

WEST VIRGINIA LEGISLATURE

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Originating

House Bill 3105

BY GEARHART, ANDERSON, FRICH, BUTLER AND C.

MILLER

[Originating in the Committee on Finance;

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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 closing
3 certain modernization funds and distribution of remaining unexpended balances;
4 transferring funds remaining in the Licensed Racetrack Modernization Fund and the
5 Historic Resort Hotel Modernization Fund to the General Revenue Fund of the state during
6 the fiscal year ending June 30, 2017; providing exceptions for recoupment of certain
7 expenditures for eligible facility modernization improvements from the Licensed Racetrack
8 Modernization Fund; prohibiting transfer of any moneys from any source for any purposes
9 to the Licensed Racetrack Modernization Fund; and closing the Licensed Racetrack
10 Modernization Fund and the Historic Resort Hotel Modernization Fund.

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~~ 2016, 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~~ 2016, 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 regular session of the Legislature in 2017, all unexpended moneys
49 remaining in the Licensed Racetrack Modernization Fund created by subdivision (2), subsection
50 (b) of this section shall be transferred to the General Revenue Fund of the state and the Licensed
51 Racetrack Modernization Fund shall be closed;

52 (4) Notwithstanding any provision of subdivision (2), subsection (b) of this section to the
53 contrary, on the effective date of the amendment and reenactment of this section during the
54 regular session of the Legislature in 2017 and thereafter, no moneys shall be available to any
55 licensed racetrack for recoupment of that racetrack's expenditures for facility modernization
56 improvements, regardless of when such expenditures took place or whether unexpended
57 balances remain in the Licensed Racetrack Modernization Fund, except a racetrack shall receive

58 a recoupment in accordance with subdivision (2) of this subsection for its expenditures for eligible
59 facility modernization improvements incurred prior to March 1, 2017; and

60 (5) Notwithstanding any provisions of section ten-d of this article to the contrary, on the
61 effective date of the amendment and reenactment of this section during the regular session of the
62 Legislature in 2017 and thereafter, the commission shall not transfer any moneys from any source
63 for any purposes to the Licensed Racetrack Modernization Fund.

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

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

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

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

80 (A) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent
81 received during fiscal year 1999 by a county in which a racetrack is located that has participated
82 in the West Virginia Thoroughbred Development Fund since on or before January 1, 1999 shall
83 be divided as follows:

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

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

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

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

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

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

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

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

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

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

109 (8) (A) The Tourism Promotion Fund established in section twelve, article two, chapter

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

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

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

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

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

131 (iv) 0.6875 percent of the total amount of net terminal income described in this section and
132 in section ten-b of this article shall be deposited into the Capitol Renovation and Improvement
133 Fund administered by the Department of Administration pursuant to section six, article four,
134 chapter five-a of this code; and

135 (v) 0.0625 percent of the total amount of net terminal income described in this section and

136 in section ten-b of this article shall be deposited into the 2004 Capitol Complex Parking Garage
137 Fund administered by the Department of Administration pursuant to section five-a, article four,
138 chapter five-a of this code;

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

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

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

157 (A) For the fiscal year beginning July 1, 2003, the veterans memorial program shall receive
158 one percent of the net terminal income until sufficient moneys have been received to complete
159 the veterans memorial on the grounds of the state Capitol Complex in Charleston, West Virginia.
160 The moneys shall be deposited in the State Treasury in the Division of Culture and History special
161 fund created under section three, article one-i, chapter twenty-nine of this code: *Provided*, That

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

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

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

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

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

209 (e) The commission's central control computer shall keep accurate records of all income
210 generated by each video lottery terminal. The commission shall prepare and mail to the licensed
211 racetrack a statement reflecting the gross terminal income generated by the licensee's video
212 lottery terminals. Each licensed racetrack shall report to the commission any discrepancies
213 between the commission's statement and each terminal's mechanical and electronic meter

214 readings. The licensed racetrack is solely responsible for resolving income discrepancies
215 between actual money collected and the amount shown on the accounting meters or on the
216 commission's billing statement.

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

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

234 (h) Licensed racetracks may, upon request, receive additional reports of play transactions
235 for their respective video lottery terminals and other marketing information not considered
236 confidential by the commission. The commission may charge a reasonable fee for the cost of
237 producing and mailing any report other than the billing statements.

238 (i) The commission has the right to examine all accounts, bank accounts, financial
239 statements and records in a licensed racetrack's possession, under its control or in which it has

240 an interest and the licensed racetrack shall authorize all third parties in possession or in control
241 of the accounts or records to allow examination of any of those accounts or records by the
242 commission.

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, 2016, 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
24 modernization improvements” include acquisition of computer hardware and software,
25 communications and Internet access equipment, security and surveillance equipment, video
26 lottery terminals and other electronic equipment or other equipment designed to modernize the
27 facility.

28 (d) Notwithstanding any other provision of this code to the contrary, on the effective date
29 of the amendment and reenactment of this section during the regular session of the Legislature
30 in 2017, all unexpended moneys remaining in the Historic Resort Hotel Modernization Fund
31 created by subsection (c) of this section shall be transferred to the General Revenue Fund of the
32 state 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 regular session of the
35 Legislature in 2017 and thereafter, no moneys shall be available to any historic resort hotel for
36 recoupment of that historic resort hotel’s expenditures for video lottery or table gaming facility
37 modernization improvements, regardless of when such expenditures took place or whether
38 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-two
13 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.