

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 455

BY SENATORS WALTERS AND BOSO

[Introduced February 2, 2016;

Referred to the Committee on the Judiciary;

and then to the Committee on Finance.]

1 A BILL to amend and reenact §29-22B-503 and §29-22B-504 of the Code of West Virginia, 1931,
2 as amended, all relating to allowing a person to be both a limited video lottery operator
3 and retailer.

Be it enacted by the Legislature of West Virginia:

1 That §29-22B-503 and §29-22B-504 of the Code of West Virginia, 1931, as amended, be
2 amended and reenacted, all to read as follows:

ARTICLE 22B. LIMITED VIDEO LOTTERY.

§29-22B-503. Additional qualifications for an applicant for an operator's license.

1 (a) No operator's license or license renewal may be granted unless the Lottery
2 Commission has determined that, in addition to the general requirements set forth in section five
3 hundred two of this article, the applicant satisfies all of the following qualifications:

4 (1) (A) If the applicant is an individual, the applicant has been a citizen of the United States
5 and a resident of this state for the four-year period immediately preceding the application; or

6 (B) If the applicant is a corporation, partnership or other business entity, the chief executive
7 officer and the majority of the officers, directors, members and partners, to the extent each of
8 these groups exists with respect to a particular business organization, both in number and
9 percentage of ownership interest, have been citizens of the United States and residents of this
10 state for the four-year period immediately preceding the application.

11 (2) The applicant has demonstrated the training, education, business ability and
12 experience necessary to establish, operate and maintain the business for which the license
13 application is made;

14 (3) The applicant has secured any necessary financing for the business for which the
15 license application is made, and the financing: (A) Is from a source that meets the qualifications
16 of this section; and (B) is adequate to support the successful performance of the duties and
17 responsibilities of the licensee. A licensee shall request commission approval of any change in
18 financing or leasing arrangements at least thirty days before the effective date of the change;

19 (4) The applicant has disclosed all financing or refinancing arrangements for the purchase,
20 lease or other acquisition of video lottery terminals and associated equipment in the degree of
21 detail requested by the Lottery Commission;

22 (5) The applicant has filed with the Lottery Commission a copy of any current or proposed
23 agreement between the applicant and any manufacturer for the sale, lease or other assignment
24 to the operator of video lottery terminals, the electronic computer components of the terminals,
25 the random number generators of the terminals, or the cabinets in which they are housed; and

26 (6) The applicant does not hold any other license under this article, ~~article 19-23-1, et seq.~~
27 twenty-three, chapter nineteen of this code, or articles twenty-two, twenty-two-a or twenty-five of
28 this chapter, except that an applicant may also be licensed as a service technician or limited video
29 lottery retailer, or both.

30 (b) (1) A person or a member of his or her immediate family who has an ownership interest
31 in a business entity that submits an application for an operator's license may not: (A) Submit an
32 application for another operator's license as an individual; (B) serve as an officer, director,
33 member or partner of a business entity that submits an application for another operator's license;
34 or (C) have an ownership interest in any other business entity that submits an application for an
35 operator's license.

36 (2) Business entities that have common owners or common officers, directors, members
37 or partners may not hold more than one operator's license.

**§29-22B-504. Additional qualifications for an applicant for a limited video lottery retailer's
license.**

1 No limited video lottery retailer's license or license renewal may be granted unless the
2 Lottery Commission has determined that, in addition to the general requirements set forth in
3 section five hundred two of this article, the applicant satisfies all of the following qualifications:

4 (1)(A) If the applicant is an individual, the applicant has been a citizen of the United States
5 and a resident of this state for the four-year period immediately preceding the application;

6 (B) If the applicant is a corporation, partnership or other business entity, the chief executive
7 officer and the majority of the officers, directors, members and partners (to the extent each of
8 these groups exists with respect to a particular business organization), both in number and
9 percentage of ownership interest, have been citizens of the United States and residents of this
10 state for the four-year period immediately preceding the application;

11 (2) The applicant has disclosed to the Lottery Commission the identity of each person who
12 has control of the applicant, as control is described in section five hundred seven of this article;

13 (3) The applicant holds either: (A) A valid license issued under article ~~60-7-1, et seq.,~~
14 seven, chapter sixty of this code to operate a private club; (B) a valid Class A license issued under
15 article ~~11-16-1, et seq.,~~ sixteen, chapter eleven of this code to operate a business where
16 nonintoxicating beer is sold for consumption on the premises; or (C) both licenses;

17 (4) The applicant has demonstrated the training, education, business ability and
18 experience necessary to establish, operate and maintain the business for which the license
19 application is made;

20 (5) The applicant has secured any necessary financing for the business for which the
21 license application is made and the financing: (A) Is from a source that meets the qualifications
22 of this section; and (B) is adequate to support the successful performance of the duties and
23 responsibilities of the licensee;

24 (6) The applicant has disclosed all financing or refinancing arrangements for placement
25 on the applicant's premises of video lottery terminals and associated equipment in the degree of
26 detail requested by the Lottery Commission;

27 (7) The applicant has filed with the Lottery Commission a copy of any current or proposed
28 agreement between the applicant and a licensed operator for the placement on the applicant's
29 premises of video lottery terminals;

30 (8) The applicant has filed with the Lottery Commission a copy of any current or proposed
31 agreement between the applicant and a licensed operator or other person for the servicing and
32 maintenance of video lottery terminals by licensed service technicians; and

33 (9) The applicant does not hold any other license under this article, article ~~19-23-1, et seq.,~~
34 twenty-three, chapter nineteen of this code or articles twenty-two-a or twenty-five of this chapter
35 except that an applicant may also be licensed as a service technician or operator or both.

NOTE: The purpose of this bill is to allow a person to be both a limited video lottery operator and retailer.

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