

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 576

BY SENATOR BARRETT

[Reported March 26, 2025, from the Committee on
Finance]

1 A BILL to amend and reenact §29-22D-3 and §29-22D-4 of the Code of West Virginia, 1931, as
2 amended; and to amend the code by adding five new sections, designated §29-22D-15a,
3 §29-22D-17a, §29-22D-17b, §29-22D-17c, and §29-22D-25, relating to fixed odds racing;
4 authorizing fixed odds racing in horse and dog racing; defining terms; creating a special
5 revenue account entitled Fixed Odds Horse Racing Wagering Purse Supplement Fund;
6 providing for administration of the fund; providing for distribution of certain proceeds into
7 the fund; providing for use of the funds; allowing funds to be invested; providing for
8 distribution of funds; creating a special revenue account entitled Fixed Odds Dog Racing
9 Wagering Purse Supplement Fund; providing for administration of the fund; providing for
10 distribution of certain proceeds into the fund; providing for use of the funds; allowing funds
11 to be invested; providing for distribution of funds; precluding certain individuals from
12 wagering; making conforming amendments; and making technical corrections.

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
2 in this section:

3 ~~(4)~~ "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.

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

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

"Fixed odds wager on dog racing" means a sum of money or representation of value risked by a player on an occurrence associated with a sports event involving dog races 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.

"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.

"Fixed odds wagering on dog racing" means the acceptance of wagers on a sports event of live dog racing with predetermined odds. Fixed odds wagering on horse or dog races shall only occur as provided in this article. Fixed odds wagers on dog racing may be combined with other wagers on other sports events as authorized in this article.

"Fixed odds wagering on horse racing" means the acceptance of wagers on a sports event of live horse racing with predetermined odds. Fixed odds wagering on horse racing shall only occur as provided in this article. Fixed odds wagers on horse or dog races may be combined with other wagers on other sports events as authorized in this article.

~~(6)~~ "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)~~ "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)~~ "Government" means any governmental unit of a national, state, or local body exercising governmental functions, other than the United States government.

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

~~(10)~~ "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).

~~(11)~~ "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.

~~(42)~~ "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.

~~(43)~~ "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.

~~(44)~~ "Operator" means a licensed gaming facility which has elected to operate a sports pool and other authorized West Virginia Lottery sports wagering activities.

~~(45)~~ "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.

~~(46)~~ "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 §19-23-3 of this code for the purpose of conducting "fixed odds wagering on horse racing" or "fixed odds wagering on dog racing" as defined in this article.

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

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

~~(19)~~ "Sports wagering agreement" means a written agreement between the commission and one or more other governments whereby persons who are physically located in a signatory jurisdiction may participate in sports wagering conducted by one or more operators licensed by the signatory governments.

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

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

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

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

(1) Rules promulgated by the commission may include, but are not limited to, those governing the acceptance of wagers on a sports event or a series of sports events; acceptance of fixed odds wagering on horse racing or dog racing; maximum wagers which may be accepted by an operator from any one patron on any one sports event; type of wagering tickets which may be used; method of issuing tickets; method of accounting to be used by operators; types of records which shall be kept; use of credit and checks by patrons; type of system for wagering; protections for patrons placing wagers; and promotion of social responsibility, responsible gaming, and

inclusion of the statement, "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," in every designated area approved for sports wagering and on any mobile application or other digital platform used to place wagers.

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

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

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

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

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

(e) The rule shall also set forth the procedure by which complaints against patrons are 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 or dog racing is hereby authorized. Acceptance of fixed odds wagering on horse racing or dog racing shall only be conducted by a licensed operator, licensed gaming facility, or management services provider, as defined in this article.

(b) Any content authorized for fixed odds wagering on horse races from outside of West Virginia to be offered for wagering by a licensed operator, licensed gaming facility, or management services provider, shall comply with the Interstate Horseracing Act of 1978, 15 U.S.C. 3001, *et seq.*

(c) Any content authorized for fixed odds wagering on horse races from West Virginia, or fixed odds wagering on dog races from West Virginia, to be offered for wagering by a licensed operator, licensed gaming facility, or management services provider, shall require the consent 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.

(a) There is hereby created within the State Treasury a fund known as the West Virginia Lottery Fixed Odds Horse Racing Wagering Purse Supplement Fund. The fund shall be administered by the Director of the West Virginia Lottery.

4 (b) Ten percent of the licensee's adjusted gross wagering receipts from fixed odds
5 wagering on horse racing shall be collected in the same manner as prescribed by §29-22D-16 of
6 this code. The funds shall be distributed as follows:

7 (1) Of the 10 percent collected from the licensee's gross wagering receipts from fixed
8 odds wagers on horse races excluding parlays, 25 percent of such collections shall be deposited
9 into the West Virginia Lottery Fixed Odds Horse Racing Wagering Purse Supplement Fund
10 created by this section.

11 (2) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds
12 wagers on horse races excluding parlays, 25 percent of such collections shall be collected and
13 distributed equally among the licensed thoroughbred racetracks in this state.

14 (3) Of the 10 percent collected from the licensee's gross wagering receipts from parlays,
15 25 percent of the portion of such collections wagered on horse race events in the parlays shall be
16 deposited into the West Virginia Lottery Fixed Odds Horse Racing Wagering Purse Supplement
17 Fund created by this section. For the avoidance of doubt, only the horse racing portion(s) of any
18 parlay bet shall be included in this calculation.

19 (4) Of the 10 percent collected from the licensee's gross wagering receipts from parlays,
20 25 percent of the portion of such collections wagered on horse race events in the parlays shall be
21 collected and distributed equally among licensed thoroughbred racetracks in this state. For the
22 avoidance of doubt, only the horse racing portion(s) of any parlay bet shall be included in this
23 calculation.

24 (c) All moneys collected under this section by the West Virginia Lottery from fixed odds
25 wagering on horse racing shall be deposited with the State Treasurer in the West Virginia Lottery
26 Fixed Odds Horse Racing Wagering Purse Supplement Fund. The fund shall be an interest-
27 bearing account with all interest or other return earned on the money of the fund credited to and
28 deposited in the fund. All expenses of the West Virginia Lottery incurred in the administration and

enforcement of this article shall be paid from the sports wagering fund pursuant to §29-22D-17(b) of this code.

(d) Moneys in the fund shall be invested by the State Treasurer in the same manner as moneys in the state general fund. Interest earned on the investments of moneys in the fund shall be deposited in and credited to the fund.

(e) Within 30 days of the beginning of each fiscal year, 50 percent of the amount of moneys in the fund shall be distributed into the special funds created by thoroughbred racetrack licensees to be used for the payment of regular purses offered for thoroughbred racing and established under §19-23-9(b)(1) of this code, and 50 percent shall be distributed equally among licensed thoroughbred racetracks in this state.

(f) In distributing the funds collected into the special funds of the thoroughbred racetrack licensees to be used for the payment of regular purses offered for thoroughbred racing established under §19-23-9(b)(1) of this code, the State Treasurer shall allocate proportionally based upon the total handle, or amount wagered, at each licensed thoroughbred racetrack, as calculated annually 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.

(a) There is hereby created in the State Treasury a fund known as the West Virginia Lottery Fixed Odds Dog Racing Wagering Purse Supplement Fund. The fund shall be administered by the Director of the West Virginia Lottery.

(b) Ten percent of the licensee's adjusted gross wagering receipts from fixed odds wagering on dog racing shall be collected in the same manner as prescribed by §29-22D-16 of this code. The funds shall be distributed as follows:

(1) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds wagers on dog races, excluding parlays, 25 percent of such collections shall be deposited

9 into the West Virginia Lottery Fixed Odds Dog Racing Wagering Purse Supplement Fund
10 established by this section.

11 (2) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds
12 wagers on dog races excluding parlays, 25 percent of such collections shall be collected and
13 distributed equally among the licensed dog racetracks in this state.

14 (3) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds
15 wagers on dog races from parlays, 25 percent of the portion of such collections wagered on dog
16 race events in the parlays shall be deposited into the West Virginia Lottery Fixed Odds Dog
17 Racing Wagering Purse Supplement Fund created by this section. For the avoidance of doubt,
18 only the dog racing portion(s) of any parlay bet shall be included in this calculation.

19 (4) Of the 10 percent collected from the licensee's gross wagering receipts from parlays,
20 25 percent of the portion of such collections wagered on dog race events in the parlays shall be
21 collected and distributed equally among licensed dog racetracks in this state. For the avoidance
22 of doubt, only the dog racing portion(s) of any parlay bet shall be included in this calculation.

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

30 (d) Moneys in the fund shall be invested by the State Treasurer in the same manner as
31 moneys in the state General Fund. Interest earned on the investments of moneys in the fund shall
32 be deposited in and credited to the fund.

33 (e) Within 30 days of the beginning of each fiscal year, 50 percent of the amount of
34 moneys in the fund shall be distributed to the West Virginia Greyhound Breeding Development

35 Fund created under §19-23-10 of this code, and 50 percent shall be distributed equally among
36 licensed dog racetracks in this state.

§29-22D-17C. Use of funds by licensed racetrack facilities.

1 Any funds distributed for expenditure by a licensed racetrack to support operations in this
2 state authorized under §19-23-1, §29-22A-1, §29-22C-1, §29-22D-1, or §29-22E-1 of this code,
3 or for capital improvements at facilities located in this state that are on or contiguous to the
4 premises of the licensed racetrack.

§29-22D-25. Wagering by racing officials not allowed.

1 An operator shall not knowingly accept a wager from a person who is an owner or trainer
2 of a racehorse or dog, or a jockey, including their employees, or a racing official, who is
3 participating in the horse racing or dog racing sports event, as applicable, on which the person is
4 attempting to place the wager. For the purposes of this section, a racing official shall mean:
5 stewards, placing judges, clerk of scales, starter, timer, paddock judge, Racing Commission
6 veterinarian(s), association's racing secretary and assistants, horse identifier, clocker, and jockey
7 room custodian.