

Senate Bill No. 550

(By Senators Klempa, Kessler (Acting President), Wills, Snyder,
Yost, Miller, Edgell and D. Facemire)

[Introduced February 18, 2011; referred to the Committee on the
Judiciary; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new section, designated §19-23-12d; to amend
and reenact §29-22A-6, §29-22A-10 and §29-22A-10c of said
code; and to amend and reenact §29-25-19 and §29-25-22 of said
code, all relating to allowing simulcast pari-mutuel racing
within the confines of gaming facilities located at historic
resort hotels; defining terms; permitting the issuing of
licenses; providing for payments; setting forth conditions for
out-of-state tracks and interstate pools; registering of
persons conducting wagering activities; setting forth the
licensee's retainage; setting forth the amounts of payments
made by a licensee and to whom they are to be paid; requiring
compliance with federal law; authorizing rulemaking; exempting
pari-mutuel wagering and equipment from state sales taxes;
permitting licensees at racetracks and historic resort hotels
to establish minimum and maximum wager limits at video lottery
terminals; authorizing the use of video lottery terminal bill
acceptors for all United States currency; reducing the

1 required life for capital investments by licensees at
 2 racetracks to be reimbursed from the Capital Investment Fund;
 3 extending the time for recoupment of expenditures for capital
 4 improvements; requiring historic resort hotels to pay a
 5 portion of certain proceeds into the Human Resources Fund;
 6 creating a Licensed Racetrack and Historic Resort Hotel
 7 Facility Modernization Fund; requiring a certain portion of a
 8 licensed racetrack's gross terminal income to be deposited
 9 into that new fund; and defining terms.

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

11 That the Code of West Virginia, 1931, as amended, be amended
 12 by adding thereto a new section, designated §19-23-12d; that
 13 §29-22A-6, §29-22A-10 and §29-22A-10c of said code be amended and
 14 reenacted; and that §29-25-19 and §29-25-22 of said code be amended
 15 and reenacted, all to read as follows:

16 **CHAPTER 19. AGRICULTURE.**

17 **ARTICLE 23. HORSE AND DOG RACING.**

18 **§19-23-12d. Simulcast races and pari-mutuel wagering at authorized**
 19 **gaming facility in historic resort hotel.**

20 (a) *Definitions.* -- In addition to the words and phrases
 21 defined in section three of this article, the words and phrases
 22 defined in subsection (b) of this section have the meanings
 23 provided in that subsection when used in this section, unless the
 24 context in which the term or phrase is used clearly indicates that
 25 a different meaning is intended.

26 (b) *Defined words and phrases.* --

27 (1) "Applicant" means any gaming licensee who is licensed

1 under article twenty-five, chapter twenty-nine of this code,
2 applying for a license under this section to conduct pari-mutuel
3 wagering on televised horse and dog races.

4 (2) "Designated pari-mutuel wagering area" means one or more
5 specific areas of an existing historic resort hotel within which
6 the Racing Commission has authorized the gaming licensee to offer
7 pari-mutuel wagering to patrons of the hotel.

8 (3) "Gaming facility" means a designated area on the premises
9 of an existing historic resort hotel in which pari-mutuel wagering
10 is conducted by a gaming licensee.

11 (4) "Gaming licensee" means the licensed operator of a gaming
12 facility under article twenty-five, chapter twenty-nine of this
13 code, who is also licensed under this article to offer pari-mutuel
14 wagering on simulcast horse or dog races or on both types of races.

15 (5) "Historic resort hotel" means a historic resort hotel as
16 defined in section two, article twenty-five, chapter twenty-nine of
17 this code.

18 (6) "In-state host track" means a racetrack within this state
19 licensed to conduct horse or dog race meetings at which pari-mutuel
20 wagering is conducted and which is an in-state sending track.

21 (7) "In-state sending track" means a racetrack in this state
22 licensed under this article to conduct horse or dog race meetings
23 at which pari-mutuel wagering is conducted and which is equipped to
24 conduct simulcasting of those races and intertrack pari-mutuel
25 wagering on those races.

26 (8) "In-state track" means an in-state host track or an
27 in-state sending track.

1 (9) "Interstate common pool" means a pari-mutuel pool
2 established within this state or in another state or foreign nation
3 within which is combined comparable pari-mutuel pools of one or
4 more receiving legal wagering entities located in one or more
5 states or foreign nations upon a race at a sending track located
6 within or outside of this state for the purpose of establishing
7 payoff prices in the various jurisdictions.

8 (10) "Intertrack wagering" means parimutuel wagering on
9 simulcast horse or dog races held at an in-state sending track by
10 patrons at a gaming facility licensed under this section and the
11 electronic transmission of the wagers to the in-state sending
12 track.

13 (11) "License" means a license issued by the Racing Commission
14 pursuant to this section, including:

15 (A) A license to operate a gaming facility in which
16 pari-mutuel wagering on simulcast races will be available to
17 patrons;

18 (B) A license to be employed in connection with the operation
19 of a gaming facility at which pari-mutuel wagering is offered on
20 simulcast races; or

21 (C) A license to provide management services under a contract
22 to a gaming facility licensed under this article.

23 (12) "Licensed gaming facility employee" means any individual
24 licensed or registered to be employed by a gaming licensee in
25 connection with the operation of a pari-mutuel wagering pursuant to
26 this section.

27 (13) "Out-of-state host track" means a racetrack in a

1 jurisdiction other than this state, the operator of which is
2 lawfully permitted to conduct a horse or dog race meeting and which
3 conducts horse or dog races upon which pari-mutuel wagers may be
4 placed.

5 (14) "Out-of-state track" means an out-of-state host track or
6 an out-of-State sending track.

7 (15) "Out-of-state sending track" means a racetrack in a
8 jurisdiction other than the State of West Virginia which is
9 lawfully permitted to conduct a horse or dog race meeting and to
10 provide simulcast horse or dog races to a racetrack in this state.

11 (16) "Participation agreement" means the written contract that
12 provides for the establishment or implementation of simulcasting of
13 horse or dog races and pari-mutuel wagering. Each contract shall
14 set forth the manner in which the pari-mutuel wagering system shall
15 be managed, operated and capitalized, as well as how expenses and
16 revenues shall be allocated and distributed by and among the
17 licensed gaming facility under this section and the other eligible
18 participants in the contract.

19 (17) "Premises of an existing historic resort hotel" means the
20 historic resort hotel, attachments of the historic resort hotel,
21 and the traditional, immediate grounds of the historic resort
22 hotel.

23 (18) "Receiving gaming facility" means a licensed racetrack or
24 authorized gaming facility within this state licensed under this
25 article which is equipped to receive simulcast horse and dog races
26 and to conduct intertrack or interstate wagering on those races.

27 (19) "Simulcast horse or dog races" means horse or dog races

1 conducted at an in-state sending track or an out-of-state sending
2 track, as the case may be, and transmitted simultaneously by
3 picture to the authorized gaming facility licensed under this
4 section or other legal wagering facility.

5 (20) "Simulcasting" means the simultaneous audio or visual
6 transmission of horse or dog races conducted at in-state and
7 out-of-state racetracks to the gaming facility licensee under this
8 section and pari-mutuel wagering on the results of those races.

9 (c) *Application for license.* -- An applicant who is licensed
10 under article twenty-five, chapter twenty-nine of this code may
11 apply to the West Virginia Racing Commission for a license to
12 conduct at the historic resort hotel pari-mutuel wagering on
13 simulcast horse and dog races held at a licensed racetrack in this
14 state, or in another jurisdiction, where pari-mutuel wagering is
15 permitted and conducted. The application shall be submitted in the
16 form prescribed by the commission and provide the information
17 required by the commission.

18 (d) *Issuance of license.* -- Within sixty days after an
19 application is filed pursuant to subsection (b) of this section,
20 the Racing Commission shall act on the application and either grant
21 or deny the application: *Provided,* That issuance of the license
22 shall not be unreasonably withheld. Once issued, the license shall
23 expire, be renewed, revoked or suspended on the same basis as
24 license issued under this article to racetrack to hold live racing
25 and conduct pari-mutuel wagering.

26 (e) *Transmission of races from in-state sending tracks.* -- An
27 in-state sending track may transmit to a gaming licensee under this

1 section all or some of the live races conducted at the racetrack.

2 (f) *Receipt of simulcasts transmitted from out-of-state*
3 *tracks.* -- The gaming licensee under this section may, in
4 accordance with this article, and any applicable rules of the
5 Racing Commission and with the approval of the commission, receive
6 at the facility simulcast horse or dog races, or both, conducted at
7 out-of-state sending tracks.

8 (g) *Payments to sending track.* - The authorized gaming
9 facility receiving a simulcast horse or dog race from an
10 out-of-state sending track shall pay to the out-of-state sending
11 track for the transmission such amount, if any, as may be agreed
12 upon by the authorized gaming facility and the out-of-state sending
13 track. The authorized gaming facility accepting pari-mutuel wagers
14 on a horse or dog race conducted at an out-of-state host track
15 shall pay to the out-of-state host track such amount, if any, as
16 provided for in the agreement, if any, between the authorized
17 gaming facility and the out-of-state host track

18 (h) *Conditions for participation by out-of-state tracks;*
19 *interstate common pools.* --

20 (1) Except as provided in subdivision (2) of this subsection,
21 the Racing Commission shall not permit an out-of-state sending
22 track or an out-of-state host track to participate in simulcast
23 pari-mutuel wagering or qualify as an out-of-state host track,
24 respectively, unless the pari-mutuel pools respecting the
25 authorized gaming facility under this article are combined with
26 comparable pari-mutuel pools at the out-of-state track. The types
27 of wagering, takeout, distribution of winnings, rules of racing,

1 method of calculating breakage, and the percentage of deposits
2 remaining undistributed from a pari-mutuel pool after payment is
3 made to winning ticket holders shall be determined in accordance
4 with the law or policy applicable to the out-of-state track.

5 (2) With the prior approval of the Racing Commission and the
6 concurrence of the out-of-state track, an authorized gaming
7 facility under this article and receiving tracks or entities in
8 other states other than the state in which the out-of-state track
9 is located may form an interstate common pool. With respect to such
10 interstate common pools, the Racing Commission may approve types of
11 wagering, takeout, distribution of winnings, rules of racing,
12 method of calculating breakage, and a percentage of deposits
13 remaining undistributed from a parimutuel pool after payment is
14 made to winning ticket holders which are different from those which
15 would otherwise be applied in this state but which are consistent
16 for all parties to the interstate common pool.

17 (i) *Licensing or registration of persons conducting*
18 *wagering-related activities.* -- All persons engaged in conducting
19 wagering-related activities at the authorized gaming facility
20 licensed under this section, whether employed directly by the
21 licensee or by a person or entity conducting or operating the
22 simulcast racing and pari-mutuel wagering facility under an
23 agreement with the licensee, shall be licensed or registered in
24 accordance with such rules as may be promulgated by the Racing
25 Commission. All other employees at the simulcast racing and
26 pari-mutuel wagering facility shall be licensed or registered in
27 accordance with regulations of the Racing Commission: *Provided,*

1 That when the employee is licensed by the Lottery Commission, that
2 employee must register with the Racing Commission is not required
3 to have a separate license issued by the Racing Commission. The
4 Racing Commission shall has the authority to promulgate rules,
5 regulations and conditions under which all such licenses are
6 issued, or registrations made, in this state and to revoke or
7 refuse to issue a license, or revoke or refuse to accept a
8 registration, if in the opinion of the commission the revocation or
9 refusal is in the public interest: *Provided*, That the rules,
10 regulations and conditions are uniform in their application to both
11 the gaming facility licensed under this section and racetracks
12 licensed under this article to hold race meetings at which
13 pari-mutuel wagering is conducted. The fees under this subsection
14 may not be in excess of the fee charge for a similar occupational
15 permit or license at a licensed racetrack.

16 (j) *Retainage of gaming licensee.* -- The gaming licensee under
17 this section shall retain from pari-mutuel wagers a basic
18 commission of seventeen and twenty-five one-hundredths percent on
19 horse races and a basic commission of sixteen and twenty-five
20 one-hundredths percent on dog races. Breakage shall be calculated
21 and distributed in the manner provided in subsection (c), section
22 nine of this article.

23 (k) *Payments by the licensee.* -- Out of the commission
24 retained or deducted by a gaming licensee under the provisions of
25 subsection (j) of this section, the gaming licensee shall pay:

26 (1) One-tenth of one percent into the General Revenue Fund of
27 county commission of the county in which the historic resort hotel

1 is located;

2 (2) Each day, the daily pari-mutuel pools tax calculated under
3 section ten of this article; and

4 (3) The amount required to be paid under the terms of a
5 contract with a host licensed racing association in this state or
6 in another jurisdiction that permits pari-mutual wagering on horse
7 or dog races held or conducted in that jurisdiction.

8 (l) After making the payments required by subsection (k) of
9 this section, the remaining balance may be retained by the gaming
10 licensee under this section.

11 (m) *Compliance with federal law.* -- The federal Interstate
12 Horseracing Act of 1978, P. L. 95-515, 15 U.S.C. §§3001-3007, is
13 instructive as the legislative intent of this section.

14 (n) *Promulgation of rules.* -- The Racing Commission shall
15 promulgate rules in accordance with article three, chapter
16 twenty-nine-a of this code, it deems necessary to implement and
17 efficiently administer this section: *Provided,* That the rules are
18 be similar to rules promulgated for pari-mutuel wagering on
19 televised races at the racetracks.

20 (o) *Pari-mutuel wagers and equipment exempt from sales tax.* --
21 Notwithstanding any provision of this code to the contrary, the
22 license tax imposed in section ten of this article shall be in lieu
23 of payment of the tax imposed by article fifteen, chapter eleven of
24 this code, on pari-mutuel wagering and on the purchase of
25 equipment, services and supplies directly used in pari-mutual
26 wagering under this section.

27 **CHAPTER 29. MISCELLANEOUS BOARDS AND OFFICERS.**

1 **ARTICLE 22A. RACETRACK VIDEO LOTTERY.**

2 **§29-22A-6. Video lottery terminal hardware and software**
3 **requirements; hardware specifications; software**
4 **requirements for randomness testing; software**
5 **requirements for percentage payout; software**
6 **requirements for continuation of video lottery game**
7 **after malfunction; software requirements for play**
8 **transaction records.**

9 (a) The commission may approve video lottery terminals and in
10 doing so shall take into account advancements in computer
11 technology, competition from nearby states and the preservation of
12 jobs in the West Virginia pari-mutuel racing industry. In
13 approving video lottery terminals licensed for placement in this
14 state, the commission shall ensure that the terminals meet the
15 following hardware specifications:

16 (1) Electrical and mechanical parts and design principles may
17 not subject a player to physical hazards or injury.

18 (2) A surge protector shall be installed on the electrical
19 power supply line to each video lottery terminal. A battery or
20 equivalent power back-up for the electronic meters shall be capable
21 of maintaining accuracy of all accounting records and terminal
22 status reports for a period of one hundred eighty days after power
23 is disconnected from the terminal. The power back-up device shall
24 be located within the locked logic board compartment of the video
25 lottery terminal.

26 (3) An on/off switch which controls the electrical current
27 used in the operation of the terminal shall be located in an

1 accessible place within the interior of the video lottery terminal.

2 (4) The operation of each video lottery terminal may not be
3 adversely affected by any static discharge or other electromagnetic
4 interference.

5 (5) A minimum of one electronic or mechanical coin acceptor or
6 other means accurately and efficiently to establish credits shall
7 be installed on each video lottery terminal. Each video lottery
8 terminal may also contain bill acceptors for ~~one or more of the~~
9 ~~following: One dollar bills, five dollar bills, ten dollar bills~~
10 ~~and twenty dollar bills~~ any legal United States currency. All coin
11 and bill acceptors shall be approved by the commission prior to use
12 on any video lottery terminal in this state.

13 (6) Access to the interior of a video lottery terminal shall
14 be controlled through a series of locks and seals.

15 (7) The main logic boards and all erasable programmable
16 read-only memory chips (EPROMS) are considered to be owned by the
17 commission and shall be located in a separate locked and sealed
18 area within the video lottery terminal.

19 (8) The cash compartment shall be located in a separate locked
20 area within or attached to the video lottery terminal.

21 (9) No hardware switches, jumpers, wire posts or any other
22 means of manipulation may be installed which alter the pay tables
23 or payout percentages in the operation of a game. Hardware
24 switches on a video lottery terminal to control the terminal's
25 graphic routines, speed of play, sound and other purely cosmetic
26 features may be approved by the commission.

27 (10) Each video lottery terminal shall contain a single

1 printing mechanism capable of printing an original ticket and
2 retaining an exact legible copy within the video lottery terminal
3 or other means of capturing and retaining an electronic copy of the
4 ticket data as approved by the commission: *Provided*, That such
5 printing mechanism is optional on any video lottery terminal which
6 is designed and equipped exclusively for coin or token payouts. The
7 following information shall be recorded on the ticket when credits
8 accrued on a video lottery terminal are redeemed for cash:

9 (i) The number of credits accrued;

10 (ii) Value of the credits in dollars and cents displayed in
11 both numeric and written form;

12 (iii) Time of day and date;

13 (iv) Validation number; and

14 (v) Any other information required by the commission.

15 (11) A permanently installed and affixed identification plate
16 shall appear on the exterior of each video lottery terminal and the
17 following information shall be on the plate:

18 (i) Manufacturer of the video lottery terminal;

19 (ii) Serial number of the terminal; and

20 (iii) Model number of the terminal.

21 (12) The rules of play for each game shall be displayed on the
22 video lottery terminal face or screen. The commission may reject
23 any rules of play which are incomplete, confusing, misleading or
24 inconsistent with game rules approved by the commission. For each
25 video lottery game there shall be a display detailing the credits
26 awarded for the occurrence of each possible winning combination of
27 numbers or symbols. A video lottery terminal may allow ~~up to five~~

1 ~~dollars to be wagered on a single game~~ the amounts of minimum and
2 maximum wagers on a single game to be determined by licensee or
3 permit holder in the exercise of its business judgment subject to
4 the approval of the commission. All information required by this
5 subdivision shall be displayed under glass or another transparent
6 substance. No stickers or other removable devices shall be placed
7 on the video lottery terminal screen or face without the prior
8 approval of the commission.

9 (13) Communication equipment and devices shall be installed to
10 enable each video lottery terminal to communicate with the
11 commission's central computer system by use of a communications
12 protocol provided by the commission to each permitted manufacturer,
13 which protocol shall include information retrieval and terminal
14 activation and disable programs, and the commission may require
15 each licensed racetrack to pay the cost of a central site computer
16 as a part of the licensing requirement.

17 (14) All video lottery terminals shall have a security system
18 which temporarily disables the gaming function of the terminal
19 while opened.

20 (b) Each video lottery terminal shall have a random number
21 generator to determine randomly the occurrence of each specific
22 symbol or number used in video lottery games. A selection process
23 is random if it meets the following statistical criteria:

24 (1) *Chi-square test.* -- Each symbol or number shall satisfy
25 the ninety-nine percent confidence level using the standard
26 chi-square statistical analysis of the difference between the
27 expected result and the observed result.

1 (2) *Runs test.* -- Each symbol or number may not produce a
2 significant statistic with regard to producing patterns of
3 occurrences. Each symbol or number is random if it meets the
4 ninety-nine percent confidence level with regard to the "runs test"
5 for the existence of recurring patterns within a set of data.

6 (3) *Correlation test.* -- Each pair of symbols or numbers is
7 random if it meets the ninety-nine percent confidence level using
8 standard correlation analysis to determine whether each symbol or
9 number is independently chosen without regard to another symbol or
10 number within a single game play.

11 (4) *Serial correlation test.* -- Each symbol or number is
12 random if it meets the ninety-nine percent confidence level using
13 standard serial correlation analysis to determine whether each
14 symbol or number is independently chosen without reference to the
15 same symbol or number in a previous game.

16 (c) Each video lottery terminal shall meet the following
17 maximum and minimum theoretical percentage payout during the
18 expected lifetime of the terminal:

19 (1) Video lottery games shall pay out no less than eighty
20 percent and no more than ninety-five percent of the amount wagered.
21 The theoretical payout percentage will be determined using standard
22 methods of probability theory.

23 (2) Manufacturers must file a request and receive approval
24 from the commission prior to manufacturing for placement in this
25 state video lottery terminals programmed for a payout greater than
26 ninety-two percent of the amount wagered. Commission approval
27 shall be obtained prior to applying for testing of the high payout

1 terminals.

2 (3) Each terminal shall have a probability greater than one in
3 seventeen million of obtaining the maximum payout for each play.

4 (d) Each video lottery terminal shall be capable of continuing
5 the current game with all current game features after a video
6 lottery terminal malfunction is cleared. If a video lottery
7 terminal is rendered totally inoperable during game play, the
8 current wager and all credits appearing on the video lottery
9 terminal screen prior to the malfunction shall be returned to the
10 player.

11 (e) Each video lottery terminal shall at all times maintain
12 electronic accounting regardless of whether the terminal is being
13 supplied with electrical power. Each meter shall be capable of
14 maintaining a total of no less than eight digits in length for each
15 type of data required. The electronic meters shall record the
16 following information:

17 (1) Number of coins inserted by players or the coin equivalent
18 if a bill acceptor is being used or tokens or vouchers are used;

19 (2) Number of credits wagered;

20 (3) Number of total credits, coins and tokens won;

21 (4) Number of credits paid out by a printed ticket;

22 (5) Number of coins or tokens won, if applicable;

23 (6) Number of times the logic area was accessed;

24 (7) Number of times the cash door was accessed;

25 (8) Number of credits wagered in the current game;

26 (9) Number of credits won in the last complete video lottery
27 game; and

1 (10) Number of cumulative credits representing money inserted
2 by a player and credits for video lottery games won but not
3 collected.

4 (f) No video lottery terminal may have any mechanism which
5 allows the electronic accounting meters to clear automatically.
6 Electronic accounting meters may not be cleared without the prior
7 approval of the commission. Both before and after any electronic
8 accounting meter is cleared, all meter readings shall be recorded
9 in the presence of a commission employee.

10 (g) The primary responsibility for the control and regulation
11 of any video lottery games and video lottery terminals operated
12 pursuant to this article rests with the commission.

13 (h) The commission shall, directly or through a contract with
14 a third-party vendor other than the video lottery licensee,
15 maintain a central site system of monitoring the lottery terminals
16 utilizing an on-line or dial-up inquiry. The central site system
17 shall be capable of monitoring the operation of each video lottery
18 game or video lottery terminal operating pursuant to this article
19 and, at the direction of the director, immediately disable and
20 cause not to operate any video lottery game and video lottery
21 terminal. As provided in this section, the commission may require
22 the licensed racetrack to pay the cost of a central site computer
23 as part of the licensing requirement.

24 **§29-22A-10. Accounting and reporting; commission to provide**
25 **communications protocol data; distribution of net**
26 **terminal income; remittance through electronic**
27 **transfer of funds; establishment of accounts and**

1 **nonpayment penalties; commission control of**
2 **accounting for net terminal income; settlement of**
3 **accounts; manual reporting and payment may be**
4 **required; request for reports; examination of**
5 **accounts and records.**

6 (a) The commission shall provide to manufacturers, or
7 applicants applying for a manufacturer's permit, the protocol
8 documentation data necessary to enable the respective
9 manufacturer's video lottery terminals to communicate with the
10 commission's central computer for transmitting auditing program
11 information and for activation and disabling of video lottery
12 terminals.

13 (b) The gross terminal income of a licensed racetrack shall be
14 remitted to the commission through the electronic transfer of
15 funds. Licensed racetracks shall furnish to the commission all
16 information and bank authorizations required to facilitate the
17 timely transfer of moneys to the commission. Licensed racetracks
18 must provide the commission thirty days' advance notice of any
19 proposed account changes in order to assure the uninterrupted
20 electronic transfer of funds. From the gross terminal income
21 remitted by the licensee to the commission:

22 (1) The commission shall deduct an amount sufficient to
23 reimburse the commission for its actual costs and expenses incurred
24 in administering racetrack video lottery at the licensed racetrack.
25 ~~and the resulting amount after the deduction is the net terminal~~
26 ~~income.~~ The amount deducted for administrative costs and expenses
27 of the commission may not exceed four percent of gross terminal

1 income: *Provided*, That any amounts deducted by the commission for
2 its actual costs and expenses that exceeds its actual costs and
3 expenses shall be deposited into the State Lottery Fund. For the
4 fiscal years ending June 30, 2006, 2007, 2008, 2009, 2010 and 2011,
5 the term "actual costs and expenses" shall include transfers of no
6 more than \$20 million in any year to the Revenue Center
7 Construction Fund created by subsection (1), section eighteen,
8 article twenty-two of this chapter for the purpose of constructing
9 a state office building. For all fiscal years beginning on or
10 after July 1, 2001, the commission shall not receive an amount of
11 gross terminal income in excess of the amount of gross terminal
12 income received during the fiscal year ending on June 30, 2001, but
13 four percent of any amount of gross terminal income received in
14 excess of the amount of gross terminal income received during the
15 fiscal year ending on June 30, 2001, shall be deposited into the
16 fund established in section eighteen-a, article twenty-two of this
17 chapter; and

18 (2) A Licensed Racetrack Modernization Fund shall be created
19 within the lottery fund. For all fiscal years beginning on or
20 after July 1, 2011, the commission shall deduct two and one-half
21 percent from gross terminal income generated by a licensed
22 racetrack for the fiscal year and deposit such amounts into a
23 separate facility modernization account maintained within the
24 Licensed Racetrack Modernization Fund for each racetrack. For each
25 dollar expended by a licensed racetrack for facility modernization
26 improvements at the racetrack, at the location of any amenity
27 associated with the racetrack's destination resort facility

1 operations, or at adjacent facilities owned by the racetrack,
2 having a useful life of three or more years and placed in service
3 after April 1, 2010, the licensed racetrack or historic resort
4 hotel shall receive \$1 in recoupment from its facility
5 modernization account. For purposes of this section, the term
6 "facility modernization improvements" include acquisitions of
7 structures and equipment associated with gaming facilities. For
8 purposes of this definition equipment includes: computer hardware
9 and software, communications and Internet access equipment,
10 security and surveillance equipment, video lottery terminals and
11 other electronic equipment or other equipment designed to modernize
12 the facility.

13 (c) ~~Net~~ The amount resulting after the deductions required by
14 subsection (b) of this section constitutes net terminal income that
15 shall be divided as set out in this subsection. For all fiscal
16 years beginning on or after July 1, 2001, any amount of net
17 terminal income received in excess of the amount of net terminal
18 income received during the fiscal year ending on June 30, 2001,
19 shall be divided as set out in section ten-b of this article. The
20 licensed racetrack's share is in lieu of all lottery agent
21 commissions and is considered to cover all costs and expenses
22 required to be expended by the licensed racetrack in connection
23 with video lottery operations. The division shall be made as
24 follows:

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

1 (2) Until July 1, 2005, fourteen percent of net terminal
2 income at a licensed racetrack shall be deposited in the special
3 fund established by the licensee, and used for payment of regular
4 purses in addition to other amounts provided for in article
5 twenty-three, chapter nineteen of this code, on and after July 1,
6 2005, the rate shall be seven percent of net terminal income;

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

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

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

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

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

27 (i) The county shall receive fifty percent of the excess

1 amount; and

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

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

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

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

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

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

24 (8) (A) The Tourism Promotion Fund established in section
25 twelve, article two, chapter five-b of this code shall receive
26 three percent of the net terminal income: *Provided*, That for the
27 fiscal year beginning July 1, 2003, the tourism commission shall

1 transfer from the Tourism Promotion Fund \$5 million of the three
2 percent of the net terminal income described in this section and
3 section ten-b of this article into the fund administered by the
4 West Virginia Economic Development Authority pursuant to section
5 seven, article fifteen, chapter thirty-one of this code, \$5 million
6 into the Capitol Renovation and Improvement Fund administered by
7 the Department of Administration pursuant to section six, article
8 four, chapter five-a of this code and \$5 million into the Tax
9 Reduction and Federal Funding Increased Compliance Fund; and

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

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

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

25 (iii) 0.5 percent of the total amount of net terminal income
26 described in this section and in section ten-b of this article
27 shall be deposited into the Research Challenge Fund created under

1 section ten, article one-b, chapter eighteen-b of this code;

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

7 (v) 0.0625 percent of the total amount of net terminal income
8 described in this section and in section ten-b of this article
9 shall be deposited into the 2004 Capitol Complex Parking Garage
10 Fund administered by the Department of Administration pursuant to
11 section five-a, article four, chapter five-a of this code;

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

22 (B) The deposit of the seven percent of net terminal income
23 into the Worker's Compensation Debt Reduction Fund pursuant to this
24 subdivision shall expire and not be imposed with respect to these
25 funds and shall be deposited in the special fund established by the
26 licensee and used for payment of regular purses in addition to the
27 other amounts provided in article twenty-three, chapter nineteen of

1 this code, on and after the first day of the month following the
2 month in which the Governor certifies to the Legislature that: (i)
3 The revenue bonds issued pursuant to article two-d, chapter
4 twenty-three of this code, have been retired or payment of the debt
5 service provided for; and (ii) that an independent certified
6 actuary has determined that the unfunded liability of the old fund,
7 as defined in chapter twenty-three of this code, has been paid or
8 provided for in its entirety; and

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

11 (A) For the fiscal year beginning July 1, 2003, the veterans
12 memorial program shall receive one percent of the net terminal
13 income until sufficient moneys have been received to complete the
14 veterans memorial on the grounds of the State Capitol Complex in
15 Charleston, West Virginia. The moneys shall be deposited in the
16 State Treasury in the Division of Culture and History special fund
17 created under section three, article one-I, chapter twenty-nine of
18 this code: *Provided*, That only after sufficient moneys have been
19 deposited in the fund to complete the veterans memorial and to pay
20 in full the annual bonded indebtedness on the veterans memorial,
21 not more than \$20,000 of the one percent of net terminal income
22 provided in this subdivision shall be deposited into a special
23 revenue fund in the State Treasury, to be known as the "John F.
24 'Jack' Bennett Fund". The moneys in this fund shall be expended by
25 the Division of Veterans Affairs to provide for the placement of
26 markers for the graves of veterans in perpetual cemeteries in this
27 state. The Division of Veterans Affairs shall promulgate

1 legislative rules pursuant to the provisions of article three,
2 chapter twenty-nine-a of this code specifying the manner in which
3 the funds are spent, determine the ability of the surviving spouse
4 to pay for the placement of the marker and setting forth the
5 standards to be used to determine the priority in which the
6 veterans grave markers will be placed in the event that there are
7 not sufficient funds to complete the placement of veterans grave
8 markers in any one year, or at all. Upon payment in full of the
9 bonded indebtedness on the veterans memorial, \$100,000 of the one
10 percent of net terminal income provided ~~for~~ in this subdivision
11 shall be deposited in the special fund in the Division of Culture
12 and History created under section three, article one-i, chapter
13 twenty-nine of this code and be expended by the Division of Culture
14 and History to establish a West Virginia veterans memorial archives
15 within the Cultural Center to serve as a repository for the
16 documents and records pertaining to the veterans memorial, to
17 restore and maintain the monuments and memorial on the capitol
18 grounds: *Provided, however,* That \$500,000 of the one percent of
19 net terminal income shall be deposited in the State Treasury in a
20 special fund of the Department of Administration, created under
21 section five, article four, chapter five-a of this code, to be used
22 for construction and maintenance of a parking garage on the state
23 Capitol Complex; and the remainder of the one percent of net
24 terminal income shall be deposited in equal amounts in the Capitol
25 Dome and Improvements Fund created under section two, article four,
26 chapter five-a of this code and Cultural Facilities and Capitol
27 Resources Matching Grant Program Fund created under section three,

1 article one of this chapter.

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

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

9 (ii) The remainder of the one percent of net terminal income
10 and all of the one percent of net terminal income described in
11 paragraph (B), subdivision (9), subsection (a), section ten-b of
12 this article twenty-two-a shall be distributed as follows: The net
13 terminal income shall be deposited in equal amounts into the
14 Capitol Dome and Capitol Improvements Fund created under section
15 two, article four, chapter five-a of this code and the Cultural
16 Facilities and Capitol Resources Matching Grant Program Fund
17 created under section three, article one, chapter twenty-nine of
18 this code until a total of \$1,500,000 is deposited into the
19 Cultural Facilities and Capitol Resources Matching Grant Program
20 Fund; thereafter, the remainder shall be deposited into the Capitol
21 Dome and Capitol Improvements Fund.

22 (d) Each licensed racetrack shall maintain in its account an
23 amount equal to or greater than the gross terminal income from its
24 operation of video lottery machines, to be electronically
25 transferred by the commission on dates established by the
26 commission. Upon a licensed racetrack's failure to maintain this
27 balance, the commission may disable all of a licensed racetrack's

1 video lottery terminals until full payment of all amounts due is
2 made. Interest shall accrue on any unpaid balance at a rate
3 consistent with the amount charged for state income tax delinquency
4 under chapter eleven of this code. The interest shall begin to
5 accrue on the date payment is due to the commission.

6 (e) The commission's central control computer shall keep
7 accurate records of all income generated by each video lottery
8 terminal. The commission shall prepare and mail to the licensed
9 racetrack a statement reflecting the gross terminal income
10 generated by the licensee's video lottery terminals. Each licensed
11 racetrack shall report to the commission any discrepancies between
12 the commission's statement and each terminal's mechanical and
13 electronic meter readings. The licensed racetrack is solely
14 responsible for resolving income discrepancies between actual money
15 collected and the amount shown on the accounting meters or on the
16 commission's billing statement.

17 (f) Until an accounting discrepancy is resolved in favor of
18 the licensed racetrack, the commission may make no credit
19 adjustments. For any video lottery terminal reflecting a
20 discrepancy, the licensed racetrack shall submit to the commission
21 the maintenance log which includes current mechanical meter
22 readings and the audit ticket which contains electronic meter
23 readings generated by the terminal's software. If the meter
24 readings and the commission's records cannot be reconciled, final
25 disposition of the matter shall be determined by the commission.
26 Any accounting discrepancies which cannot be otherwise resolved
27 shall be resolved in favor of the commission.

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

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

20 (i) The commission has the right to examine all accounts, bank
21 accounts, financial statements and records in a licensed
22 racetrack's possession, under its control or in which it has an
23 interest and the licensed racetrack shall authorize all third
24 parties in possession or in control of the accounts or records to
25 allow examination of any of those accounts or records by the
26 commission.

27 **§29-22A-10c. Surcharge; Capital Reinvestment Fund.**

1 (a) For all fiscal years beginning on or after July 1, 2001,
2 there shall be imposed a surcharge of ten percent against the
3 excess of total net terminal income generated from a licensed
4 racetrack for that fiscal year over total net terminal income from
5 that licensed racetrack for the fiscal year ending June 30, 2001.

6 (b) A Capital Reinvestment Fund is hereby created within the
7 Lottery Fund. Forty-two percent of the surcharge amount
8 attributable to each racetrack shall be retained by the commission
9 and deposited into a separate Capital Reinvestment Account for that
10 licensed racetrack. For each dollar expended by a licensed
11 racetrack for capital improvements at the racetrack, at the
12 location of any amenity associated with the licensed racetrack's
13 destination resort facility operations, or at adjacent facilities
14 owned by the licensee, having a useful life of ~~seven~~ three or more
15 years and placed in service after April 1, 2001, the licensed
16 racetrack shall receive \$1 in recoupment from its Capital
17 Reinvestment Fund Account: *Provided*, That in the case of
18 thoroughbred horse tracks, four cents of every dollar in recoupment
19 shall be reserved into a separate account, which shall only be
20 spent on capital improvements and upgrading to facilities used for
21 the housing and care of horses, facilities located inside the
22 perimeter of the racing surface, including the surface thereof,
23 facilities used for housing persons responsible for the care of
24 horses, and that any such capital improvements and upgrading shall
25 be subject to recoupment under this section only if they have been
26 approved by the Horsemen's Benevolent and Protective Association
27 acting on behalf of the horsemen: *Provided, however*, That in the

1 case of greyhound race tracks, four cents of every dollar in
 2 recoupment shall be spent on capital improvements and upgrading in
 3 the kennel area or other areas at the track. If a licensed
 4 racetrack's unrecouped capital improvements exceed its capital
 5 reinvestment fund account at the end of any fiscal year, the excess
 6 improvements may be carried forward to ~~seven~~ fifteen subsequent
 7 fiscal years.

8 (c) Fifty-eight percent of the surcharge amount plus any
 9 moneys remaining in a racetrack's Capital Reinvestment Fund Account
 10 at the end of any fiscal year shall be deposited in the State
 11 Excess Lottery Revenue Fund created in section eighteen-a, article
 12 twenty-two of this chapter.

13 **ARTICLE 25. AUTHORIZED GAMING FACILITY.**

14 **§29-25-19. Consent to presence of law-enforcement officers;**
 15 **wagering limits; operations and services; posting**
 16 **of betting limits.**

17 (a) *Consent to presence of law-enforcement officers.* -- Any
 18 individual entering the gaming facility shall be advised by the
 19 posting of a notice or other suitable means of the possible
 20 presence of state, county or municipal law-enforcement officers and
 21 by entering the gaming facility impliedly consents to the presence
 22 of the law-enforcement officers.

23 (b) *Commission discretion in gaming operations.* -- Video
 24 lottery terminals operated at the gaming facility may ~~not~~ allow
 25 ~~more than five dollars to be wagered on a single game~~ minimum and
 26 maximum wagers on a single game the amounts determined by the
 27 license in the exercise of its business judgment subject to the

1 approval of the commission.

2 (1) Subject to the approval of the commission, the gaming
3 facility licensee shall, with respect to West Virginia Lottery
4 table games, establish the following:

5 (A) Maximum and minimum wagers;

6 (B) Advertising and promotional activities;

7 (C) Hours of operation;

8 (D) The days during which games may be played; and

9 (2) The commission may consider multiple factors, including,
10 but not limited to, industry standards, outside competition and any
11 other factors as determined by the commission to be relevant in its
12 decision to approve the gaming facility's determination of those
13 items listed in subdivision (1) of this subsection.

14 (c) *Setting of operations.* -- Notwithstanding anything to the
15 contrary contained elsewhere in this chapter, the commission may
16 establish the following parameters for commission regulated lottery
17 games of any kind which is played at a licensed gaming facility:

18 (1) Minimum and maximum payout percentages;

19 (2) Any probability limits of obtaining the maximum payout for
20 a particular play; and

21 (3) Limitations on the types and amounts of financial
22 transactions, including extension of credit to a patron, which a
23 gaming facility can enter into with its patrons.

24 (d) *Posting of betting limits.* -- A gaming facility shall
25 conspicuously post a sign at each West Virginia Lottery table game
26 indicating the permissible minimum and maximum wagers pertaining at
27 that table. A gaming facility licensee may not require any wager

1 to be greater than the stated minimum or less than the stated
2 maximum. However, any wager actually made by a patron and not
3 rejected by a gaming facility licensee prior to the commencement of
4 play shall be treated as a valid wager.

5 **§29-25-22. Historic Resort Hotel Fund; allocation of adjusted**
6 **gross receipts; disposition of license fees.**

7 (a) There is hereby created a special fund in the State
8 Treasury which shall be designated and known as the Historic Resort
9 Hotel Fund. Thirty-six percent of the gross terminal income
10 received by the commission under section twenty of this article and
11 thirty percent of the adjusted gross receipts received by the
12 commission under section twenty-one of this article shall be
13 deposited with the State Treasurer and placed in the Historic
14 Resort Hotel Fund. The fund shall be an interest-bearing account
15 with interest to be credited to and deposited in the Historic
16 Resort Hotel Fund.

17 (b) All expenses of the commission shall be paid from the
18 Historic Resort Hotel Fund, including reimbursement of the State
19 Police for activities performed at the request of the commission in
20 connection with background investigations or enforcement activities
21 pursuant to this article. At no time may the commission's expenses
22 under this article exceed fifteen percent of the total of the
23 annual revenue received from the licensee under this article,
24 including all license fees, taxes or other amounts required to be
25 deposited in the Historic Resort Hotel Fund.

26 (c) A Historic Resort Hotel Modernization Fund is hereby
27 created within the Historic Resort Hotel Fund. For all fiscal

1 years beginning on or after July 1, 2011, the commission shall
2 deduct two and one-half percent from gross terminal income received
3 by the commission under section twenty of this article for the
4 fiscal year and deposit these amounts into a separate facility
5 modernization account maintained within the Historic Resort Hotel
6 Modernization Fund for each historic resort hotel. For each dollar
7 expended by a historic resort hotel for facility modernization
8 improvements at the historic resort hotel, having a useful life of
9 three or more years and placed in service after April 1, 2010, the
10 historic resort hotel shall receive \$1 in recoupment from its
11 facility modernization account. For purposes of this section, the
12 term "facility modernization improvements" include acquisitions of
13 computer hardware and software, communications and Internet access
14 equipment, security and surveillance equipment, video lottery
15 terminals and other electronic equipment or other equipment
16 designed to modernize the facility.

17 ~~(e)~~ (d) The balance of the Historic Resort Hotel Fund shall
18 become net income and shall be divided as follows:

19 (1) Sixty-four percent of the Historic Resort Hotel Fund net
20 income shall be paid into the General Revenue Fund to be
21 appropriated by the Legislature;

22 (2) Nineteen percent of the Historic Resort Hotel Fund net
23 income shall be paid into the State Debt Reduction Fund established
24 in section twenty-seven, article twenty-two-c of this chapter to be
25 appropriated by the Legislature;

26 (3) The Tourism Promotion Fund established in section twelve,
27 article two, chapter five-b of this code shall receive three percent

1 of the Historic Resort Hotel Fund net income;

2 (4) The county where the gaming facility is located shall
3 receive four percent of the Historic Resort Hotel Fund net income;

4 (5) The municipality where the gaming facility is located or
5 the municipality closest to the gaming facility by paved road access
6 as of the effective date of the reenactment of this section by the
7 2009 regular session of the Legislature shall receive two and
8 one-half percent of the Historic Resort Hotel Fund net income;

9 (6) The municipalities within the county where the gaming
10 facility is located, except for the municipality receiving funds
11 under subdivision (5) of this subsection, shall receive equal shares
12 of two and one-half percent of the Historic Resort Hotel Fund net
13 income;

14 (7) Each county commission in the state that is not eligible
15 to receive a distribution under subdivision (4) of this subsection
16 shall receive equal shares of two and one-half percent of the
17 Historic Resort Hotel Fund net income: *Provided*, That funds
18 transferred to the county commission under this subdivision shall
19 be used only to pay regional jail expenses and the costs of
20 infrastructure improvements and other capital improvements; and

21 (8) The governing body of each municipality in the state that
22 is not eligible to receive a distribution under subdivisions (5) and
23 (6) of this subsection shall receive equal shares of two and
24 one-half percent of the Historic Resort Hotel Fund net income:
25 *Provided*, That funds transferred to municipalities under this
26 subdivision shall be used only to pay for debt reduction in
27 municipal police and fire pension funds and the costs of

1 infrastructure improvements and other capital improvements.

2 ~~(d)~~ (e) Notwithstanding any provision of this article to the
3 contrary, all limited gaming facility license fees and license
4 renewal fees received by the commission pursuant to section nine of
5 this article shall be deposited into the Community-Based Service
6 Fund created in section twenty-seven, article twenty-two-c of this
7 chapter.

8 ~~(e)~~ (f) With the exception of the license fees and license
9 renewal fees received by the commission pursuant to section nine of
10 this article, all revenues received from licensees and license
11 applicants under this article shall be retained by the commission
12 as reimbursement for the licensing process.

NOTE: The purpose of this bill is to allow simulcast pari-mutuel racing within the confines of gaming facilities located at historic resort hotels. The bill defines terms. The bill permits the issuing of licenses. The bill provides for payments and sets forth conditions for out-of-state tracks and interstate pools. The bill requires the registering of persons conducting wagering activities. The bill sets forth the licensee's retainage amount. The bill sets forth the amounts of the payments by a licensee and to whom those payments are made. The bill requires compliance with federal law and authorizes rulemaking. The bill also exempts pari-mutuel wagering and equipment from sales taxes. The bill permits licensees at racetracks and historic resort hotels to establishing minimum and maximum wager limits at video lottery terminals. The bill authorizes the use of video lottery terminal bill acceptors for all United States currency. The bill reduces the required life for capital investments by licensees at racetracks to be reimbursed from the Capital Investment Fund. The bill extends the time for recoupment of expenditures for capital improvements. The bill requires historic resort hotels to pay a portion of certain proceeds into the Human Resources Fund. The bill creates a Licensed Racetrack and Historic Resort Hotel Facility Modernization Fund and requires a certain portion of a licensed racetrack's gross terminal income to be deposited into that new fund. The bill also redefines the terms.

§19-23-12d is new; therefore, strike-throughs and underscoring have been omitted.

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