

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Committee Substitute

for

House Bill 3044

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

[Originating in the Committee on Finance; February 8,
2023]

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; permitting reduced fee in
3 certain circumstances for certain period; establishing criteria for reduced annual fee for
4 video lottery terminals; requiring West Virginia Lottery to determine which permit holders
5 qualify for reduced annual permit fees and amount thereof; and terminating provisions.

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 (b) (1) Notwithstanding any provision of subsection (a) of this section to the contrary, for the
5 fee due and payable May 1, 2023, and each May 1 thereafter until and including May 1, 2030:

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

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

13 (2) For the fee due and payable May 1, 2023, the West Virginia Lottery shall compute the
14 daily average net terminal income for each version of operating software used in all terminals in
15 play from July 1, 2022, until February 28, 2023, and prepare a report listing the 10 percent of all the
16 versions of operating software having the lowest daily net terminal income over that period, the
17 permit holders who may receive the \$500 annual reduced fee per terminal, and the total amount of
18 any such reduced fee for each permit holder. When calculating the daily average net terminal

19 income, a software that is in play for any number of days during a month shall be considered as
20 operating the full number of days in that month. For subsequent years, the West Virginia Lottery
21 shall compute the daily average net terminal income for each version of operating software used in
22 all terminals in play from March 1st of the preceding year until the last day of February and prepare
23 a report listing the 10 percent of all the versions of operating software having the lowest daily net
24 terminal income over that period, the permit holders who may receive the \$500 annual reduced fee
25 per terminal, and the total amount of any such reduced fee for each permit holder. Should a group
26 of terminals with a software version be partially included in the 10 percent calculation, the entire
27 group shall not be eligible for the reduced fee. Furthermore, a terminal must be active and
28 operational for a period of 60 days to be eligible for the reduced fee. This subsection will terminate
29 and have no force or effect after May 1, 2030.

30 (c) This The fee shall initially be paid at the time the permit is issued for the number of video
31 lottery terminals a person is authorized to own or lease without going through the bid process.
32 Thereafter, this fee shall be due and payable each first day of May while the person holds the
33 permit and the amount of the fee shall be determined by the number of video lottery terminals the
34 person is permitted to own or lease from a licensed manufacturer.