

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

Senate Bill 466

BY SENATORS BLAIR, TRUMP AND PALUMBO

[Introduced February 28, 2017; referred
to the Committee on Finance]

1 A BILL to amend and reenact §29-22B-1408 of the Code of West Virginia, 1931, as amended,
2 relating to calculation of the state's share of gross terminal income; and fixing the state's
3 share at fifty percent.

Be it enacted by the Legislature of West Virginia:

1 That §29-22B-1408 of the Code of West Virginia, 1931, as amended, be amended and
2 reenacted to read as follows:

ARTICLE 22B. LIMITED VIDEO LOTTERY.

§29-22B-1408. Distribution of state's share of gross terminal income.

1 (a) The state's share of gross terminal income is calculated as follows:

2 (1) The commission shall deposit two percent of gross terminal income into the State
3 Lottery Fund for the commission's costs and expenses incurred in administering this article. From
4 this amount, not less than \$150,000 nor more than \$1,000,000 per fiscal year, as determined by
5 the commission each year, shall be transferred to the Compulsive Gambling Treatment Fund
6 created in section nineteen, article twenty-two-a of this chapter. In the event that the percentage
7 allotted under this subsection for the commission's costs and expenses incurred in administering
8 this article generates a surplus, the surplus shall be allowed to accumulate to an amount not to
9 exceed \$250,000. On a monthly basis, the director shall report to the Joint Committee on
10 Government and Finance of the Legislature any surplus in excess of \$250,000 and remit to the
11 State Treasurer the entire amount of those surplus funds in excess of \$250,000 to be deposited
12 in the fund established in section eighteen-a, article twenty-two of this chapter: *Provided*, That at
13 the close of each of the fiscal years ending June 30, 2006, 2007, 2008, 2009, 2010 and 2011, the
14 portion of the two percent allowance for administrative expenses provided in this subdivision that
15 remains unspent for costs and expenses incurred in administering this article, not to exceed
16 \$20,000,000 in any fiscal year, shall be transferred to the Revenue Center Construction Fund
17 created by subsection (l), section eighteen, article twenty-two of this chapter for the purpose of
18 constructing a state office building.

19 (2) Gross profits are determined by deducting the percentage described in subdivision (1)
20 of this subsection, from gross terminal income.

21 (3) The commission shall receive thirty percent of gross profits as defined in subdivision
22 (2) of this subsection except as otherwise provided in this subdivision. On June 1, 2002, the
23 commission shall calculate the aggregate average daily gross terminal income for all operating
24 video lottery terminals during the preceding three-month period. Thereafter, the commission shall
25 make the calculation on the first day of the month preceding the months of October, January, April
26 and July of each year. So long as the aggregate average gross terminal income per day for the
27 operating video lottery terminals does not exceed \$60, the commission's share of gross profits
28 shall continue to be thirty percent for the succeeding quarter of the year beginning July 1.
29 Beginning on July 1, 2002, and the first days of October, January, April and July in 2002 and
30 thereafter, if the commission's calculation of aggregate average daily gross terminal income per
31 video lottery terminal yields an amount greater than \$60, one of the following schedules apply: If
32 the amount is greater than \$60 per day but not greater than \$80 per day, the commission's share
33 of gross profits for the ensuing quarter beginning the first day of the quarter of the year described
34 in this subdivision shall be thirty-four percent; if the amount is greater than \$80 per day but not
35 greater than \$100 per day, the commission's share of gross profits for the ensuing quarter
36 beginning the first day of the quarter of the year described in this subdivision shall be thirty-eight
37 percent; if the amount is greater than \$100 per day but not greater than \$120 per day, the
38 commission's share of gross profits for the ensuing quarter beginning the first day of the quarter
39 of the year described in this subdivision shall be forty-two percent; if the amount is greater than
40 \$120 per day but not greater than \$140 per day, the commission's share of gross profits for the
41 ensuing quarter beginning the first day of the quarter of the year described in this subdivision shall
42 be forty-six percent; if the amount is greater than \$140 per day, the commission's share of gross
43 profits for the ensuing quarter beginning the first day of the quarter of the year described in this
44 subdivision shall be fifty percent: Provided, That effective July 1, 2017, the commission's share

45 of gross profits shall be fifty percent. This amount shall be known as net terminal income.

46 (b) Net terminal income shall be distributed by the commission as follows:

47 (1)(A) Beginning July 1, 2002, a county and the incorporated municipalities within that
48 county shall receive two percent of the net terminal income generated by limited video lottery
49 terminals located within the county;

50 (B) From this two percent of net terminal income, each municipality shall receive a share
51 that bears the same proportion to the total two percent of net terminal income as the population
52 of the municipality bears to the total population of the county as determined by the most recent
53 decennial United States census of population, and the county shall receive the remaining portion
54 of the two percent of net terminal income; and

55 (2) Any remaining funds shall be deposited into the State Excess Lottery Revenue Fund
56 established in section eighteen-a, article twenty-two of this chapter.

57 (c) The licensed operators and limited video lottery retailers shall receive the balance of
58 gross terminal income remaining after deduction of the state's share as calculated pursuant to
59 this section.

NOTE: The purpose of this bill is to fix the state share of gross profits from limited video lottery revenues at 50% beginning July 1, 2017.

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