

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Introduced

Senate Bill 350

BY SENATORS FERNS, TRUMP, MAYNARD, JEFFRIES,

BALDWIN, AND PLYMALE

[Introduced January 23, 2018; Referred
to the Committee on the Judiciary]

1 A BILL to amend and reenact §29-22A-5 of the Code of West Virginia, 1931, as amended, relating
2 to eliminating the obsolete requirement that the Lottery Commission file all racetrack video
3 lottery game rules with the Secretary of State.

Be it enacted by the Legislature of West Virginia:

ARTICLE 22A. RACETRACK VIDEO LOTTERY.

**§29-22A-5. Video lottery terminal requirements; ~~filing of specific game rules with the~~
~~Secretary of State~~ application for approval of a video lottery terminal; testing of
video lottery terminals; report of test results; modifications to previously approved
models; conformity to prototype; seizure and destruction of terminals.**

1 (a) Video lottery terminals registered with and approved by the commission for use at
2 licensed racetracks may offer video lottery games regulated, controlled, and owned and operated
3 by the commission in accordance with the provisions of this section. ~~and utilizing specific game~~
4 ~~rules separately filed from time to time by the commission with the Secretary of State~~

5 (b) A manufacturer may not sell or lease a video lottery terminal for placement at a licensed
6 racetrack in this state unless the terminal has been approved by the commission. Only
7 manufacturers with permits may apply for approval of a video lottery terminal or associated
8 equipment. The manufacturer shall submit two copies of terminal illustrations, schematics, block
9 diagrams, circuit analysis, technical and operation manuals, and any other information requested
10 by the commission for the purpose of analyzing and testing the video lottery terminal or associated
11 equipment.

12 (c) The commission may require that two working models of a video lottery terminal be
13 transported to the location designated by the commission for testing, examination, and analysis.

14 (1) The manufacturer shall pay all costs of testing, examination, analysis, and
15 transportation of such video lottery terminal models. The testing, examination, and analysis of any
16 video lottery terminal model may require dismantling of the terminal and some tests may result in
17 damage or destruction to one or more electronic components of such terminal model. The

18 commission may require that the manufacturer provide specialized equipment or pay for the
19 services of an independent technical expert to test the terminal.

20 (2) The manufacturer shall pay the cost of transportation of two video lottery terminals to
21 lottery headquarters. The commission shall conduct an acceptance test to determine terminal
22 functions and central system compatibility. If the video lottery terminal fails the acceptance test
23 conducted by the commission, the manufacturer shall make all modifications required by the
24 commission.

25 (d) After each test has been completed, the commission shall provide the terminal
26 manufacturer with a report containing findings, conclusions, and pass/fail results. The report may
27 contain recommendations for video lottery terminal modification to bring the terminal into
28 compliance with the provisions of this article. Prior to approving a particular terminal model, the
29 commission may require a trial period not in excess of 60 days for a licensed racetrack to test the
30 terminal. During the trial period, the manufacturer may not make any modifications to the terminal
31 model unless such modifications are approved by the commission.

32 (e) The video lottery terminal manufacturer and licensed racetrack are jointly responsible
33 for the assembly and installation of all video lottery terminals and associated equipment. The
34 manufacturer and licensed racetrack shall not change the assembly or operational functions of a
35 terminal licensed for placement in West Virginia unless a request for modification of an existing
36 video terminal prototype is approved by the commission. The request must contain a detailed
37 description of the type of change, the reasons for the change, and technical documentation of the
38 change.

39 (f) Each video lottery terminal approved for placement at a licensed racetrack must
40 conform to the exact specifications of the video lottery terminal prototype tested and approved by
41 the commission. If any video lottery terminal or any video lottery terminal modification, which has
42 not been approved by the commission, is supplied by a manufacturer and operated by a licensed
43 racetrack, the commission shall seize and destroy all of that licensed racetrack's and

- 44 manufacturer's noncomplying video lottery terminals and shall suspend the license and permit of
45 the licensed racetrack and manufacturer.

NOTE: The purpose of this bill is to eliminate an onerous and overly burdensome requirement that the Lottery file every racetrack video lottery game rule with the Secretary of State's Office. The game rules will still be available through the West Virginia Lottery, as they are now, without requiring the Secretary of State's Office to maintain copies. Elimination of this provision will provide regulatory efficiency for both agencies.

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