

WEST VIRGINIA LEGISLATURE

2021 REGULAR SESSION

ENROLLED

Committee Substitute

for

House Bill 2507

BY DELEGATES GEARHEART, STORCH, HOWELL, SMITH,
PAYNTER, BRIDGES, MAYNARD, J. JEFFRIES, ELLINGTON,

CRISS AND HOUSEHOLDER

[Passed April 8, 2021; in effect July 1, 2021.]

1 AN ACT to amend and reenact §29-22B-404, §29-22B-702, §29-22B-706, and §29-22B-1201 of
2 the Code of West Virginia, 1931, as amended, all relating to limited video lottery
3 advertising and promotional activities; authorizing the Lottery Commission and its Director
4 to conduct video lottery advertising for a certain limited purpose; authorizing certain video
5 lottery advertising and promotional activities by licensed limited video lottery retailers;
6 authorizing rulemaking by the Lottery Commission with respect to limited video lottery
7 advertising and promotional activities by licensed limited video lottery retailers; removing
8 restriction on use of certain words by licensed limited video lottery retailers; authorizing
9 certain video lottery advertising and promotional activities by licensed limited video lottery
10 operators; authorizing rulemaking by the Lottery Commission with respect to limited video
11 lottery advertising and promotional activities by licensed limited video lottery operators;
12 removing requirements for notice and public hearing prior to approval by Lottery
13 Commission of placement of a video lottery terminal; and removing required reduction on
14 licensed limited video lottery locations.

Be it enacted by the Legislature of West Virginia:

ARTICLE 22B. LIMITED VIDEO LOTTERY.

§29-22B-404. Advertising by commission or director.

1 The commission and the director may conduct video lottery advertising only for the
2 purpose of advising the public as to the use of the revenues generated by video lottery operations
3 authorized by this article.

§29-22B-702. Additional duties of limited video lottery retailers.

1 In addition to the general duties imposed on all licensees in §29-22B-701 of this code, a
2 limited video lottery retailer shall:

3 (1) Attend all commission mandated meetings, seminars, and training sessions
4 concerning operation of video lottery terminals, the validation and redemption of video lottery
5 winning tickets, and the operation of all ticket validation terminals and equipment;

6 (2) Maintain all skills necessary for the accurate validation of video lottery tickets;

7 (3) Supervise video lottery operations and ticket validation procedures at the applicable
8 location;

9 (4) Permit no person to tamper with or interfere with the operation of any video lottery
10 terminal;

11 (5) Ensure that telephone lines from the commission's central control computer to the
12 video lottery terminals located at the approved location are at all times connected, and prevent
13 any person from tampering or interfering with the operation of the telephone lines;

14 (6) Ensure that video lottery terminals are within the sight and control of designated
15 employees of the limited video lottery retailer;

16 (7) Ensure that video lottery terminals are placed and remain placed in the specific
17 locations which have been approved by the commission. A video lottery terminal in a restricted
18 access adult-only facility may not be relocated within the facility without the prior written approval
19 of the commission;

20 (8) Monitor video lottery terminals to prevent access to or play by persons who are under
21 the age of 21 years or who are visibly intoxicated;

22 (9) Maintain at all times sufficient change and cash in the denominations accepted by the
23 video lottery terminals;

24 (10) Provide no access by a player to an automated teller machine (ATM) in the restricted
25 access adult-only facility where video lottery games are played, accept no credit card or debit
26 card from a player for the exchange or purchase of video lottery game credits or for an advance
27 of coins or currency to be utilized by a player to play video lottery games, and extend no credit,
28 in any manner, to a player so as to enable the player to play a video lottery game;

29 (11) Pay for all credits won upon presentment of a valid winning video lottery ticket;

30 (12) Report promptly in writing to the operator and the commission all video lottery terminal
31 malfunctions and notify the commission in writing of the failure of an operator or service technician
32 to provide prompt service and repair of the terminals and associated equipment;

33 (13) Conduct any video lottery advertising or promotional activities only in accordance with
34 legislative rules promulgated pursuant to §29A-3-1 *et seq.* of this code;

35 (14) Install, post, and display prominently within or about the approved location signs,
36 redemption information and other promotional material as required by the commission;

37 (15) Permit video lottery to be played only during those hours established and approved
38 by the commission: *Provided*, That the limited video lottery retailer shall not permit video lottery
39 to be played beyond the hour during which liquor may be served;

40 (16) Contract with no more than one licensed operator for the placement of video lottery
41 terminals at the licensed location;

42 (17) Maintain insurance covering all losses as the result of fire, theft, or vandalism to video
43 lottery terminals and associated equipment; and

44 (18) Comply with all applicable provisions of this article and rules and orders of the
45 commission.

§29-22B-706. Additional duties of operators.

1 In addition to the general duties imposed on all licensees in §29-22B-701 of this code, an
2 operator shall:

3 (1) Acquire video lottery terminals by purchase, lease, or other assignment only from
4 licensed manufacturers;

5 (2) Acquire no video lottery terminals in excess of the number they are authorized to
6 operate in this state as stated in the permit issued under part 11 of this article;

7 (3) Contract with limited video lottery retailers for a secure location for the placement,
8 operation, and play of the video lottery terminals;

9 (4) Pay no compensation of any kind to any limited video lottery retailer or give or transfer
10 anything of value to any limited video lottery retailer, that is in addition to the consideration stated
11 in the written agreement between the operator and the limited video lottery retailer, which may be
12 not less than 40 percent nor more than 50 percent of the amount of net terminal income received
13 by the operator in connection with the video lottery terminals at that location;

14 (5) Pay for the installation and operation of commission approved telephone lines to
15 provide direct dial-up or on-line communication between each video lottery terminal and the
16 commission's central control computer;

17 (6) Purchase or lease and install computer controller units and other associated equipment
18 required by the commission for video lottery terminals owned or leased by the permittee;

19 (7) Permit no person to tamper with or interfere with the operation of any video lottery
20 terminal;

21 (8) Ensure that telephone lines from the commission's central control computer to the
22 video lottery terminals located at the approved location are at all times connected, and prevent
23 any person from tampering or interfering with the operation of the telephone lines;

24 (9) Ensure that video lottery terminals are placed and remain placed in the specific places
25 within the approved restricted access adult-only facility that have been approved by the
26 commission. No video lottery terminal in a restricted access adult-only facility may be relocated
27 within the restricted access adult-only facility without the prior written approval of the commission;

28 (10) Assume financial responsibility for proper and timely payments by limited video lottery
29 retailers of all credits awarded to players in accordance with legislative rules promulgated by the
30 commission;

31 (11) Enter into contracts with limited video lottery retailers to provide for the maintenance
32 and repair of video lottery terminals and associated equipment only by licensed service
33 technicians, and to provide for the placement of video lottery terminals pursuant to the provisions
34 of this article;

35 (12) Conduct any video lottery advertising and promotional activities only in accordance
36 with legislative rules promulgated pursuant to §29A-3-1 *et seq.* of this code;

37 (13) Install, post, and display prominently within or about the approved location signs,
38 redemption information and other material as required by the commission;

39 (14) Maintain general liability insurance coverage for all video lottery terminals in an
40 amount of at least \$1 million per claim;

41 (15) Promptly notify the commission in writing of any breaks or tears to any logic unit seals;

42 (16) Assume liability for all amounts due to the commission in connection with any money
43 lost or stolen from any video lottery terminal;

44 (17) Comply with all applicable provisions of this article and rules and orders of the
45 commission; and

46 (18) Maintain a separate bank account into which the operator shall deposit the gross
47 terminal income from all of the operator's video lottery terminals.

PART 12. PLACEMENT AND TRANSPORTATION OF VIDEO LOTTERY TERMINALS.

§29-22B-1201. Placement of video lottery terminals.

1 (a) Video lottery terminals allowed by this article may be placed only in licensed limited
2 video lottery locations approved by the commission;

3 (b) All video lottery terminals in approved locations shall be physically located as follows:

4 (1) The video lottery terminals shall be continuously monitored through the use of a closed
5 circuit television system capable of identifying players and terminal faces and of recording activity
6 for a continuous 24 hour period. All video tapes or other recording medium approved in writing by
7 the commission shall be retained for a period of at least 60 days and be available for viewing by
8 an authorized representative of the commission or the commissioner of alcohol beverage control.
9 The cost of monitoring shall be paid by the limited video lottery retailer;

10 (2) Access to video lottery terminal locations shall be restricted to persons legally entitled
11 by age to play video lottery games;

12 (3) The permittee shall submit for commission approval a floor plan of the area or areas
13 where video lottery terminals are to be operated showing terminal locations and security camera
14 mount location; and

15 (4) No video lottery terminal or video lottery camera may be relocated without prior written
16 approval from the commission.

17 (c) Personnel of the limited video lottery retailer shall be present during all hours of
18 operation at each video lottery terminal location. These personnel shall make periodic inspections
19 of the restricted access adult-only facility in order to provide for the safe and approved operation
20 of the video lottery terminals and the safety and well-being of the players.

21 (d) Security personnel of the commission and investigators of the Alcohol Beverage
22 Control Commissioner shall have unrestricted access to video lottery terminal locations.

23 (e) Notwithstanding any other provision of this article to the contrary, the commission may
24 not approve the placement of a video lottery terminal in a state park.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman, House Committee

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Chairman, Senate Committee

Originating in the House.

In effect July 1, 2021.

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Clerk of the House of Delegates

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Clerk of the Senate

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Speaker of the House of Delegates

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President of the Senate

The within this the.....
day of, 2021.

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Governor