

H. B. 2841

(By Delegates Gearheart, Ferro, Householder and R. Phillips)

[Introduced February 20, 2015; referred to the

Committee on the Judiciary.]

A BILL to amend and reenact §29-22B-503 and §29-22B-504 of the Code of West Virginia, 1931, as amended, all relating to allowing a person to be both a limited video lottery operator and retailer.

Be it enacted by the Legislature of West Virginia:

That §29-22B-503 and §29-22B-504 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

ARTICLE 22B. LIMITED VIDEO LOTTERY.

§29-22B-503. Additional qualifications for an applicant for an operator’s license.

(a) No operator’s license or license renewal may be granted unless the Lottery Commission has determined that, in addition to the general requirements set forth in section five hundred two of this article, the applicant satisfies all of the following qualifications:

(1) (A) If the applicant is an individual, the applicant has been a citizen of the United States and a resident of this state for the four-year period immediately preceding the application; or

1 (B) If the applicant is a corporation, partnership or other business entity, the chief executive
2 officer and the majority of the officers, directors, members and partners (to the extent each of these
3 groups exists with respect to a particular business organization), both in number and percentage of
4 ownership interest, have been citizens of the United States and residents of this state for the four-year
5 period immediately preceding the application.

6 (2) The applicant has demonstrated the training, education, business ability and experience
7 necessary to establish, operate and maintain the business for which the license application is made;

8 (3) The applicant has secured any necessary financing for the business for which the license
9 application is made, and the financing: (A) Is from a source that meets the qualifications of this
10 section; and (B) is adequate to support the successful performance of the duties and responsibilities
11 of the licensee. A licensee shall request commission approval of any change in financing or leasing
12 arrangements at least thirty days before the effective date of the change;

13 (4) The applicant has disclosed all financing or refinancing arrangements for the purchase,
14 lease or other acquisition of video lottery terminals and associated equipment in the degree of detail
15 requested by the Lottery Commission;

16 (5) The applicant has filed with the Lottery Commission a copy of any current or proposed
17 agreement between the applicant and any manufacturer for the sale, lease or other assignment to the
18 operator of video lottery terminals, the electronic computer components of the terminals, the random
19 number generators of the terminals, or the cabinets in which they are housed; and

20 (6) The applicant does not hold any other license under this article, article ~~19-23-1, et seq.~~
21 twenty-three, chapter nineteen of this code, or articles twenty-two, twenty-two-a or twenty-five of
22 this chapter, except that an applicant may also be licensed as a service technician or limited video

1 lottery retailer, or both.

2 (b) (1) A person or a member of his or her immediate family who has an ownership interest
3 in a business entity that submits an application for an operator's license may not: (A) Submit an
4 application for another operator's license as an individual; (B) serve as an officer, director, member
5 or partner of a business entity that submits an application for another operator's license; or (C) have
6 an ownership interest in any other business entity that submits an application for an operator's
7 license.

8 (2) Business entities that have common owners or common officers, directors, members or
9 partners may not hold more than one operator's license.

10 **§29-22B-504. Additional qualifications for an applicant for a limited video lottery retailer's**
11 **license.**

12 No limited video lottery retailer's license or license renewal may be granted unless the
13 Lottery Commission has determined that, in addition to the general requirements set forth in section
14 five hundred two of this article, the applicant satisfies all of the following qualifications:

15 (1)(A) If the applicant is an individual, the applicant has been a citizen of the United States
16 and a resident of this state for the four-year period immediately preceding the application;

17 (B) If the applicant is a corporation, partnership or other business entity, the chief executive
18 officer and the majority of the officers, directors, members and partners (to the extent each of these
19 groups exists with respect to a particular business organization), both in number and percentage of
20 ownership interest, have been citizens of the United States and residents of this state for the four-year
21 period immediately preceding the application;

22 (2) The applicant has disclosed to the Lottery Commission the identity of each person who

1 has control of the applicant, as control is described in section five hundred seven of this article;

2 (3) The applicant holds either: (A) A valid license issued under article ~~60-7-1, et seq.~~, seven,
3 chapter sixty of this code to operate a private club; (B) a valid Class A license issued under article
4 ~~11-16-1, et seq.~~, sixteen, chapter eleven of this code to operate a business where nonintoxicating beer
5 is sold for consumption on the premises; or (C) both licenses;

6 (4) The applicant has demonstrated the training, education, business ability and experience
7 necessary to establish, operate and maintain the business for which the license application is made;

8 (5) The applicant has secured any necessary financing for the business for which the license
9 application is made and the financing: (A) Is from a source that meets the qualifications of this
10 section; and (B) is adequate to support the successful performance of the duties and responsibilities
11 of the licensee;

12 (6) The applicant has disclosed all financing or refinancing arrangements for placement on
13 the applicant's premises of video lottery terminals and associated equipment in the degree of detail
14 requested by the Lottery Commission;

15 (7) The applicant has filed with the Lottery Commission a copy of any current or proposed
16 agreement between the applicant and a licensed operator for the placement on the applicant's
17 premises of video lottery terminals;

18 (8) The applicant has filed with the Lottery Commission a copy of any current or proposed
19 agreement between the applicant and a licensed operator or other person for the servicing and
20 maintenance of video lottery terminals by licensed service technicians; and

21 (9) The applicant does not hold any other license under this article, article ~~19-23-1, et seq.~~,
22 twenty-three, chapter nineteen of this code or articles twenty-two-a or twenty-five of this chapter

1 except that an applicant may also be licensed as a service technician or operator, or both.

NOTE: The purpose of this bill is to allow a person to be both a limited video lottery operator and retailer.

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