

# **WEST VIRGINIA LEGISLATURE**

**2026 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 1060**

BY SENATOR BARRETT

[Reported February 27, 2026, from the Committee on  
Finance]



1 A BILL to amend and reenact §19-23-3, §19-23-12c, §19-23-13b, §29-22A-10, and §29-22A-10b  
2 of the Code of West Virginia, 1931, as amended, relating to horse and greyhound racing;  
3 providing a definition; setting requirements and purse calculations for West Virginia-  
4 certified thoroughbred horses to race in restricted races; changing distribution of funds  
5 required from interstate simulcasts; providing eligibility requirements for West Virginia-  
6 accredited restricted races; increasing the \$1 million cap on funding of restricted races by  
7 thoroughbred horse racetracks that did not participate in the West Virginia Development  
8 Fund for a period of not more than four consecutive years prior to December 31, 1992;  
9 and modifying distribution scheme of net terminal income and excess net terminal income  
10 of racetrack video lottery.

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

## **CHAPTER 19. AGRICULTURE.**

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

#### **§19-23-3. Definitions.**

1 Unless the context clearly requires a different meaning, as used in this article:  
2 (1) "Horse racing" means any type of horse racing, including, but not limited to,  
3 thoroughbred racing and harness racing;  
4 (2) "Thoroughbred racing" means flat or running type horse racing in which each horse  
5 participating is a thoroughbred and mounted by a jockey;  
6 (3) "Harness racing" means horse racing in which the horses participating are harnessed  
7 to a sulky, carriage or other vehicle and does not include any form of horse racing in which the  
8 horses are mounted by jockeys;  
9 (4) "Horse race meeting" means the whole period of time for which a license is required  
10 by the provisions of section one of this article;

11 (5) "Dog racing" means any type of dog racing, including, but not limited to, greyhound  
12 racing;

13 (6) "Purse" means any purse, stake, or award for which a horse or dog race is run;

14 (7) "Racing association" or "person" means any individual, partnership, firm, association,  
15 corporation, or other entity or organization of whatever character or description;

16 (8) "Applicant" means any racing association making application for a license under the  
17 provisions of this article or any person making application for a permit under the provisions of this  
18 article or any person making application for a construction permit under the provisions of this  
19 article;

20 (9) "License" means the license required by the provisions of section one of this article;

21 (10) "Permit" means the permit required by the provisions of section two of this article;

22 (11) "Construction permit" means the construction permit required by the provisions of  
23 section eighteen of this article;

24 (12) "Licensee" means any racing association holding a license required by the provisions  
25 of section one of this article and issued under the provisions of this article;

26 (13) "Permit holder" means any person holding a permit required by the provisions of  
27 section two of this article and issued under the provisions of this article;

28 (14) "Construction permit holder" means any person holding a construction permit required  
29 by the provisions of section 18 of this article and issued under the provisions of this article;

30 (15) "Hold or conduct" includes "assist, aid or abet in holding or conducting";

31 (16) "Racing commission" means the West Virginia Racing Commission;

32 (17) "Stewards" means the steward or stewards representing the Racing Commission, the  
33 steward or stewards representing a licensee and any other steward or stewards whose duty it is  
34 to supervise any horse or dog race meeting, all as may be provided by reasonable rules of the  
35 Racing Commission which rules shall specify the number of stewards to be appointed, the method  
36 and manner of their appointment and their powers, authority and duties;

37           (18) "Pari-mutuel" means a mutuel or collective pool that can be divided among those who  
38 have contributed their wagers to one central agency, the odds to be reckoned in accordance to  
39 the collective amounts wagered upon each contestant running in a horse or dog race upon which  
40 the pool is made, but the total to be divided among the first three contestants on the basis of the  
41 number of wagers on these;

42           (19) "Pari-mutuel clerk" means any employee of a licensed racing association who is  
43 responsible for the collection of wagers, the distribution of moneys for winning pari-mutuel tickets,  
44 verification of the validity of pari-mutuel tickets and accounting for pari-mutuel funds;

45           (20) "Pool" means a combination of interests in a joint wagering enterprise or a stake in  
46 such enterprise;

47           (21) "Legitimate breakage" is the percentage left over in the division of a pool;

48           (22) "To the dime" means that wagers shall be figured and paid to the dime;

49           (23) "Code" means the Code of West Virginia, 1931, as heretofore and hereinafter  
50 amended;

51           (24) "Accredited thoroughbred horse" means a thoroughbred horse that is registered with  
52 the West Virginia Thoroughbred Breeders Association and that is:

53           (A) Foaled in West Virginia; or

54           (B) Sired by an accredited West Virginia sire; or

55           (C) As a yearling, finished twelve consecutive months of verifiable residence in the state,  
56 except for 30 days' grace:

57           (i) For the horse to be shipped to and from horse sales where the horse is officially entered  
58 in the sales catalogue of a recognized thoroughbred sales company; or

59           (ii) For obtaining veterinary services, documented by veterinary reports;

60           (25) "Accredited West Virginia sire" is a sire that is permanently domiciled in West Virginia,  
61 stands a full season in West Virginia and is registered with West Virginia Thoroughbred Breeders  
62 Association;

63 (26) "Breeder of an accredited West Virginia horse" is the owner of the foal at the time it  
64 was born in West Virginia;

65 (27) "Raiser of an accredited West Virginia horse" is the owner of the yearling at the time  
66 it finished 12 consecutive months of verifiable residence in the state. During the period, the raiser  
67 will be granted one month of grace for his or her horse to be shipped to and from thoroughbred  
68 sales where the horse is officially entered in the sales catalogue of a recognized thoroughbred  
69 sales company. In the event the yearling was born in another state and transported to this state,  
70 this definition does not apply after the December 31, 2007, to any pari-mutuel racing facility  
71 located in Jefferson County nor shall it apply after the December 31, 2012, and thereafter to any  
72 pari-mutuel racing facility located in Hancock County. Prior to the horse being shipped out of the  
73 state for sales, the raiser must notify the Racing Commission of his or her intentions;

74 (28) The "owner of an accredited West Virginia sire" is the owner of record at the time the  
75 offspring is conceived;

76 (29) The "owner of an accredited West Virginia horse" means the owner at the time the  
77 horse earned designated purses to qualify for restricted purse supplements provided in section  
78 13b of this article;

79 (30) "Registered greyhound owner" means an owner of a greyhound that is registered with  
80 the National Greyhound Association;

81 (31) "Fund" means the West Virginia Thoroughbred Development Fund established in  
82 section 13(b) of this article; ~~and~~

83 (32) "Regular purse" means both regular purses and stakes purses; and

84 (33) "West Virginia Certified Thoroughbred" means a thoroughbred horse that:

85 (A) Is registered with the West Virginia Thoroughbred Breeds Association; and

86 (B) Prior to its three year-old year finished six consecutive months of verifiable residence  
87 in the state, except for 30 days' grace:

88 (i) For the horse to be shipped to and from horse sales where the horse is officially entered  
89 in the sales catalogue of a recognized thoroughbred sales company; or

90 (ii) For obtaining veterinary services, documented by veterinary reports;

91 (C) Is subject to an affidavit, certification, or audit/inspection by the WV  
92 Thoroughbred Breeders Association;

93 (D) Is ineligible to participate in WV Accredited Stakes Races or WV Breeders  
94 Classics; and

95 (E) Is ineligible for the West Virginia Thoroughbred Fund.

**§19-23-12c. Interstate simulcasts by licensed racetracks.**

1 (a) Any licensed racing association may be authorized by the commission to transmit  
2 broadcasts of races conducted at its racetrack to legal wagering entities located outside this state,  
3 which legal wagering entities located outside this state shall not be subject to the provisions of  
4 subsection (e), section twelve-b of this article: *Provided*, That as consideration for the televised  
5 racing services it provides, the host racing association shall receive a signal transmission fee to  
6 be paid by the receiving legal wagering entity which shall be in an amount agreed upon by the  
7 receiving legal wagering entity and the host racing association. All broadcasts of horse races shall  
8 be in accordance with all of the provisions of the "Federal Interstate Horseracing Act of 1978,"  
9 also known as Public Law 95-515, Section 3001-3007 of Title 15 of the United States Code.

10 (b) One percent of the total signal transmission fee provided in subsection (a) of this  
11 section shall be paid into a special fund to be established by the Racing Commission for and on  
12 behalf of all employees of the licensed racing association to be used for payments into the pension  
13 plan for all employees of the licensed racing association, and any thoroughbred horse racetrack  
14 which has participated in the West Virginia Thoroughbred Development Fund for a period of more  
15 than four consecutive calendar years prior to December 31, 1992, shall pay seven and one-half  
16 percent of the signal transmission fee into the West Virginia Thoroughbred Development Fund  
17 established by the Racing Commission according to section thirteen-b of this article. After

18 deducting: (i) The amounts required to be placed into the pension plan for all employees of the  
19 licensed racing association under this section; (ii) the amounts, if any, required to be paid into the  
20 West Virginia Thoroughbred Development Fund under this section; and (iii) the direct costs  
21 necessary to send a live audio and visual signal of horse races or dog races from any racetrack  
22 licensed under the provisions of section one of this article to any legal wagering entities outside  
23 this state for the purpose of pari-mutuel wagering, which direct costs shall include the cost of  
24 satellite equipment necessary to transmit the signal, a satellite operator and the satellite time  
25 necessary to broadcast the signal and the cost of telecommunication and facsimile services  
26 needed to communicate necessary information to all legal wagering entities for the purpose of  
27 pari-mutuel wagering, ~~thoroughbred horseracing~~ racing associations shall make a deposit equal  
28 to 50 percent of the remainder into the purse fund established under ~~the provisions of subdivision~~  
29 ~~(1), subsection (b)~~, section nine of this article: *Provided*, That the funds deposited in the purse  
30 fund pursuant to this section may be used for the payment of regular purses or, upon agreement  
31 between the horse racing association and the representative of the majority of owners and trainers  
32 at a particular thoroughbred racetrack, may be used for capital improvements supporting  
33 simulcast operations.

**§19-23-13b. West Virginia Thoroughbred Development Fund; distribution; restricted races;  
nonrestricted purse supplements; preference for West Virginia accredited  
thoroughbreds.**

1 (a) The Racing Commission shall deposit moneys required to be withheld by an  
2 association or licensee in subsection 9(b) of this article in a banking institution of its choice in a  
3 special account to be known as West Virginia Racing Commission Special Account – West  
4 Virginia Thoroughbred Development Fund: *Provided*, That after the West Virginia Lottery  
5 Commission has divided moneys between the West Virginia Thoroughbred Development Fund  
6 and the West Virginia Greyhound Breeding Development Fund, pursuant to the provisions of  
7 sections §29-22-10 and §29-22-10b, the Racing Commission shall, beginning October 1, 2005,

8 deposit the remaining moneys required to be withheld from an association or licensee designated  
9 to the Thoroughbred Development Fund under the provisions of subsection (b), section nine of  
10 this article, subdivision (3), subsection (e), 12(b) of this article, subsection (b), section 12(c) of this  
11 article, paragraph (B), subdivision (3), subsection (b), section 13(c) of this article and sections  
12 §29-22A-10 and §29-22A-10b of this code into accounts for each thoroughbred racetrack licensee  
13 with a banking institution of its choice with a separate account for each association or licensee.  
14 Each separate account shall be a special account to be known as West Virginia Racing  
15 Commission Special Account – West Virginia Thoroughbred Development Fund and shall name  
16 the licensee for which the special account has been established: *Provided, however,* That the  
17 Racing Commission shall deposit all moneys paid into the Thoroughbred Development Fund by  
18 a thoroughbred racetrack licensee that did not participate in the Thoroughbred Development Fund  
19 for at least four consecutive calendar years prior to December 31, 1992, from July 8, 2005, until  
20 the effective date of the amendment to this section passed during the fourth extraordinary session  
21 of the 77th Legislature shall be paid into the purse fund of that thoroughbred racetrack licensee:  
22 *Provided further,* That the moneys paid into the Thoroughbred Development Fund by a  
23 thoroughbred racetrack licensee that did not participate in the Thoroughbred Development Fund  
24 for at least four consecutive calendar years prior to December 31, 1992, shall be transferred into  
25 that licensee's purse fund until April 1, 2006. Notice of the amount, date and place of the deposits  
26 shall be given by the Racing Commission, in writing, to the State Treasurer. The purpose of the  
27 funds is to promote better breeding and racing of thoroughbred horses in the state through awards  
28 and purses for accredited breeders/raisers, sire owners and thoroughbred race horse owners:  
29 *Provided,* That five percent of the deposits required to be withheld by an association or licensee  
30 in subsection (b), section nine of this article shall be placed in a special revenue account hereby  
31 continued in the State Treasury called the Administration and Promotion Account: *Provided,*  
32 *however,* That four and one-half percent of the deposits into the Thoroughbred Development Fund

33 shall be placed in the Administration and Promotion Account, except that of this percentage, no  
34 more than \$305,000 shall be placed in the account in any year.

35 (b) The Racing Commission is authorized to expend the moneys deposited in the  
36 administration and promotion account at times and in amounts as the commission determines to  
37 be necessary for purposes of administering and promoting the thoroughbred development  
38 program: *Provided*, That during any fiscal year in which the commission anticipates spending any  
39 money from the account, the commission shall submit to the executive department during the  
40 budget preparation period prior to the Legislature convening before that fiscal year for inclusion  
41 in the executive budget document and budget bill the recommended expenditures, as well as  
42 requests of appropriations for the purpose of administration and promotion of the program. The  
43 commission shall make an annual report to the Legislature on the status of the administration and  
44 promotion account, including the previous year's expenditures and projected expenditures for the  
45 next year.

46 (c) The fund or funds and the account or accounts established in subsection (a) of this  
47 section shall operate on an annual basis.

48 (d) Funds in the Thoroughbred Development Fund or funds in the separate accounts for  
49 each association or licensee as provided in subsection (a) of this section shall be expended for  
50 awards and purses except as otherwise provided in this section. Annually, the first \$800,000 shall  
51 be available for distribution for a minimum of 14 accredited stakes races at a racetrack which has  
52 participated in the West Virginia Thoroughbred Development Fund for a period of more than four  
53 consecutive calendar years prior to December 31, 1992. The weights for all accredited stakes  
54 races shall be weight for age. One of the stakes races shall be the West Virginia Futurity and the  
55 second shall be the Frank Gall Memorial Stakes. ~~For the purpose of participating in the West~~  
56 ~~Virginia Futurity only, all mares, starting with the breeding season beginning February 1 through~~  
57 ~~July 31, 2004, and each successive breeding season thereafter, shall be bred back that year to~~  
58 ~~an accredited West Virginia stallion only which is registered with the West Virginia Thoroughbred~~

59 ~~Breeders Association.~~ The accredited stake races shall be chosen by the committee set forth in  
60 subsection (f) of this section.

61 (e) Awards and purses shall be distributed as follows:

62 (1) The breeders/raisers of accredited thoroughbred horses that earn a purse at a  
63 participating West Virginia meet shall receive a bonus award calculated at the end of the year as  
64 a percentage of the fund dedicated to the breeders/raisers, which shall be 60 percent of the fund  
65 available for distribution in any one year. The total amount available for the breeders'/raisers'  
66 awards shall be distributed according to the ratio of purses earned by an accredited racehorse to  
67 the total amount earned in the participating races by all accredited racehorses for that year as a  
68 percentage of the fund dedicated to the breeders/raisers. However, no breeder/raiser may receive  
69 from the fund dedicated to breeders'/raisers' awards an amount in excess of the earnings of the  
70 accredited horse at West Virginia meets. In addition, should a horse's breeder and raiser qualify  
71 for the same award on the same horse, they will each be awarded one half of the proceeds. The  
72 bonus referred to in this subdivision may only be paid on the first \$100,000 of any purse and not  
73 on any amounts in excess of the first \$100,000.

74 (2) The owner of an accredited West Virginia sire of an accredited thoroughbred horse  
75 that earns a purse in any race at a participating West Virginia meet shall receive a bonus award  
76 calculated at the end of the year as a percentage of the fund dedicated to sire owners, which shall  
77 be 15 percent of the fund available for distribution in any one year. The total amount available for  
78 the sire owners' awards shall be distributed according to the ratio of purses earned by the progeny  
79 of accredited West Virginia stallions in the participating races for a particular stallion to the total  
80 purses earned by the progeny of all accredited West Virginia stallions in the participating races.  
81 However, no sire owner may receive from the fund dedicated to sire owners an amount in excess  
82 of 35 percent of the accredited earnings for each sire. The bonus referred to in this subdivision  
83 shall only be paid on the first \$100,000 of any purse and not on any amounts in excess of the first  
84 \$100,000.

85           (3) The owner of an accredited thoroughbred horse that earns a purse in any participating  
86 race at a West Virginia meet shall receive a restricted purse supplement award calculated at the  
87 end of the year, which shall be 25 percent of the fund available for distribution in any one year,  
88 based on the ratio of the earnings in the races of a particular race horse to the total amount earned  
89 by all accredited race horses in the participating races during that year as a percentage of the  
90 fund dedicated to purse supplements. However, the owners may not receive from the fund  
91 dedicated to purse supplements an amount in excess of 35 percent of the total accredited  
92 earnings for each accredited race horse. The bonus referred to in this subdivision shall only be  
93 paid on the first \$100,000 of any purse and not on any amounts in excess of the first \$100,000.

94           (4) In no event may purses earned at a meet held at a track which did not make a  
95 contribution to the Thoroughbred Development Fund out of the daily pool on the day the meet  
96 was held qualify or count toward eligibility for an award under this subsection.

97           (5) Any balance in the breeders/raisers, sire owners and purse supplement funds after  
98 yearly distributions shall first be used to fund the races established in subsection (f) of this section.  
99 Any amount not so used shall revert into the general account of the Thoroughbred Development  
100 Fund for each racing association or licensee for distribution in the next year.

101           Distribution shall be made on the 15th day of each February for the preceding year's  
102 achievements.

103           (f)(1) Each pari-mutuel thoroughbred horse track shall provide at least one restricted race  
104 per racing day: *Provided*, That sufficient horses and funds are available. For purposes of the one  
105 restricted race required by this subdivision, there are sufficient horses if there are at least seven  
106 single betting interests received for the race: *Provided, however*, That, if sufficient horses and  
107 funds are available, any thoroughbred horse racetrack whose licensee participated in the  
108 Thoroughbred Development Fund for at least four consecutive calendar years prior to December  
109 31, 1992, shall provide three restricted races per racing day, at least one of which may be split at  
110 the discretion of the racing secretary. For the purposes of a second restricted race there shall be

111 at least seven single betting interests and for purposes of a third restricted race there must be at  
112 least nine single betting interests in one of the restricted races run that day. The restricted race  
113 required by this section must be included in the first nine races written in the condition book for  
114 that racing day. Effective May 1, 2026, West Virginia certified thoroughbred horses are also  
115 eligible for restricted races under this subsection for purse money only, provided that accredited  
116 thoroughbreds shall receive preference over West Virginia certified thoroughbreds only in the  
117 event of an oversubscribed field. Effective July 1, 2026, accredited West Virginia thoroughbreds  
118 may race for an additional percentage of purses in restricted races under this subsection as by  
119 written agreement between the racing association and the organization that represents the  
120 majority of owners and trainers at that racetrack.

121 (2) The restricted races established in this subsection shall be administered by a three-  
122 member committee at each track consisting of:

123 (A) The racing secretary at each track;

124 (B) A member appointed by the authorized representative of a majority of the owners and  
125 trainers at the thoroughbred track; and

126 (C) A member appointed by the West Virginia Thoroughbred Breeders Association.

127 (3) Restricted races shall be funded by each racing association from:

128 (A) Moneys placed in the general purse fund: *Provided*, That a thoroughbred horse  
129 racetrack which did not participate in the West Virginia Thoroughbred Development fund for a  
130 period of more than four consecutive years prior to December 31, 1992, may fund restricted races  
131 in an amount not to exceed ~~\$1,000,000~~ \$2 million per year;

132 (B) Moneys as provided in subdivision (5), subsection (e) of this section, which shall be  
133 placed in a special fund called the West Virginia Accredited Race Fund.

134 (4) The racing schedules, purse amounts and types of races are subject to the approval  
135 of the West Virginia Racing Commission.

136 (g) As used in this section, "West Virginia-bred foal" means a horse that was born in the  
137 State of West Virginia.

138 (h) To qualify for the West Virginia Accredited Race Fund, the breeder must qualify under  
139 one of the following:

140 (1) The breeder of the West Virginia-bred foal is a West Virginia resident;

141 (2) The breeder of the West Virginia-bred foal is not a West Virginia resident, but keeps  
142 his or her breeding stock in West Virginia year round; or

143 (3) The breeder of the West Virginia-bred foal is not a West Virginia resident and does not  
144 qualify under subdivision (2) of this subsection, but either the sire of the West Virginia-bred foal  
145 is a West Virginia stallion, or the mare is covered only by a West Virginia accredited stallion or  
146 stallions before December 31 of the calendar year following the birth of that West Virginia-bred  
147 foal.

148 (i) From July 1, 2001, West Virginia accredited thoroughbred horses have preference for  
149 entry in all accredited races at a thoroughbred race track at which the licensee participates in the  
150 West Virginia Thoroughbred Development Fund.

151 (j) Beginning July 1, 2006, any racing association licensed by the Racing Commission to  
152 conduct thoroughbred racing and permitting and conducting pari-mutuel wagering under the  
153 provisions of this article must have a West Virginia Thoroughbred Racing Breeders Program.

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

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

**§29-22A-10. Accounting and reporting; commission to provide communications protocol data; distribution of net terminal income; remittance through electronic transfer of funds; establishment of accounts and nonpayment penalties; commission control of accounting for net terminal income; settlement of accounts; manual reporting**

**and payment may be required; request for reports; examination of accounts and records.**

1 (a) The commission shall provide to manufacturers, or applicants applying for a  
2 manufacturer's permit, the protocol documentation data necessary to enable the respective  
3 manufacturer's video lottery terminals to communicate with the commission's central computer  
4 for transmitting auditing program information and for activation and disabling of video lottery  
5 terminals.

6 (b) The gross terminal income of a licensed racetrack shall be remitted to the commission  
7 through the electronic transfer of funds. Licensed racetracks shall furnish to the commission all  
8 information and bank authorizations required to facilitate the timely transfer of moneys to the  
9 commission. Licensed racetracks must provide the commission 30 days' advance notice of any  
10 proposed account changes ~~in order~~ to assure the uninterrupted electronic transfer of funds. From  
11 the gross terminal income remitted by the licensee to the commission:

12 (1) The commission shall deduct an amount sufficient to reimburse the commission for its  
13 actual costs and expenses incurred in administering racetrack video lottery at the licensed  
14 racetrack and the resulting amount after the deduction is the net terminal income. The amount  
15 deducted for administrative costs and expenses of the commission may not exceed four percent  
16 of gross terminal income: *Provided*, That any amounts deducted by the commission for its actual  
17 costs and expenses that exceeds its actual costs and expenses shall be deposited into the State  
18 Lottery Fund. For the fiscal years ending June 30, 2011, through June 30, 2030, the term "actual  
19 costs and expenses" may include transfers of up to \$9 million in surplus allocations for each fiscal  
20 year, as calculated by the commission when it has closed its books for the fiscal year, to the  
21 Licensed Racetrack Modernization Fund created by subdivision (2), of this subsection. For all  
22 fiscal years beginning on or after July 1, 2001, the commission shall not receive an amount of  
23 gross terminal income in excess of the amount of gross terminal income received during the fiscal  
24 year ending on June 30, 2001, but four percent of any amount of gross terminal income received

25 in excess of the amount of gross terminal income received during the fiscal year ending on June  
26 30, 2001, shall be deposited into the fund established in §29-22-18a of this code; and

27 (2) A Licensed Racetrack Modernization Fund is created within the Lottery Fund. For all  
28 fiscal years beginning on or after July 1, 2011, and ending with the fiscal year beginning July 1,  
29 2030, the commission shall deposit such amounts as are available according to subdivision (1) of  
30 this subsection into a separate facility modernization account maintained within the Licensed  
31 Racetrack Modernization Fund for each racetrack. Each racetrack's share of each year's deposit  
32 shall be calculated in the same ratio as each racetrack's apportioned contribution to the four  
33 percent administrative costs and expenses allowance provided for in subdivision (1) of this  
34 subsection for that year. For each \$2 expended by a licensed racetrack for facility modernization  
35 improvements or capital improvements at facilities located in this state that are on or contiguous  
36 to the premises of the licensed racetrack, having a useful life of three or more years and placed  
37 in service after July 1, 2011, the licensed racetrack shall receive \$1 in recoupment from its facility  
38 modernization account. If the licensed racetrack's facility modernization account contains a  
39 balance in any fiscal year, the unexpended balance from that fiscal year will be available for  
40 matching for one additional fiscal year, after which time, the remaining unused balance carried  
41 forward shall revert to the lottery fund. For purposes of this section, the term "facility modernization  
42 improvements" includes acquisitions of new and unused video lottery terminals and related  
43 equipment, and the term "capital improvements" means real property that is expected to replace  
44 or modernize buildings, equipment, machinery and other tangible property used in connection  
45 with the operation of the gaming, hospitality, or entertainment at the facility. Video lottery terminals  
46 financed through the recoupment provided in this subdivision must be retained by the licensee in  
47 its West Virginia licensed location for a period of not less than five years from the date of initial  
48 installation.

49 (c) The amount resulting after the deductions required by subsection (b) of this section  
50 constitutes net terminal income that shall be divided as set out in this subsection. For all fiscal

51 years beginning on or after July 1, 2001, any amount of net terminal income received in excess  
52 of the amount of net terminal income received during the fiscal year ending on June 30, 2001,  
53 shall be divided as set out in §29-22A-10b of this code. The licensed racetrack's share is in lieu  
54 of all lottery agent commissions and is considered to cover all costs and expenses required to be  
55 expended by the licensed racetrack in connection with video lottery operations. The division shall  
56 be made as follows:

57 (1) The commission shall receive 30 percent of net terminal income, which shall be paid  
58 into the State Lottery Fund as provided in §29-22A-10a of this code;

59 (2) Until July 1, 2005, 14 percent of net terminal income at a licensed racetrack shall be  
60 deposited in the special fund established by the licensee, and used for payment of regular purses  
61 in addition to other amounts provided for in §19-23-1 *et seq.* of this code, on and after July 1,  
62 2005, the rate shall be seven percent of net terminal income;

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

65 (A) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent  
66 received during the fiscal year 1999 by a county in which a racetrack is located that has  
67 participated in the West Virginia Thoroughbred Development Fund since on or before January 1,  
68 1999, shall be divided as follows:

69 (i) The county shall receive 50 percent of the excess amount; and

70 (ii) The municipalities of the county shall receive 50 percent of the excess amount, said  
71 50 percent to be divided among the municipalities on a per capita basis as determined by the  
72 most recent decennial United States census of population; and

73 (B) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent  
74 received during the fiscal year 1999 by a county in which a racetrack other than a racetrack  
75 described in paragraph (A) of this subdivision is located and where the racetrack has been located

76 in a municipality within the county since on or before January 1, 1999, shall be divided, if  
77 applicable, as follows:

78 (i) The county shall receive 50 percent of the excess amount; and

79 (ii) The municipality shall receive 50 percent of the excess amount; and

80 (C) In a county in which a racetrack other than a racetrack described in paragraphs (A) or  
81 (B) of this subdivision is located and where the racetrack has been located within that county  
82 since on or before January 1, 1999, and where the racetrack is not located in a municipality, the  
83 two percent of net terminal income shall be divided, if applicable, as follows:

84 (i) The county shall receive one percent; and

85 (ii) The remaining one percent shall be distributed in equal shares to all municipalities  
86 within the county. Per capita population has no effect on distributions under this paragraph;

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

91 (5) (A) The West Virginia Thoroughbred Development Fund created pursuant to §19-23-  
92 13b of this code ~~and the West Virginia Greyhound Breeding Development Fund created pursuant~~  
93 ~~to §19-23-10 of this code shall receive an equal share of a total of not less than one and one-half~~  
94 percent of the net terminal income originating at licensed thoroughbred racetracks;

95 (B) Effective July 1, 2026, the West Virginia Greyhound Breeding Development Fund  
96 created pursuant to §19-23-10 of this code shall receive one and one-half percent of the net  
97 terminal income originating at licensed greyhound tracks;

98 (6) The West Virginia Racing Commission shall receive one percent of the net terminal  
99 income which shall be deposited and used as provided in §19-23-13c of this code;

100 (7) A licensee shall receive 46 and one-half percent of net terminal income;

101           (8)(A) The Tourism Promotion Fund established in §5B-2-12 of this code shall receive  
102 three percent of the net terminal income: *Provided*, That for the fiscal year beginning July 1, 2003,  
103 the tourism commission shall transfer from the Tourism Promotion Fund \$5 million of the three  
104 percent of the net terminal income described in this section and §29-22A-10b of this code into the  
105 fund administered by the West Virginia Economic Development Authority pursuant to §31-15-7 of  
106 this code, \$5 million into the Capitol Renovation and Improvement Fund administered by the  
107 Department of Administration pursuant to §5A-4-6 of this code, and \$5 million into the Tax  
108 Reduction and Federal Funding Increased Compliance Fund; and

109           (B) Notwithstanding any provision of paragraph (A) of this subdivision to the contrary, for  
110 each fiscal year beginning after June 30, 2004, this three percent of net terminal income and the  
111 three percent of net terminal income described in §29-22a-10b(a)(8)(B) of this code shall be  
112 distributed as provided in this paragraph as follows:

113           (i) 1.375 percent of the total amount of net terminal income described in this section and  
114 §29-22A-10b of this code shall be deposited into the Tourism Promotion Fund created pursuant  
115 to §5B-2-12 of this code;

116           (ii) 0.375 percent of the total amount of net terminal income described in this section and  
117 in §29-22A-10b of this code shall be deposited into the Development Office Promotion Fund  
118 created pursuant to §5B-2-3b of this code;

119           (iii) 0.5 percent of the total amount of net terminal income described in this section and in  
120 §29-22A-10b of this code shall be deposited into the Research Challenge Fund created pursuant  
121 to §18B-1B-10 of this code;

122           (iv) 0.6875 percent of the total amount of net terminal income described in this section and  
123 in §29-22A-10b of this code shall be deposited into the Capitol Renovation and Improvement  
124 Fund administered by the Department of Administration pursuant to §5A-4-6 of this code; and

125 (v) 0.0625 percent of the total amount of net terminal income described in this section and  
126 in §29-22A-10b of this code shall be deposited into the 2004 Capitol Complex Parking Garage  
127 Fund administered by the Department of Administration pursuant to §5A-4-5a of this code;

128 (9)(A) On and after July 1, 2005, seven percent of net terminal income shall be deposited  
129 into the Workers' Compensation Debt Reduction Fund created in §23-2d-5 of this code: *Provided*,  
130 That in any fiscal year when the amount of money generated by this subdivision totals \$11 million,  
131 all subsequent distributions pursuant to this subdivision shall be deposited in the special fund  
132 established by the licensee and used for the payment of regular purses in addition to the other  
133 amounts provided in §19-23-1 *et seq.* of this code;

134 (B) The deposit of the seven percent of net terminal income into the Workers'  
135 Compensation Debt Reduction Fund pursuant to this subdivision shall expire and not be imposed  
136 with respect to these funds and shall be deposited in the special fund established by the licensee  
137 and used for payment of regular purses in addition to the other amounts provided in §19-23-1 *et*  
138 *seq.* of this code on and after the first day of the month following the month in which the Governor  
139 certifies to the Legislature that: (i) The revenue bonds issued pursuant to §23-2D-1 *et seq.* of this  
140 code have been retired or payment of the debt service provided for; and (ii) that an independent  
141 certified actuary has determined that the unfunded liability of the old fund, as defined in chapter  
142 23 of this code, has been paid or provided for in its entirety; and

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

144 (A) For the fiscal year beginning July 1, 2003, the Veterans Memorial Program shall  
145 receive one percent of the net terminal income until sufficient moneys have been received to  
146 complete the veterans memorial on the grounds of the State Capitol Complex in Charleston, West  
147 Virginia. The moneys shall be deposited in the State Treasury in the Division of Culture and  
148 History special fund created pursuant to §29-11-3 of this code: *Provided*, That only after sufficient  
149 moneys have been deposited in the fund to complete the veterans memorial and to pay in full the  
150 annual bonded indebtedness on the veterans memorial, not more than \$20,000 of the one percent

151 of net terminal income provided in this subdivision shall be deposited into a special revenue fund  
152 in the State Treasury, to be known as the John F. "Jack" Bennett Fund. The moneys in this fund  
153 shall be expended by the Division of Veterans Affairs to provide for the placement of markers for  
154 the graves of veterans in perpetual cemeteries in this state. The Division of Veterans Affairs shall  
155 promulgate legislative rules pursuant to the provisions of §29-3-1 *et seq.* of this code specifying  
156 the manner in which the funds are spent, determine the ability of the surviving spouse to pay for  
157 the placement of the marker and setting forth the standards to be used to determine the priority  
158 in which the veterans' grave markers will be placed in the event that there are not sufficient funds  
159 to complete the placement of veterans' grave markers in any one year, or at all. Upon payment in  
160 full of the bonded indebtedness on the veterans memorial, \$100,000 of the one percent of net  
161 terminal income provided in this subdivision shall be deposited in the special fund in the Division  
162 of Culture and History created pursuant to §29-11-3 of this code and be expended by the Division  
163 of Culture and History to establish a West Virginia veterans memorial archives within the Cultural  
164 Center to serve as a repository for the documents and records pertaining to the veterans  
165 memorial, to restore and maintain the monuments and memorial on the capitol grounds: *Provided,*  
166 *however,* That \$500,000 of the one percent of net terminal income shall be deposited in the State  
167 Treasury in a special fund of the Department of Administration, created pursuant to §5A-4-5 of  
168 this code, to be used for construction and maintenance of a parking garage on the State Capitol  
169 Complex; and the remainder of the one percent of net terminal income shall be deposited in equal  
170 amounts in the Capitol Dome and Improvements Fund created pursuant to §5A-4-2 of this code  
171 and Cultural Facilities and Capitol Resources Matching Grant Program Fund created pursuant to  
172 §29-1-3 of this code.

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

174 (i) Five hundred thousand dollars of the one percent of net terminal income shall be  
175 deposited in the State Treasury in a special fund of the Department of Administration, created

176 pursuant to §5A-4-5 of this code, to be used for construction and maintenance of a parking garage  
177 on the State Capitol Complex; and

178 (ii) The remainder of the one percent of net terminal income and all of the one percent of  
179 net terminal income described in §29-22A-10b(a)(9)(B) of this code shall be distributed as follows:  
180 The net terminal income shall be deposited in equal amounts into the Capitol Dome and Capitol  
181 Improvements Fund created pursuant to §5A-4-2 of this code and the Cultural Facilities and  
182 Capitol Resources Matching Grant Program Fund created pursuant to §29-1-3 of this code until  
183 a total of \$1,500,000 is deposited into the Cultural Facilities and Capitol Resources Matching  
184 Grant Program Fund; thereafter, the remainder shall be deposited into the Capitol Dome and  
185 Capitol Improvements Fund.

186 (d) Each licensed racetrack shall maintain in its account an amount equal to or greater  
187 than the gross terminal income from its operation of video lottery machines, to be electronically  
188 transferred by the commission on dates established by the commission. Upon a licensed  
189 racetrack's failure to maintain this balance, the commission may disable all of a licensed  
190 racetrack's video lottery terminals until full payment of all amounts due is made. Interest shall  
191 accrue on any unpaid balance at a rate consistent with the amount charged for state income tax  
192 delinquency pursuant to chapter 11 of this code. The interest shall begin to accrue on the date  
193 payment is due to the commission.

194 (e) The commission's central control computer shall keep accurate records of all income  
195 generated by each video lottery terminal. The commission shall prepare and mail to the licensed  
196 racetrack a statement reflecting the gross terminal income generated by the licensee's video  
197 lottery terminals. Each licensed racetrack shall report to the commission any discrepancies  
198 between the commission's statement and each terminal's mechanical and electronic meter  
199 readings. The licensed racetrack is solely responsible for resolving income discrepancies  
200 between actual money collected and the amount shown on the accounting meters or on the  
201 commission's billing statement.

202 (f) Until an accounting discrepancy is resolved in favor of the licensed racetrack, the  
203 commission may make no credit adjustments. For any video lottery terminal reflecting a  
204 discrepancy, the licensed racetrack shall submit to the commission the maintenance log which  
205 includes current mechanical meter readings and the audit ticket which contains electronic meter  
206 readings generated by the terminal's software. If the meter readings and the commission's  
207 records cannot be reconciled, final disposition of the matter shall be determined by the  
208 commission. Any accounting discrepancies which cannot be otherwise resolved shall be resolved  
209 in favor of the commission.

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

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

223 (i) The commission has the right to examine all accounts, bank accounts, financial  
224 statements, and records in a licensed racetrack's possession, under its control or in which it has  
225 an interest and the licensed racetrack shall authorize all third parties in possession or in control  
226 of the accounts or records to allow examination of any of those accounts or records by the  
227 commission.

228 (j) If a court of competent jurisdiction finds that the provisions of this section as amended  
229 and reenacted in 2021 and the provisions of §29-22A-10d of this code conflict and cannot be  
230 harmonized, the provisions of §29-22A-10d of this code shall control.

**§29-22A-10b. Distribution of excess net terminal income.**

1 (a) For all years beginning on or after July 1, 2001, any amount of net terminal income  
2 generated annually by a licensed racetrack in excess of the amount of net terminal income  
3 generated by that licensed racetrack during the fiscal year ending on June 30, 2001, shall be  
4 divided as follows:

5 (1) The commission shall receive 41 percent of net terminal income, which the commission  
6 shall deposit in the state Excess Lottery Revenue Fund created in §29-22-18a of this code;

7 (2) Until July 1, 2005, eight percent of net terminal income at a licensed racetrack shall be  
8 deposited in the special fund established by the licensee and used for payment of regular purses  
9 in addition to other amounts provided in §19-23-1 *et seq.* of this code; on and after July 1, 2005,  
10 the rate shall be four percent of net terminal income;

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

13 (A) Any amount by which the total amount under this section and §29-22A-10(c)(3) of this  
14 code is in excess of the two percent received during fiscal year 1999 by a county in which a  
15 racetrack is located that has participated in the West Virginia Thoroughbred Development Fund  
16 since on or before January 1, 1999, shall be divided as follows:

17 (i) The county shall receive 50 percent of the excess amount; and

18 (ii) The municipalities of the county shall receive 50 percent of the excess amount, the 50  
19 percent to be divided among the municipalities on a per capita basis as determined by the most  
20 recent decennial United States census of population; and

21 (B) Any amount by which the total amount under this section and §29-22A-10(c)(3) of this  
22 code is in excess of the two percent received during fiscal year 1999 by a county in which a

23 racetrack other than a racetrack described in paragraph (A) of this proviso is located and where  
24 the racetrack has been located in a municipality within the county since on or before January 1,  
25 1999, shall be divided, if applicable, as follows:

26 (i) The county shall receive 50 percent of the excess amount; and

27 (ii) The municipality shall receive 50 percent of the excess amount; and

28 (C) In a county in which a racetrack other than a racetrack described in paragraphs (A) or  
29 (B) of this subdivision is located and where the racetrack has been located within that county  
30 since on or before January 1, 1999, and where the racetrack is not located in a municipality, the  
31 two percent of net terminal income shall be divided, if applicable, as follows:

32 (i) The county shall receive one percent; and

33 (ii) The remaining one percent shall be distributed in equal shares to all municipalities  
34 within the county. Per capita population has no effect on distributions under this paragraph;

35 (4) One half of one percent of net terminal income shall be paid for and on behalf of all  
36 employees of the licensed racing association by making a deposit into a special fund to be  
37 established by the Racing Commission to be used for payment into the pension plan for all  
38 employees of the licensed racing association;

39 (5) (A) The West Virginia Thoroughbred Development Fund created pursuant to §19-23-  
40 13b of this code ~~and the West Virginia Greyhound Breeding Development Fund created pursuant~~  
41 ~~to §19-23-10 of this code shall receive an equal share of a total of not less than one and one-half~~  
42 percent of the net terminal income originating at licensed thoroughbred racetracks;

43 (B) Effective July 1, 2026, the West Virginia Greyhound Breeding Development Fund  
44 created pursuant to §19-23-10 of this code shall receive one and one-half percent of the net  
45 terminal income originating at licensed greyhound tracks;

46 (6) The West Virginia Racing Commission shall receive one percent of the net terminal  
47 income which shall be deposited and used as provided in §19-23-13c of this code;

48 (7) A licensee shall receive 42 percent of net terminal income;

49           (8) The Tourism Promotion Fund established in §5B-2-12 of this code shall receive three  
50 percent of the net terminal income: *Provided*, That for each fiscal year beginning after June 30,  
51 2004, this three percent of net terminal income shall be distributed pursuant to the provisions of  
52 §29-22A-10(c)(8)(B) of this code;

53           (9) (A) On and after July 1, 2005, four percent of net terminal income shall be deposited  
54 into the Workers' Compensation Debt Reduction Fund created in §23-2D-5 of this code: *Provided*,  
55 That in any fiscal year when the amount of money generated by this subdivision together with the  
56 total allocation transferred by the operation of §29-22A-10(c)(9) of this code totals \$11 million, all  
57 subsequent distributions under this subdivision during that fiscal year shall be deposited in the  
58 special fund established by the licensee and used for payment of regular purses in addition to  
59 other amounts provided in §19-23-1 *et seq.* of this code;

60           (B) The deposit of the four percent of net terminal income into the Worker's Compensation  
61 Debt Reduction Fund pursuant to this subdivision shall expire and not be imposed with respect to  
62 these funds, which shall be deposited in the special fund established by the licensee and used  
63 for payment of regular purses in addition to the other amounts provided in §19-23-1 *et seq.* of this  
64 code on and after the first day of the month following the month in which the Governor certifies to  
65 the Legislature that: (i) The revenue bonds issued pursuant to §23-2D-1 *et seq.* of this code have  
66 been retired or payment of the debt service is provided for; and (ii) that an independent certified  
67 actuary has determined that the unfunded liability of the Old Fund, as defined in chapter 23 of this  
68 code, has been paid or provided in its entirety; and

69           (10) (A) One percent of the net terminal income shall be deposited in equal amounts in  
70 the capitol dome and improvements fund created under §5A-4-2 of this code and cultural facilities  
71 and capitol resources matching grant program fund created under §29-1-3 of this code; and

72           (B) Notwithstanding any provision of paragraph (A) of this subdivision to the contrary, for  
73 each fiscal year beginning after June 30, 2004, this one percent of net terminal income shall be  
74 distributed pursuant to the provisions of §29-22A-10(c)(9)(B)(ii) of this code.

75           (b) The commission may establish orderly and effective procedures for the collection and  
76 distribution of funds under this section in accordance with the provisions of this section and §29-  
77 22A-10 of this code.