

**H. B. 3197**

(By Delegate Doyle)

[Introduced February 18, 2011; referred to the  
Committee on the Judiciary then Finance.]

10 A BILL to amend the Code of West Virginia, 1931, as amended, by  
11 adding thereto a new section, designated §19-23-12d, relating  
12 to licensing of out-of-state simulcasting facilities;  
13 providing for the assessment of source market fees; providing  
14 for the distribution of seventy-five percent of those fees to  
15 the live flat track permittees in this state on a number of  
16 live days basis, to be used to enhance purses at those tracks;  
17 providing for the distribution of ten percent of those fees to  
18 in-state West Virginia simulcast permittees, weighted by the  
19 annual simulcast handle other than the advanced deposit  
20 wagering handle; providing for the distribution of ten percent  
21 of those fees to the Thoroughbred Development Fund; and  
22 providing for the distribution of five percent of those fees  
23 to the Racing Commission for administrative expenses.

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

25 That the Code of West Virginia, 1931, as amended, be amended

1 by adding thereto a new section, designated §19-23-12d, to read as  
2 follows:

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

4 **§19-23-12d. Licensing of out-of-state simulcasting facilities.**

5 (a) As used in this section:

6 (1) "Out-of-state simulcast facility" means a track or other  
7 facility, located within a jurisdiction other than West Virginia,  
8 at which pari-mutuel wagers are placed, accepted or distributed,  
9 either in person or electronically, on simulcast races pursuant to  
10 proper authorization under the laws of that jurisdiction;

11 (2) "Source market fee" means a license fee, assessed by the  
12 Racing Commission pursuant to subsection (b) of this section,  
13 payable by out-of-state simulcast facilities that conduct pari-  
14 mutuel wagering on simulcast races and that accept wagers from West  
15 Virginia residents by telephone or other electronic means at those  
16 facilities.

17 (b) The Racing Commission may license, regulate and charge a  
18 source market fee to persons outside of West Virginia who conduct  
19 pari-mutuel wagering on simulcast races and who accept wagers from  
20 West Virginia residents at out-of-state simulcast facilities, and  
21 shall require out-of-state simulcast facilities licensed under this  
22 section to be maintained and operated in accordance with the laws  
23 of this state and rules of the commission. Source market fees  
24 imposed on persons licensed under this subsection shall not exceed  
25 ten percent of the gross receipts of all pari-mutuel wagering by

1 West Virginia residents conducted by such persons at out-of-state  
2 simulcast facilities. Source market fees collected annually under  
3 this subsection shall be distributed as follows:

4 (1) Seventy-five percent to the live flat track permittees in  
5 this state on a number of live days basis, to be used to enhance  
6 purses at those tracks;

7 (2) Ten percent to in-state West Virginia simulcast  
8 permittees, weighted by the annual simulcast handle other than the  
9 advanced deposit wagering handle;

10 (3) Ten percent to the Thoroughbred Development Fund created  
11 in section thirteen-b of this article; and

12 (4) Five percent to the Racing Commission for administrative  
13 expenses.

NOTE: The purpose of this bill is to provide for licensing of out-of-state simulcast facilities that conduct pari-mutuel wagering on simulcast races and that accept wagers from West Virginia residents by telephone or other electronic means at those facilities. The bill allows the Racing Commission to charge source marketing fees on the gross receipts of pari-mutuel wagering by West Virginia residents conducted at those facilities, and provides for the distribution of those fees.

This section is new; therefore, it has been completely underscored.