial archives within the
179 Cultural Center to serve as a repository for the documents and records pertaining to the veterans
180 memorial, to restore and maintain the monuments and memorial on the capitol grounds:
181 *Provided, however, That* \$500,000 of the one percent of net terminal income shall be deposited
182 in the State Treasury in a special fund of the Department of Administration, created under section
183 five, article four, chapter five-a of this code, to be used for construction and maintenance of a
184 parking garage on the State Capitol Complex; and the remainder of the one percent of net terminal
185 income shall be deposited in equal amounts in the Capitol Dome and Improvements Fund created

186 under section two, article four, chapter five-a of this code and Cultural Facilities and Capitol
187 Resources Matching Grant Program Fund created under section three, article one of this chapter.

188 (B) For each fiscal year beginning after June 30, 2004:

189 (i) Five hundred thousand dollars of the one percent of net terminal income shall be
190 deposited in the State Treasury in a special fund of the Department of Administration, created
191 under section five, article four, chapter five-a of this code, to be used for construction and
192 maintenance of a parking garage on the State Capitol Complex; and

193 (ii) The remainder of the one percent of net terminal income and all of the one percent of
194 net terminal income described in paragraph (B), subdivision (9), subsection (a), section ten-b of
195 this article shall be distributed as follows: The net terminal income shall be deposited in equal
196 amounts into the Capitol Dome and Capitol Improvements Fund created under section two, article
197 four, chapter five-a of this code and the Cultural Facilities and Capitol Resources Matching Grant
198 Program Fund created under section three, article one, chapter twenty-nine of this code until a
199 total of \$1,500,000 is deposited into the Cultural Facilities and Capitol Resources Matching Grant
200 Program Fund; thereafter, the remainder shall be deposited into the Capitol Dome and Capitol
201 Improvements Fund.

202 (d) Each licensed racetrack shall maintain in its account an amount equal to or greater
203 than the gross terminal income from its operation of video lottery machines, to be electronically
204 transferred by the commission on dates established by the commission. Upon a licensed
205 racetrack's failure to maintain this balance, the commission may disable all of a licensed
206 racetrack's video lottery terminals until full payment of all amounts due is made. Interest shall
207 accrue on any unpaid balance at a rate consistent with the amount charged for state income tax
208 delinquency under chapter eleven of this code. The interest shall begin to accrue on the date
209 payment is due to the commission.

210 (e) The commission's central control computer shall keep accurate records of all income
211 generated by each video lottery terminal. The commission shall prepare and mail to the licensed

212 racetrack a statement reflecting the gross terminal income generated by the licensee's video
213 lottery terminals. Each licensed racetrack shall report to the commission any discrepancies
214 between the commission's statement and each terminal's mechanical and electronic meter
215 readings. The licensed racetrack is solely responsible for resolving income discrepancies
216 between actual money collected and the amount shown on the accounting meters or on the
217 commission's billing statement.

218 (f) Until an accounting discrepancy is resolved in favor of the licensed racetrack, the
219 commission may make no credit adjustments. For any video lottery terminal reflecting a
220 discrepancy, the licensed racetrack shall submit to the commission the maintenance log which
221 includes current mechanical meter readings and the audit ticket which contains electronic meter
222 readings generated by the terminal's software. If the meter readings and the commission's
223 records cannot be reconciled, final disposition of the matter shall be determined by the
224 commission. Any accounting discrepancies which cannot be otherwise resolved shall be resolved
225 in favor of the commission.

226 (g) Licensed racetracks shall remit payment by mail if the electronic transfer of funds is
227 not operational or the commission notifies licensed racetracks that remittance by this method is
228 required. The licensed racetracks shall report an amount equal to the total amount of cash
229 inserted into each video lottery terminal operated by a licensee, minus the total value of game
230 credits which are cleared from the video lottery terminal in exchange for winning redemption
231 tickets, and remit the amount as generated from its terminals during the reporting period. The
232 remittance shall be sealed in a properly addressed and stamped envelope and deposited in the
233 United States mail no later than noon on the day when the payment would otherwise be completed
234 through electronic funds transfer.

235 (h) Licensed racetracks may, upon request, receive additional reports of play transactions
236 for their respective video lottery terminals and other marketing information not considered

237 confidential by the commission. The commission may charge a reasonable fee for the cost of
238 producing and mailing any report other than the billing statements.

239 (i) The commission has the right to examine all accounts, bank accounts, financial
240 statements and records in a licensed racetrack's possession, under its control or in which it has
241 an interest and the licensed racetrack shall authorize all third parties in possession or in control
242 of the accounts or records to allow examination of any of those accounts or records by the
243 commission.

244 (j) The operative effect of the provisions section ten-d of this article on this section shall
245 continue in full force and effect except to the extent that the changes made to this section by the
246 amendments enacted during the first extraordinary session of the Legislature in 2016 expressly
247 supersede those provisions.

ARTICLE 25. AUTHORIZED GAMING FACILITY.

§29-25-22. Historic Resort Hotel Fund; allocation of adjusted gross receipts; disposition of license fees.

1 (a) There is hereby created a special fund in the State Treasury which shall be designated
2 and known as the Historic Resort Hotel Fund. Thirty-six percent of the gross terminal income
3 received by the commission under section twenty of this article and thirty percent of the adjusted
4 gross receipts received by the commission under section twenty-one of this article shall be
5 deposited with the State Treasurer and placed in the Historic Resort Hotel Fund. The fund shall
6 be an interest-bearing account with interest to be credited to and deposited in the Historic Resort
7 Hotel Fund.

8 (b) All expenses of the commission shall be paid from the Historic Resort Hotel Fund,
9 including reimbursement of the State Police for activities performed at the request of the
10 commission in connection with background investigations or enforcement activities pursuant to
11 this article. At no time may the commission's expenses under this article exceed fifteen percent

12 of the total of the annual revenue received from the licensee under this article, including all license
13 fees, taxes or other amounts required to be deposited in the Historic Resort Hotel Fund.

14 (c) A Historic Resort Hotel Modernization Fund is hereby created within the Historic Resort
15 Hotel Fund. For all fiscal years beginning on or after July 1, 2011, and ending with the fiscal year
16 beginning July 1, 2015, the commission shall deduct two and one-half percent from gross terminal
17 income received by the commission under section twenty of this article for the fiscal year and
18 deposit these amounts into a separate facility modernization account maintained within the
19 Historic Resort Hotel Modernization Fund for each historic resort hotel. For each dollar expended
20 by a historic resort hotel for video lottery or table gaming facility modernization improvements at
21 the historic resort hotel, having a useful life of three or more years and placed in service after April
22 1, 2011, the historic resort hotel shall receive \$1 in recoupment from its facility modernization
23 account. For purposes of this section, the term “video lottery or table gaming facility modernization
24 improvements” include acquisition of computer hardware and software, communications and
25 Internet access equipment, security and surveillance equipment, video lottery terminals and other
26 electronic equipment or other equipment designed to modernize the facility.

27 (d) Notwithstanding any other provision of this code to the contrary, on the effective date
28 of the amendment and reenactment of this section during the first extraordinary session of the
29 Legislature in 2016, all unexpended moneys remaining in the Historic Resort Hotel Modernization
30 Fund created by subsection (c) of this section shall be transferred to the Revenue Shortfall
31 Reserve Fund of the state established in section twenty, article two, chapter eleven-b of this code,
32 and the Historic Resort Hotel Modernization Fund shall be closed.

33 (e) Notwithstanding any provision of subsection (c) of this section to the contrary, on the
34 effective date of the amendment and reenactment of this section during the first extraordinary
35 session of the Legislature in 2016 and thereafter, no moneys shall be available to any historic
36 resort hotel for recoupment of that historic resort hotel's expenditures for video lottery or table

37 gaming facility modernization improvements, regardless of when such expenditures took place or
38 whether unexpended balances remain in the Historic Resort Hotel Modernization Fund.

39 ~~(d)~~ (f) The balance of the Historic Resort Hotel Fund shall become net income and shall
40 be divided as follows:

41 (1) Sixty-four percent of the Historic Resort Hotel Fund net income shall be paid into the
42 General Revenue Fund to be appropriated by the Legislature;

43 (2) Nineteen percent of the Historic Resort Hotel Fund net income shall be paid into the
44 State Debt Reduction Fund established in section twenty-seven, article twenty-two-c of this
45 chapter to be appropriated by the Legislature;

46 (3) The Tourism Promotion Fund established in section twelve, article two, chapter five-b
47 of this code shall receive three percent of the Historic Resort Hotel Fund net income;

48 (4) The county where the gaming facility is located shall receive four percent of the Historic
49 Resort Hotel Fund net income;

50 (5) The municipality where the gaming facility is located or the municipality closest to the
51 gaming facility by paved road access as of the effective date of the reenactment of this section
52 by the 2009 regular session of the Legislature shall receive two and one-half percent of the
53 Historic Resort Hotel Fund net income;

54 (6) The municipalities within the county where the gaming facility is located, except for the
55 municipality receiving funds under subdivision (5) of this subsection, shall receive equal shares
56 of two and one-half percent of the Historic Resort Hotel Fund net income;

57 (7) Each county commission in the state that is not eligible to receive a distribution under
58 subdivision (4) of this subsection shall receive equal shares of two and one-half percent of the
59 Historic Resort Hotel Fund net income: *Provided*, That funds transferred to the county
60 commission under this subdivision shall be used only to pay regional jail expenses and the costs
61 of infrastructure improvements and other capital improvements; and

62 (8) The governing body of each municipality in the state that is not eligible to receive a
63 distribution under subdivisions (5) and (6) of this subsection shall receive equal shares of two and
64 one-half percent of the Historic Resort Hotel Fund net income: *Provided*, That funds transferred
65 to municipalities under this subdivision shall be used only to pay for debt reduction in municipal
66 police and fire pension funds and the costs of infrastructure improvements and other capital
67 improvements.

68 ~~(e)~~ (g) Notwithstanding any provision of this article to the contrary, all limited gaming facility
69 license fees and license renewal fees received by the commission pursuant to section nine of this
70 article shall be deposited into the Community Based Service Fund created in section twenty-
71 seven, article twenty-two-c of this chapter.

72 ~~(f)~~ (h) With the exception of the license fees and license renewal fees received by the
73 commission pursuant to section nine of this article, all revenues received from licensees and
74 license applicants under this article shall be retained by the commission as reimbursement for the
75 licensing process.

**§29-25-22b. Changes in distribution of adjusted gross receipts and additional income;
distributions from excess lottery fund.**

1 (a) Notwithstanding any provision of section twenty-two of this article to the contrary, for
2 the fiscal year beginning July 1, 2014, and each fiscal year thereafter, after payment of the
3 commission's expenses pursuant to subsection (b), section twenty-two of this article, each
4 distribution made in subsection (c), section twenty-two of this article from gross terminal income,
5 and each distribution of the balance of the Historic Resort Hotel Fund made in subsection ~~(d)~~ (f),
6 section twenty-two of this article, except subdivisions (4), (5) (6), (7) and (8) of that subsection,
7 shall be reduced by one hundred percent. Payments shall not be made pursuant to section
8 twenty-two of this article, other than those excepted by this subsection, and are made in lieu
9 thereof in an amount to be determined by appropriation from the State Excess Lottery Revenue
10 Fund.

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

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

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

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