

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 3418

**FISCAL
NOTE**

By Delegates Funkhouser, Flanigan, and Ridenour

[Introduced March 17, 2025; referred to the
Committee on the Judiciary]

1 A BILL to amend and reenact §29-22D-3, §29-22D-4, and §29-22D-21 of the Code of West
2 Virginia, 1931, as amended; to amend said code by adding three new sections, designated
3 §29-22D-15a, §29-22D-17a, and §29-22D-17b, all relating to fixed odds wagering on dog
4 racing; providing for definitions; and providing for the creation and distribution of funds for
5 fixed odds wagering on dog racing.

Be it enacted by the Legislature of West Virginia:

ARTICLE 22D. WEST VIRGINIA LOTTERY SPORTS WAGERING ACT.

§29-22D-3. Definitions.

1 For the purposes of this article, the following terms have the meanings ascribed to them in
2 this section:

3 (1) "Adjusted gross sports wagering receipts" means an operator's gross sports wagering
4 receipts from West Virginia Lottery sports wagering, less winnings paid to wagerers in such
5 games.

6 (2) "Collegiate sport or athletic event" means a sport or athletic event offered or sponsored
7 by, or played in connection with, a public or private institution that offers educational services
8 beyond the secondary level.

9 (3) "Commission" or "State Lottery Commission" means the West Virginia Lottery
10 Commission, created by §29-22-1 *et seq.* of this code.

11 (4) "Director" means the Director of the West Virginia State Lottery Commission, appointed
12 pursuant to §29-22-6 of this code.

13 (5) "E-sports event" means leagues, competitive circuits, tournaments, or similar
14 competitions where individuals or teams play video games, typically for spectators, either in
15 person or online, for the purpose of prizes, money, or entertainment.

16 (6) "Fixed odds wagering on dog racing" means the acceptance of wagers on a sports
17 event of a live dog racing with predetermined odds. Fixed odds wagering on horse or dog races
18 shall only occur in strict compliance with this Chapter. Fixed odds wagers on dog racing may be

combined with other wagers on other sports events as authorized in this Chapter.

~~(7)~~ (8) "Fixed odds wagering on horse racing" means the acceptance of wagers on a sports event of a live horse racing with predetermined odds. Fixed odds wagering on horse racing shall only occur in strict compliance with this Chapter. Fixed odds wagers on horse or dog races may be combined with other wagers on other sports events as authorized in this Chapter.

~~(6)~~ (8) "Gaming equipment" or "sports wagering equipment" means any mechanical, electronic, or other device, mechanism, or equipment, and related supplies used or consumed in the operation of West Virginia Lottery sports wagering at a licensed gaming facility including, but not limited to, a kiosk installed to accept sports wagers.

~~(7)~~ (9) "Gaming facility" means a designated area on the premises of an existing historic resort hotel, licensed under §29-25-1 *et seq.* of this code, to operate video lottery and table games or the facility of an entity authorized to operate racetrack video lottery machines pursuant to §29-22A-1 *et seq.* of this code.

~~(8)~~ (10) "Government" means any governmental unit of a national, state, or local body exercising governmental functions, other than the United States government.

~~(9)~~ (11) "Gross sports wagering receipts" means the total gross receipts received by a licensed gaming facility from sports wagering.

~~(10)~~ (12) "License" means any license applied for or issued by the commission under this article including, but not limited to:

(A) A license to act as agent of the commission in operating West Virginia Lottery sports wagering at a licensed gaming facility (operator license or West Virginia Lottery sports wagering license);

(B) A license to supply a gaming facility licensed under this article to operate sports wagering with sports wagering equipment or services necessary for the operation of sports wagering (supplier license);

(C) A license to be employed at a racetrack or gaming facility licensed under this article to

operate West Virginia Lottery sports wagering when the employee works in a designated gaming area that has sports wagering or performs duties in furtherance of or associated with the operation of sports wagering at the licensed gaming facility (occupational license); or

(D) A license to provide management services under a contract to a gaming facility licensed under this article to operate sports wagering (management services provider license).

~~(14)~~ (13) "Licensed gaming facility" means a designated area on the premises of an existing historic resort hotel, pursuant to §29-25-1 *et seq.* of this code, or the facility of an entity authorized to operate racetrack video lottery machines, pursuant to §29-22A-1 *et seq.* of this code licensed under this article to conduct West Virginia Lottery sports wagering.

~~(12)~~ (14) "Lottery" means the public gaming systems or games regulated, controlled, owned, and operated by the State Lottery Commission in the manner provided by general law, as provided in this article, §29-22-1 *et seq.*, §29-22A-1 *et seq.*, §29-22B-1 *et seq.*, §29-22C-1 *et seq.*, and §29-25-1 *et seq.* of this code.

~~(13)~~ (15) "National criminal history background check system" means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification.

~~(14)~~ (16) "Operator" means a licensed gaming facility which has elected to operate a sports pool and other authorized West Virginia Lottery sports wagering activities.

~~(15)~~ (17) "Professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event.

~~(16)~~ (18) "Sports event" or "sporting event" means any professional sport or athletic event, any collegiate sport or athletic event, motor race event, e-sports event, or any other special event authorized by the commission under this article. A "sports event" or "sporting event" includes "horse racing" or "dog racing" as defined in W. Va. Code §19-23-3 for the purpose of conducting "fixed odds wagering on horse racing" or "fixed odds wagering on dog racing" as defined in this

71 Chapter.

72 ~~(47)~~ (19) "Sports pool" means the business of accepting wagers on any sports event by
73 any system or method of wagering.

74 ~~(48)~~ (20) "Sports wagering account" means a financial record established by a licensed
75 gaming facility for an individual patron in which the patron may deposit and withdraw funds for
76 sports wagering and other authorized purchases, and to which the licensed gaming facility may
77 credit winnings or other amounts due to that patron or authorized by that patron.

78 ~~(49)~~ (21) "Sports wagering agreement" means a written agreement between the
79 commission and one or more other governments whereby persons who are physically located in a
80 signatory jurisdiction may participate in sports wagering conducted by one or more operators
81 licensed by the signatory governments.

82 ~~(20)~~ (22) "Sports wagering fund" means the special fund in the State Treasury created in
83 §29-22D-17 of this code.

84 ~~(24)~~ (23) "Supplier" means a person that requires a supplier license to provide a sports
85 wagering licensee with goods or services to be used in connection with operation of West Virginia
86 Lottery sports wagering.

87 ~~(22)~~ (24) "Wager" means a sum of money or thing of value risked on an uncertain
88 occurrence.

89 ~~(23)~~ (25) "West Virginia Lottery sports wagering" or "sports wagering" means the business
90 of accepting wagers on sporting events, and other events, the individual performance statistics of
91 athletes in a sporting event or other events, or a combination of any of the same by any system or
92 method of wagering approved by the commission including, but not limited to, mobile applications
93 and other digital platforms that utilize communications technology to accept wagers originating
94 within this state. The term includes, but is not limited to, exchange wagering, parlays, over-under,
95 moneyline, pools, fixed odds wagering on horse racing, fixed odds wagering on dog racing, and
96 straight bets. The term does not include:

(A) Pari-mutuel betting on the outcome of horse or dog races authorized by §19-23-12a and §19-23-12d of this code;

(B) Lottery games of the West Virginia State Lottery authorized by §29-22-1 *et seq.* of this code;

(C) Racetrack video lottery authorized by §29-22A-1 *et seq.* of this code;

(D) Limited video lottery authorized by §29-22B-1 *et seq.* of this code;

(E) Racetrack table games authorized by §29-22C-1 *et seq.* of this code;

(F) Video lottery and table games authorized by §29-25-1 *et seq.* of this code; and

(G) Daily Fantasy Sports (DFS).

~~(24)~~ (26) "West Virginia Lottery sports wagering license" means authorization granted under this article by the commission to a gaming facility that is already licensed under §29-22A-1 *et seq.* or §29-25-1 *et seq.* of this code, which permits the gaming facility as an agent of the commission to operate West Virginia Lottery sports wagering in one or more designated areas or in one or more buildings owned by the licensed gaming facility on the grounds where video lottery is conducted by the licensee or through any other authorized platform developed by the gaming facility. This term is synonymous with "operator's license".

§29-22D-4. Commission duties and powers.

(a) In addition to the duties set forth elsewhere in this article, §29-22-1 *et seq.*, §29-22A-1 *et seq.*, §29-22B-1 *et seq.*, §29-22C-1 *et seq.*, and §29-25-1 *et seq.* of this code, the commission may regulate sports pools and the conduct of sports wagering under this article.

(b) The commission shall examine the regulations implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework through promulgation of rules.

(c) The commission may, pursuant to §29A-1-1, *et seq.* and §29A-3-1, *et seq.* of this code, promulgate or otherwise enact any legislative, interpretive, and procedural rules the commission considers necessary for the successful implementation, administration, and enforcement of this

10 article.

11 (1) Rules promulgated by the commission may include, but are not limited to, those
12 governing the acceptance of wagers on a sports event or a series of sports events; acceptance of
13 fixed odds wagering on horse racing or dog racing; maximum wagers which may be accepted by
14 an operator from any one patron on any one sports event; type of wagering tickets which may be
15 used; method of issuing tickets; method of accounting to be used by operators; types of records
16 which shall be kept; use of credit and checks by patrons; type of system for wagering; protections
17 for patrons placing wagers; and promotion of social responsibility, responsible gaming, and
18 inclusion of the statement, "If you or someone you know has a gambling problem and wants help,
19 call 1-800 GAMBLER," in every designated area approved for sports wagering and on any mobile
20 application or other digital platform used to place wagers.

21 (2) The commission shall establish minimum internal control standards (MICS) and
22 approve minimum internal control standards proposed by licensed operators for administration of
23 sports wagering operations, wagering equipment and systems, or other items used to conduct
24 sports wagering, as well as maintenance of financial records and other required records.

25 (d) The commission shall propose a rule for legislative approval in accordance with the
26 provisions of §29A-3-1 *et seq.* of this code that enumerates the reasons for which patrons of sports
27 gaming may be banned from engaging in sports betting. The list of reasons for which patrons may
28 be banned shall include, but not be limited to:

29 (1) A prior conviction under §61-2-15a of this code;

30 (2) A prior violation of an order of the commission; or

31 (3) If the commission determines that the person poses a threat to the safety of patrons or
32 participants in a sporting event or determines that the person has engaged in a pattern of conduct
33 of harassing a sports official, coach, or any participants.

34 (e) The rule shall also set forth the procedure by which complaints against patrons are
35 lodged with and investigated by the commission. The commission shall notify a patron of the

commission's intent to ban the patron from sports betting, and the patron is entitled to a hearing before the commission pursuant to §29A-5-1 *et seq.* of this code.

(f) The commission shall determine the eligibility of a person to hold or continue to hold a license, shall issue all licenses, and shall maintain a record of all licenses issued under this article.

(g) The commission shall levy and collect all fees, surcharges, civil penalties, and weekly tax on adjusted gross sports wagering receipts imposed by this article, and deposit all moneys into the sports wagering fund, except as otherwise provided under this article.

(h) The commission may sue to enforce any provision of this article or any rule of the commission by civil action or petition for injunctive relief.

(i) The commission may hold hearings, administer oaths, and issue subpoenas or subpoenas duces tecum: *Provided*, That all hearings shall be conducted pursuant to the provisions of the State Administrative Procedures Act, §29A-2-1, *et seq.* of this code and the Lottery Administrative Appeal Procedures, W.Va. CSR §179-2-1, *et seq.*

(j) The commission may exercise any other powers necessary to effectuate the provisions of this article and the rules of the commission.

§29-22D-15a. Fixed Odds Wagering on Horse Racing or Dog Racing.

(a) "Fixed Odds wagering on horse racing" means the acceptance of wagers on a live horse race with predetermined odds.

(b) "Fixed Odds wagering on dog racing" means the acceptance of wagers on a live dog race with predetermined odds.

(c) "Fixed odds wager on horse racing" means a sum of money or representation of value risked by a player on an occurrence associated with a sports event involving racehorses for which the outcome is uncertain. The term includes single-race bets, teaser bets, moneyline bets, in-race wagering, proposition bets, straight bets, parlays, or any other wager type approved by the West Virginia Lottery.

(d) "Fixed odds wager on dog racing" means a sum of money or representation of value

11 risked by a player on an occurrence associated with a sports event involving dog races for which
12 the outcome is uncertain. The term includes single-race bets, teaser bets, moneyline bets, in-race
13 wagering, proposition bets, straight bets, parlays, or any other wager type approved by the West
14 Virginia Lottery.

15 (e) Authorization to Conduct Fixed Odds Wagering on Horse Racing or Dog Racing.
16 Acceptance of fixed odds wagering on horse racing or dog racing shall only be conducted by a
17 licensed Operator, Licensed Gaming Facility, or Management Services Provider, as defined in this
18 Chapter.

19 (f) Any content authorized for Fixed Odds wagering on horse races from outside of West
20 Virginia to be offered for wagering by a licensed Operator, Licensed Gaming Facility, or
21 Management Services Provider, shall comply with the Interstate Horseracing Act of 1978, 15
22 U.S.C. 3001, et seq.

23 (g) Any content authorized for Fixed Odds wagering on horse races from West Virginia, or
24 Fixed Odds wagering on dog races from West Virginia, to be offered for wagering by a licensed
25 Operator, Licensed Gaming Facility, or Management Services Provider, shall require the consent
26 of the host racetrack and recognized horsemen's group for horse races.

§29-22D-17a. Fixed Odds Horse Racing Wagering Purse Supplement Fund Creation;

Distribution of funds.

1 (a) There is hereby created in the State Treasury known as the West Virginia Lottery Fixed
2 Odds Horse Racing Wagering Purse Supplement Fund.

3 (b) The state shall impose and collect 10% of the licensee's adjusted gross wagering
4 receipts from Fixed Odds Wagering on Horse Racing in the same manner as prescribed by §29-
5 22D-16 of this code and shall be distributed as follows:

6 (1) Of the 10% collected by the state from the licensee's gross wagering receipts from fixed
7 odds wagers on horse races excluding parlays, the state shall cause 50% of such collections to be
8 deposited into the West Virginia Lottery Fixed Odds Horse Racing Wagering Purse Supplement

9 Fund created by this section.

10 (2) Of the 10% collected by the state from the licensee's gross wagering receipts from
11 parlays, the state shall cause 50% of the portion of such collections wagered on horse race events
12 in the parlays to be deposited into the West Virginia Lottery Fixed Odds Horse Racing Wagering
13 Purse Supplement Fund created by this section. For the avoidance of doubt, only the horse racing
14 portion(s) of any parlay bet shall be included in this calculation.

15 (c) All monies collected under this section by the West Virginia Lottery from fixed odds
16 wagering on horse racing shall be deposited with the State Treasurer to the West Virginia Lottery
17 Fixed Odds Horse Racing Wagering Purse Supplement Fund. The fund shall be an interest-
18 bearing account with all interest or other return earned on the money of the fund credited to and
19 deposited in the fund. All expenses of the West Virginia Lottery incurred in the administration and
20 enforcement of this article shall be paid from the sports wagering fund pursuant to §29-22D-17(b)
21 of this code.

22 (d) Monies in the fund shall be invested by the State Treasurer in the same manner as
23 monies in the state general fund. Interest earned on the investments of monies in the fund shall be
24 deposited in and credited to the fund.

25 (e) Each fiscal year, any amount of monies in the fund shall be distributed into the special
26 funds created by thoroughbred racetrack licensees to be used for the payment of regular purses
27 offered for thoroughbred racing established under §19-23-9(b)(1) of this code.

28 (f) In distributing the funds collected into the special funds of the thoroughbred racetrack
29 licensees to be used for the payment of regular purses offered for thoroughbred racing established
30 under §19-23-9(b)(1) of this code, the State Treasury shall allocate proportionally based upon the
31 total handle, or amount wagered, at each licensed thoroughbred racetrack, as calculated annually
32 by the West Virginia Racing Commission, for the preceding calendar year.

§29-22D-17b. Fixed Odds Dog Racing Wagering Purse Supplement Fund Creation;

Distribution of funds.

1 (a) There is hereby created in the State Treasury known as the West Virginia Lottery Fixed
2 Odds Dog Racing Wagering Purse Supplement Fund is hereby created.

3 (b) The state shall impose and collect 10% of the licensee's adjusted gross wagering
4 receipts from Fixed Odds Wagering on Dog Racing in the same manner as prescribed by §29-
5 22D-16 of this code and shall be distributed as follows:

6 (1) Of the 10% collected by the state from the licensee's gross wagering receipts from fixed
7 odds wagers on dog races, excluding parlays, the state shall cause 50% of such collections to be
8 deposited into the West Virginia Lottery Fixed Odds Dog Racing Wagering Purse Supplement
9 Fund established by this section.

10 (2) Of the 10% collected by the state from the licensee's gross wagering receipts from fixed
11 odds wagers on horse races from parlays, the state shall cause 50% of the portion of such
12 collections wagered on dog race events in the parlays to be deposited into the West Virginia
13 Lottery Fixed Odds Dog Racing Wagering Purse Supplement Fund established by this section.
14 For the avoidance of doubt, only the dog racing portion(s) of any parlay bet shall be included in this
15 calculation.

16 (c) All monies collected under this article by the West Virginia Lottery from fixed odds
17 wagering on dog racing shall be deposited with the State Treasurer to the West Virginia Lottery
18 Fixed Odds Dog Racing Wagering Purse Supplement Fund. The fund shall be an interest-bearing
19 account with all interest or other return earned on the money of the fund credited to and deposited
20 in the fund. All expenses of the West Virginia Lottery incurred in the administration and
21 enforcement of this article shall be paid from the sports wagering fund pursuant to § 29-22D-17(b)
22 of this code.

23 (d) Monies in the fund shall be invested by the State Treasurer in the same manner as
24 monies in the state general fund. Interest earned on the investments of monies in the fund shall be
25 deposited in and credited to the fund.

26 (e) Each fiscal year, any amount of monies in the fund shall be distributed to the West

27 Virginia Greyhound Breeding Development Fund created under §19-23-10 of this code.

§29-22D-21. Crimes and penalties related to authorized sports wagering operation.

1 (a) A sports wagering licensee is guilty of unlawful operation and is guilty of a
2 misdemeanor when:

3 (1) The licensee operates West Virginia Lottery sports wagering without authority of the
4 commission to do so;

5 (2) The licensee operates West Virginia Lottery sports wagering in any location or by any
6 manner that is not approved by the commission;

7 (3) The licensee knowingly conducts, carries on, operates, or allows any sports wagering
8 to occur on premises or through any other device if equipment or material has been tampered with,
9 or exposed to conditions in which it will be operated in a manner designed to deceive the public;

10 (4) The licensee employs an individual who does not hold a valid occupational license in a
11 position for which a license is required or otherwise allows an individual to perform duties for which
12 such license is required or continues to employ an individual after the employee's occupational
13 license is no longer valid;

14 (5) The licensee acts or employs another person to act as if he or she is not an agent or
15 employee of the licensee in order to encourage participation in West Virginia Lottery sports
16 wagering at the licensed gaming facility;

17 (6) The licensee knowingly permits an individual under the age of 21 to enter or remain in a
18 designated gaming area or to engage in sports wagering at a licensed gaming facility; or

19 (7) The licensee exchanges tokens, chips, electronic media, or other forms of credit used
20 for wagering for anything of value except money or credits applied to a sports wagering account at
21 a gaming facility authorized under this article.

22 (b) A person is guilty of a felony when:

23 (1) A person offers, promises, or gives anything of value to anyone for the purpose of
24 influencing the outcome of a race, sporting event, contest, or game upon which a wager may be

made, or a person places, increases, or decreases a wager after acquiring knowledge, not available to the general public, that anyone has been offered, promised, or given anything of value for the purpose of influencing the outcome of the race, sporting event, contest, or game upon which the wager is placed, increased or decreased, or attempts to do any of the same;

(2) A person changes or alters the normal outcome of any game played on a mobile or other digital platform, including any interactive gaming system used to monitor the same or the way in which the outcome is reported to any participant in the game;

(3) The person manufactures, sells, or distributes any device that is intended by that person to be used to violate any provision of this article or the sports wagering laws of any other state;

(4) The person places a bet or aids any other individual in placing a bet on a sporting event or other sports wagering game or offering authorized under this article after unlawfully acquiring knowledge of the outcome on which winnings from that bet are contingent;

(5) The person claims, collects, or takes anything of value from a gaming facility with West Virginia Lottery sports wagering with intent to defraud or attempts such action without having made a wager in which such amount or value is legitimately won or owed;

(6) The person knowingly places a wager using counterfeit currency or other counterfeit form of credit for wagering at a gaming facility with West Virginia Lottery sports wagering; or

(7) The person, not a licensed gaming facility under this article or an employee or agent of a gaming facility licensed under this article acting in furtherance of the licensee's interest, has in his or her possession on grounds owned by the gaming facility licensed under this article or on grounds contiguous to the licensed gaming facility, any device intended to be used to violate a provision of this article or any rule of the commission.

(c) Any person who violates any provision of §29-22D-21(a) of this code is guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$1,000 or confined in jail

for not more than six months, or both fined and confined, except any violation that is not committed by a natural person may result in a fine of not more than \$25,000.

(d) Any person who violates any provision of §29-22D-21(b) of this code is guilty of a felony and, upon conviction thereof, shall be fined not less than \$5,000 nor more than \$10,000, or confined in a state correctional facility for not less than one year nor more than five years, or both fined and confined.

(e) With regard to §29-22D-21(a) of this code, each West Virginia sports wagering licensee shall post notice of the prohibitions and penalties of this section in a manner determined by the rules of the commission.

(f) An operator shall not knowingly accept a wager from a person who is an owner or trainer of a racehorse or dog, or a jockey, including their employees, or a Racing Official as defined in W. Va. C.F.R. 178-1-7, who is participating in the horse racing or dog racing sports event, as applicable, on which the person is attempting to place the wager.

NOTE: The purpose of this bill relates to fixed odds wagering on dog racing. The bill provides for definitions. Finally, the bill provides for the creation and distribution of funds for fixed odds wagering on dog racing.

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