# WEST VIRGINIA LEGISLATURE

## **2023 REGULAR SESSION**

Introduced

## House Bill 3464

By Delegates Espinosa, Criss, Hardy, Summers,

Ridenour, Householder, Storch, Willis, and Fluharty

[Introduced February 14, 2023; Referred to the

Committee on Finance]

A BILL to amend and reenact §29-22A-10d, §29-22A-10e of the Code of West Virginia, 1931, as
 amended; and to amend and reenact §29-22C-27a of said code, all relating to the
 racetrack video lottery changes in distribution of net terminal income; changes in
 distribution of adjusted gross receipts in the lottery racetrack table games; and to restore
 moneys previously removed from net terminal income in 2014.

Be it enacted by the Legislature of West Virginia:

 ARTICLE
 22A.
 RACETRACK
 VIDEO
 LOTTERY.

 §29-22A-10d.
 Changes in distribution of net terminal income; distributions from excess lottery
 fund.

(a) Notwithstanding any provision of §29-22A-10(b) of this code to the contrary, for the
 fiscal year beginning July 1, 2014, and each fiscal year thereafter, the commission may transfer up
 to \$9 million as actual costs and expenses to the Licensed Racetrack Modernization Fund.

(b) Notwithstanding any provision of §29-22A-10(c) of this code to the contrary, for the
fiscal year beginning July 1, 2014, and each fiscal year thereafter, each distribution, except those
distributions to be made pursuant to §29-22A-10(c) (1), (2), (3), (4), (5) and (7) of this code, shall
be reduced by 100 percent. Payments shall may not be made pursuant to §29-22A-10 of this code,
other than those excepted by this subsection, and are made in lieu thereof in an amount to be
determined by appropriation from the State Excess Lottery Revenue Fund.

(c) The total amount of reductions resulting from subsection (b) of this section shall be paid
into the State Excess Lottery Revenue Fund, created by 29-22-18a of this code. For the fiscal year
beginning July 1, 2014, and each fiscal year thereafter, distributions to be made pursuant to
subdivisions (2) and (5), subsection (c), section ten of this article shall be reduced by ten percent,
and the amounts resulting from the reduction shall be paid into the State Excess Lottery Revenue
Fund

(d) Notwithstanding any other provision of this code to the contrary, for the fiscal year
beginning July 1, 2014, and each fiscal year thereafter, moneys deposited to the State Excess

Lottery Revenue Fund pursuant to this section shall be expended by the Lottery in accordancewith appropriations.

(e) Prior to payment of any appropriation made pursuant to this section, debt service
payments payable from the State Excess Lottery Fund shall first be paid in accordance with the
provisions of §29-22A-18a, §29-22A-18d, and §29-22A-18-e of this code and in the priority as
defined by §29-22A-18f(c) of this code.

(f) Notwithstanding any other provision of this code to the contrary, after payment of debt
service from the State Excess Lottery Revenue Fund, all other distributions required by section
§29-22A-18a of this code and the distributions appropriated pursuant to this section shall be paid
on a pro rata basis.

(g)(1) Except as provided in subdivision (2) of this subsection, notwithstanding the provisions of §29-22A-10(c)(9)(B) of this code, upon certification of the Governor to the Legislature that an independent actuary has determined that the unfunded liability of the Old Fund, as defined in chapter 23 of this code, has been paid or provided for in its entirety, the transfers made to the Workers' Compensation Debt Reduction Fund pursuant to §29-22A-10(c)(9)(A) of this code shall expire and those funds shall remain in the State Excess Lottery Revenue Fund subject to appropriation.

(2)(A) Notwithstanding any provision of §29-22A-10(c)(9)(B) of this code or any other
provision of this code to the contrary, if the budget shortfall, as determined by the state Budget
Office as of December 1, 2015, is greater than \$100 million, then the Governor may, by Executive
Order, redirect deposits of revenues derived from net terminal income imposed under this article,
for any period commencing after February 29, 2016 and ending before July 1, 2016, to the General
Revenue Fund, instead of to the funds otherwise mandated in this article, in §23-2D-1 *et seq.* of
this code or in any other provision of this code.

42 (B) Notwithstanding any provision of subdivision (1) of this subsection or any provision of
43 §29-22A-10(c)(9)(B) of this code or any other provision of this code to the contrary, the Governor

44 may, by Executive Order, redirect one-half of the deposits of revenues derived from net terminal 45 income imposed under this article, for any period commencing after June 30, 2016, and ending 46 before July 1, 2017, to the General Revenue Fund, instead of to the funds otherwise mandated in 47 this article, in §23-2D-1 *et seq.* of this code or in any other provision of this code, until certification 48 of the Governor to the Legislature that an independent actuary has determined that the unfunded 49 liability of the Old Fund, as defined in chapter 23 of this code, has been paid or provided for in its 50 entirety.

# §29-22A-10e. Changes in distribution of excess net terminal income; distributions from excess lottery fund.

(a) Notwithstanding any provision of subsection (a), section ten-b of this article to the
contrary, for the fiscal year beginning July 1, 2014, and each fiscal year thereafter, each
distribution, except those distributions to be made pursuant to §29-22A-10b(a) (1), (2), (3), (4), (5)
and (7) of this code, shall be reduced by 100 percent. Payments shall not be made pursuant to
§29-22A-10b of this code, other than those excepted by this subsection, and are made in lieu
thereof in an amount to be determined by appropriation from the State Excess Lottery Revenue
Fund.

(b) The total amount of reductions resulting from subsection (a) of this section shall be paid
into the State Excess Lottery Revenue Fund created in §29-22-18a of this code. For the fiscal year
beginning July 1, 2014, and each fiscal year thereafter, distributions to be made pursuant to
subdivisions (2) and (5), subsection (a), section ten-b of this article shall be reduced by ten
percent, and the amounts resulting from the reduction shall be paid into the State Excess Lottery
Revenue Fund

(c) Notwithstanding any other provision of this code to the contrary, for the fiscal year
beginning July 1, 2014, and each fiscal year thereafter, moneys deposited to the State Excess
Lottery Revenue Fund pursuant to this section shall be expended by the Lottery in accordance
with appropriations.

(d) Prior to payment of any appropriation made pursuant to this section, debt service
payments payable from the State Excess Lottery Fund shall first be paid in accordance with the
§29-22-18a, §29-22-18d, and §29-22-18-e of this code and in the priority as defined by §29-2218f(c) of this code.

(e) Notwithstanding any other provision of this code to the contrary, after payment of debt
service from the State Excess Lottery Revenue Fund, all other distributions required by §29-2218a of this code and the distributions appropriated pursuant to this section shall be paid on a pro
rata basis.

(f)(1) Except as provided in subdivision (2) of this subsection, notwithstanding the provisions of §29-22A-10b(9)(a)(B) of this code, upon certification of the Governor to the Legislature that an independent actuary has determined that the unfunded liability of the Old Fund, as defined in chapter 23 of this code, has been paid or provided for in its entirety, the transfers made to the Workers' Compensation Debt Reduction Fund pursuant to §29-22A-10b(a)(9)9A) of this code shall expire and those funds shall remain in the State Excess Lottery Revenue Fund subject to appropriation.

33 (2)(A) Notwithstanding any provision of subdivision (1) of this subsection or any provision 34 of §29-22A-10b(a)(9)(B) of this code or any other provision of this code to the contrary, if the 35 budget shortfall, as determined by the state Budget Office as of December 1, 2015, is greater than 36 \$100 million, then the Governor may, by Executive Order, redirect deposits of revenues derived 37 from net terminal income imposed under this article, for any period commencing after February 29, 38 2016 and ending before July 1, 2016, to the General Revenue Fund, instead of to the funds 39 otherwise mandated in this article, in §23-2D-1 et seq. of this code or in any other provision of this 40 code.

(B) Notwithstanding any provision of subdivision (1) of this subsection or any provision of
§29-22A-10b(a)(9)(B) of this code or any other provision of this code to the contrary, the Governor
may, by Executive Order, redirect one-half of the deposits of revenues derived from net terminal

income imposed under this article, for any period commencing after June 30, 2016, and ending before July 1, 2017, to the General Revenue Fund, instead of to the funds otherwise mandated in this article, in §23-2D-1 *et seq.* of this code or in any other provision of this code, until certification of the Governor to the Legislature that an independent actuary has determined that the unfunded liability of the Old Fund, as defined in chapter 23 of this code, has been paid or provided for in its entirety.

## ARTICLE 22C. WEST VIRGINIA LOTTERY RACETRACK TABLE GAMES ACT. §29-22C-27a. Changes in distribution of adjusted gross receipts; distributions from excess lottery fund.

(a) Notwithstanding any provision of §29-22C-27 of this code to the contrary, for the fiscal
 year beginning July 1, 2014, and each fiscal year thereafter, the distribution directed pursuant to
 subdivision (1), subsection (d) of that section shall be reduced by 100 percent.

(b) The total amount of reductions resulting from subsection (a) of this section shall be paid
into the State Excess Lottery Revenue Fund created in §29-22-18a of this code. For the fiscal year
beginning July 1, 2014, and each fiscal year thereafter, distributions to be made pursuant to
subdivisions (2) and (3), subsection (c), section twenty-seven of this article shall be reduced by ten
percent, and the amounts resulting from the reduction shall be paid into the State Excess Lottery
Revenue Fund

(c) Notwithstanding any other provision of this code to the contrary, for the fiscal year
beginning July 1, 2014, and each fiscal year thereafter, moneys deposited to the State Excess
Lottery Revenue Fund pursuant to this section shall be expended by the Lottery in accordance
with appropriations.

(d) Prior to payment of any appropriation made pursuant to this section, debt service
payments payable from the State Excess Lottery Fund shall first be paid in accordance with the
provisions of §29-22-18a, §29-22-18d, and §29-22-18e of this code and in the priority as defined
by §29-22-18f(c) of this code.

- 18 (e) Notwithstanding any other provision of this code to the contrary, after payment of debt
- 19 service from the State Excess Lottery Revenue Fund, all other distributions required by §29-22-
- 20 18a of this code and the distributions appropriated pursuant to this section shall be paid on a pro
- 21 rata basis.

NOTE: The purpose of this bill is to restore moneys previously removed from net terminal income in 2014 and the racetrack video lottery and racetrack table games.

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