

# **WEST VIRGINIA LEGISLATURE**

## **2023 REGULAR SESSION**

**Introduced**

### **House Bill 3044**

By Delegates Gearhart, Householder, Criss, Hardy,  
Espinosa, Storch, Smith, Nestor, Zatezalo, Maynor,  
and Ellington

[Introduced January 25, 2023; Referred to the  
Committee on Finance]

1 A BILL to amend and reenact §29-22B-1103 of the Code of West Virginia, 1931, as amended,  
2 relating to the annual fee for limited video lottery terminal permits; establishing criteria for  
3 reduced annual fee for video lottery terminals; requiring West Virginia Lottery to determine  
4 which permit holders qualify for reduced annual permit fees and amount thereof; and  
5 making technical changes.

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

## **ARTICLE 22B. LIMITED VIDEO LOTTERY.**

### **§29-22B-1103. Permit fee.**

1 (a) For the privilege of holding a permit that authorizes the licensee to own or lease video  
2 lottery terminals from a licensed manufacturer, the person shall pay an annual fee of \$1,000 per  
3 video lottery terminal for which the permit is issued:

4 (1) The annual fee shall be \$1,000 per video lottery terminal for terminals that utilize the 10  
5 percent lowest performing software versions, as measured by daily gross terminal income of all  
6 terminals available for play; and

7 (2) For permit holders who own or lease terminals with software versions that outperform  
8 the 10 percent lowest performing software versions by more than \$500 annual net terminal income  
9 for the State of West Virginia, the permit holder will pay a reduced fee of \$500 per terminal  
10 annually.

11 (b) Each April, the West Virginia Lottery shall compute the daily average gross terminal  
12 income for each version of operating software used in all terminals in play from July 1 of the  
13 preceding year until April 1 of the current year and prepare a report listing the 10 percent of all the  
14 versions of operating software having the lowest daily gross terminal income over that period, the  
15 permit holders who may receive the \$500 annual discount per terminal, and the total amount of  
16 any such discount for each permit holder.

17 (c) This fee shall initially be paid at the time the permit is issued for the number of video  
18 lottery terminals a person is authorized to own or lease without going through the bid process.

19    Thereafter, this fee shall be due and payable each first day of May while the person holds the  
20    permit and the amount of the fee shall be determined by the number of video lottery terminals the  
21    person is permitted to own or lease from a licensed manufacturer.

NOTE: The purpose of this bill is to provide an incentive to upgrade video lottery terminals and their operating software by reducing the per terminal annual permit fee from \$1,000 to \$500 for terminals that generate a certain level of revenue above the 10 percent lowest revenue-producing versions of terminal software.

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