

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 2694

By Delegate Criss

[Introduced February 20, 2025; referred to the
Committee on Finance]

1 A BILL to amend and reenact §29-22B-1408 the Code of West Virginia, 1931, as amended,
2 relating to the amount deposited into the State Lottery Fund for costs and expenses of
3 administering the article.

Be it enacted by the Legislature of West Virginia:

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 million per fiscal year, as determined by the
5 commission each year, shall be transferred to the Compulsive Gambling Treatment Fund created
6 in §29-22A-19 of this code. In the event that the percentage allotted under this subsection for the
7 commission's costs and expenses incurred in administering this article generates a surplus, the
8 surplus shall be allowed to accumulate to an amount not to exceed \$250,000. On a monthly basis,
9 the director shall report to the Joint Committee on Government and Finance of the Legislature any
10 surplus in excess of \$250,000 and remit to the State Treasurer the entire amount of those surplus
11 funds in excess of \$250,000 to be deposited in the fund established in §29-22-18a of this code:
12 *Provided*, That at the close of each of the fiscal years ending June 30, 2006, 2007, 2008, 2009,
13 2010 and 2011, the portion of the two percent allowance for administrative expenses provided in
14 this subdivision (1) that remains unspent for costs and expenses incurred in administering this
15 article, not to exceed \$20 million in any fiscal year, shall be transferred to the Revenue Center
16 Construction Fund created by §29-22-18(l) of this code for the purpose of constructing a state
17 office building.

18 (2) Notwithstanding the provisions of subdivision (1), beginning July 1, 2026, the
19 commission shall deposit 2% of gross terminal income into the State Lottery Fund for the
20 commission's costs and expenses incurred in administering this article if the gross terminal

21 income from the preceding fiscal year is between \$0 and \$300,000,000, inclusive; the commission
22 shall deposit 1.5% of gross terminal income into the State Lottery Fund for the commission's costs
23 and expenses incurred in administering this article if the gross terminal income from the preceding
24 fiscal year is between \$300,000,000 and \$400,000,000, inclusive; and the commission shall
25 deposit 1% of gross terminal income into the State Lottery Fund for the commission's costs and
26 expenses incurred in administering this article if the gross terminal income from the preceding
27 fiscal year is over \$400,000,000.

28 ~~(2)~~(3) Gross profits are determined by deducting the percentage described in subdivision
29 (1) or subdivision (2) of this subsection, from gross terminal income.

30 ~~(3)~~(4) The commission shall receive 30 percent of gross profits as defined in subdivision
31 ~~(2)~~(3) of this subsection except as otherwise provided in this subdivision. On June 1, 2002, the
32 commission shall calculate the aggregate average daily gross terminal income for all operating
33 video lottery terminals during the preceding three month period. Thereafter, the commission shall
34 make the calculation on the first day of the month preceding the months of October, January, April,
35 and July of each year. So long as the aggregate average gross terminal income per day for the
36 operating video lottery terminals does not exceed \$60, the commission's share of gross profits
37 shall continue to be 30 percent for the succeeding quarter of the year beginning July 1. Beginning
38 on July 1, 2002 and the first days of October, January, April, and July in 2002 and thereafter, if the
39 commission's calculation of aggregate average daily gross terminal income per video lottery
40 terminal yields an amount greater than \$60, one of the following schedules apply: If the amount is
41 greater than \$60 per day but not greater than \$80 per day, the commission's share of gross profits
42 for the ensuing quarter beginning the first day of the quarter of the year described in this
43 subdivision shall be 34 percent; if the amount is greater than \$80 per day but not greater than \$100
44 per day, the commission's share of gross profits for the ensuing quarter beginning the first day of
45 the quarter of the year described in this subdivision shall be 38 percent; if the amount is greater
46 than \$100 per day but not greater than \$120 per day, the commission's share of gross profits for

the ensuing quarter beginning the first day of the quarter of the year described in this subdivision shall be 42 percent; if the amount is greater than \$120 per day but not greater than \$140 per day, the commission's share of gross profits for the ensuing quarter beginning the first day of the quarter of the year described in this subdivision shall be 46 percent; if the amount is greater than \$140 per day, the commission's share of gross profits for the ensuing quarter beginning the first day of the quarter of the year described in this subdivision shall be 50 percent: *Provided*, That effective July 1, 2019, the commission's share of gross profits shall be 50 percent. This amount shall be known as net terminal income.

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

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

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

(2) Any remaining funds shall be deposited into the state excess lottery revenue fund established in §29-22-18a of this code.

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

NOTE: The purpose of this bill is to change the amount of money deposited into the State Lottery Fund for administrative costs of the Lottery Commission from 2% to between 2% and 1% depending on the preceding year's gross terminal income.

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