

# **WEST VIRGINIA LEGISLATURE**

**2025 REGULAR SESSION**

**Engrossed**

**Committee Substitute**

**for**

**Senate Bill 576**

BY SENATOR BARRETT

[Reported March 26, 2025, from the Committee on

Finance]



1 A BILL to amend and reenact §29-22D-3 and §29-22D-4 of the Code of West Virginia, 1931, as  
2 amended; and to amend the code by adding five new sections, designated §29-22D-15a,  
3 §29-22D-17a, §29-22D-17b, §29-22D-17c, and §29-22D-25, relating to fixed odds racing;  
4 authorizing fixed odds racing in horse and dog racing; defining terms; creating a special  
5 revenue account entitled Fixed Odds Horse Racing Wagering Purse Supplement Fund;  
6 providing for administration of the fund; providing for distribution of certain proceeds into  
7 the fund; providing for use of the funds; allowing funds to be invested; providing for  
8 distribution of funds; creating a special revenue account entitled Fixed Odds Dog Racing  
9 Wagering Purse Supplement Fund; providing for administration of the fund; providing for  
10 distribution of certain proceeds into the fund; providing for use of the funds; allowing funds  
11 to be invested; providing for distribution of funds; precluding certain individuals from  
12 wagering; making conforming amendments; and making technical corrections.

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

## **ARTICLE 22D. WEST VIRGINIA LOTTERY SPORTS WAGERING ACT.**

### **§29-22D-3. Definitions.**

1 For the purposes of this article, the following terms have the meanings ascribed to them  
2 in this section:

3 ~~(1)~~ "Adjusted gross sports wagering receipts" means an operator's gross sports wagering  
4 receipts from West Virginia Lottery sports wagering, less winnings paid to wagerers in such  
5 games.

6 ~~(2)~~ "Collegiate sport or athletic event" means a sport or athletic event offered or sponsored  
7 by, or played in connection with, a public or private institution that offers educational services  
8 beyond the secondary level.

9 ~~(3)~~ "Commission" or "State Lottery Commission" means the West Virginia Lottery  
10 Commission, created by §29-22-1 *et seq.* of this code.

11           ~~(4)~~ "Director" means the Director of the West Virginia State Lottery Commission, appointed  
12 pursuant to §29-22-6 of this code.

13           ~~(5)~~ "E-sports event" means leagues, competitive circuits, tournaments, or similar  
14 competitions where individuals or teams play video games, typically for spectators, either in  
15 person or online, for the purpose of prizes, money, or entertainment.

16           "Fixed odds wager on dog racing" means a sum of money or representation of value risked  
17 by a player on an occurrence associated with a sports event involving dog races for which the  
18 outcome is uncertain. The term includes single-race bets, teaser bets, moneyline bets, in-race  
19 wagering, proposition bets, straight bets, parlays, or any other wager type approved by the West  
20 Virginia Lottery.

21           "Fixed odds wager on horse racing" means a sum of money or representation of value  
22 risked by a player on an occurrence associated with a sports event involving racehorses for which  
23 the outcome is uncertain. The term includes single-race bets, teaser bets, moneyline bets, in-race  
24 wagering, proposition bets, straight bets, parlays, or any other wager type approved by the West  
25 Virginia Lottery.

26           "Fixed odds wagering on dog racing" means the acceptance of wagers on a sports event  
27 of live dog racing with predetermined odds. Fixed odds wagering on horse or dog races shall only  
28 occur as provided in this article. Fixed odds wagers on dog racing may be combined with other  
29 wagers on other sports events as authorized in this article.

30           "Fixed odds wagering on horse racing" means the acceptance of wagers on a sports event  
31 of live horse racing with predetermined odds. Fixed odds wagering on horse racing shall only  
32 occur as provided in this article. Fixed odds wagers on horse or dog races may be combined with  
33 other wagers on other sports events as authorized in this article.

34           ~~(6)~~ "Gaming equipment" or "sports wagering equipment" means any mechanical,  
35 electronic, or other device, mechanism, or equipment, and related supplies used or consumed in

36 the operation of West Virginia Lottery sports wagering at a licensed gaming facility including, but  
37 not limited to, a kiosk installed to accept sports wagers.

38 ~~(7)~~ "Gaming facility" means a designated area on the premises of an existing historic resort  
39 hotel, licensed under §29-25-1 *et seq.* of this code, to operate video lottery and table games or  
40 the facility of an entity authorized to operate racetrack video lottery machines pursuant to §29-  
41 22A-1 *et seq.* of this code.

42 ~~(8)~~ "Government" means any governmental unit of a national, state, or local body  
43 exercising governmental functions, other than the United States government.

44 ~~(9)~~ "Gross sports wagering receipts" means the total gross receipts received by a licensed  
45 gaming facility from sports wagering.

46 ~~(10)~~ "License" means any license applied for or issued by the commission under this article  
47 including, but not limited to:

48 (A) A license to act as agent of the commission in operating West Virginia Lottery sports  
49 wagering at a licensed gaming facility (operator license or West Virginia Lottery sports wagering  
50 license);

51 (B) A license to supply a gaming facility licensed under this article to operate sports  
52 wagering with sports wagering equipment or services necessary for the operation of sports  
53 wagering (supplier license);

54 (C) A license to be employed at a racetrack or gaming facility licensed under this article to  
55 operate West Virginia Lottery sports wagering when the employee works in a designated gaming  
56 area that has sports wagering or performs duties in furtherance of or associated with the operation  
57 of sports wagering at the licensed gaming facility (occupational license); or

58 (D) A license to provide management services under a contract to a gaming facility  
59 licensed under this article to operate sports wagering (management services provider license).

60 ~~(14)~~ "Licensed gaming facility" means a designated area on the premises of an existing  
61 historic resort hotel, pursuant to §29-25-1 *et seq.* of this code, or the facility of an entity authorized

62 to operate racetrack video lottery machines, pursuant to §29-22A-1 *et seq.* of this code licensed  
63 under this article to conduct West Virginia Lottery sports wagering.

64 ~~(12)~~ "Lottery" means the public gaming systems or games regulated, controlled, owned,  
65 and operated by the State Lottery Commission in the manner provided by general law, as provided  
66 in this article, §29-22-1 *et seq.*, §29-22A-1 *et seq.*, §29-22B-1 *et seq.*, §29-22C-1 *et seq.*, and  
67 §29-25-1 *et seq.* of this code.

68 ~~(13)~~ "National criminal history background check system" means the criminal history  
69 record system maintained by the Federal Bureau of Investigation based on fingerprint  
70 identification or any other method of positive identification.

71 ~~(14)~~ "Operator" means a licensed gaming facility which has elected to operate a sports  
72 pool and other authorized West Virginia Lottery sports wagering activities.

73 ~~(15)~~ "Professional sport or athletic event" means an event at which two or more persons  
74 participate in sports or athletic events and receive compensation in excess of actual expenses for  
75 their participation in such event.

76 ~~(16)~~ "Sports event" or "sporting event" means any professional sport or athletic event, any  
77 collegiate sport or athletic event, motor race event, e-sports event, or any other special event  
78 authorized by the commission under this article. A "sports event" or "sporting event" includes  
79 "horse racing" or "dog racing" as defined in §19-23-3 of this code for the purpose of conducting  
80 "fixed odds wagering on horse racing" or "fixed odds wagering on dog racing" as defined in this  
81 article.

82 ~~(17)~~ "Sports pool" means the business of accepting wagers on any sports event by any  
83 system or method of wagering.

84 ~~(18)~~ "Sports wagering account" means a financial record established by a licensed gaming  
85 facility for an individual patron in which the patron may deposit and withdraw funds for sports  
86 wagering and other authorized purchases, and to which the licensed gaming facility may credit  
87 winnings or other amounts due to that patron or authorized by that patron.

88           ~~(19)~~ "Sports wagering agreement" means a written agreement between the commission  
89 and one or more other governments whereby persons who are physically located in a signatory  
90 jurisdiction may participate in sports wagering conducted by one or more operators licensed by  
91 the signatory governments.

92           ~~(20)~~ "Sports Wagering Fund" means the special fund in the State Treasury created in §29-  
93 22D-17 of this code.

94           ~~(24)~~ "Supplier" means a person that requires a supplier license to provide a sports  
95 wagering licensee with goods or services to be used in connection with operation of West Virginia  
96 Lottery sports wagering.

97           ~~(22)~~ "Wager" means a sum of money or thing of value risked on an uncertain occurrence.

98           ~~(23)~~ "West Virginia Lottery sports wagering" or "sports wagering" means the business of  
99 accepting wagers on sporting events, and other events, the individual performance statistics of  
100 athletes in a sporting event or other events, or a combination of any of the same by any system  
101 or method of wagering approved by the commission including, but not limited to, mobile  
102 applications and other digital platforms that utilize communications technology to accept wagers  
103 originating within this state. The term includes, but is not limited to, exchange wagering, parlays,  
104 over-under, moneyline, pools, fixed odds wagering on horse racing, fixed odds wagering on dog  
105 racing, and straight bets. The term does not include:

106           (A) Pari-mutuel betting on the outcome of horse or dog races authorized by §19-23-12a  
107 and §19-23-12d of this code;

108           (B) Lottery games of the West Virginia State Lottery authorized by §29-22-1 *et seq.* of this  
109 code;

110           (C) Racetrack video lottery authorized by §29-22A-1 *et seq.* of this code;

111           (D) Limited video lottery authorized by §29-22B-1 *et seq.* of this code;

112           (E) Racetrack table games authorized by §29-22C-1 *et seq.* of this code;

113           (F) Video lottery and table games authorized by §29-25-1 *et seq.* of this code; and

114 (G) Daily Fantasy Sports (DFS).

115 ~~(24)~~ "West Virginia Lottery sports wagering license" means authorization granted under  
116 this article by the commission to a gaming facility that is already licensed under §29-22A-1 *et seq.*  
117 or §29-25-1 *et seq.* of this code, which permits the gaming facility as an agent of the commission  
118 to operate West Virginia Lottery sports wagering in one or more designated areas or in one or  
119 more buildings owned by the licensed gaming facility on the grounds where video lottery is  
120 conducted by the licensee or through any other authorized platform developed by the gaming  
121 facility. This term is synonymous with "operator's license".

**§29-22D-4. Commission duties and powers.**

1 (a) In addition to the duties set forth elsewhere in this article, §29-22-1 *et seq.*, §29-22A-  
2 1 *et seq.*, §29-22B-1 *et seq.*, §29-22C-1 *et seq.*, and §29-25-1 *et seq.* of this code, the commission  
3 may regulate sports pools and the conduct of sports wagering under this article.

4 (b) The commission shall examine the regulations implemented in other states where  
5 sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework  
6 through promulgation of rules.

7 (c) The commission may, pursuant to §29A-1-1 *et seq.* and §29A-3-1 *et seq.* of this code,  
8 promulgate or otherwise enact any legislative, interpretive, and procedural rules the commission  
9 considers necessary for the successful implementation, administration, and enforcement of this  
10 article.

11 (1) Rules promulgated by the commission may include, but are not limited to, those  
12 governing the acceptance of wagers on a sports event or a series of sports events; acceptance  
13 of fixed odds wagering on horse racing or dog racing; maximum wagers which may be accepted  
14 by an operator from any one patron on any one sports event; type of wagering tickets which may  
15 be used; method of issuing tickets; method of accounting to be used by operators; types of records  
16 which shall be kept; use of credit and checks by patrons; type of system for wagering; protections  
17 for patrons placing wagers; and promotion of social responsibility, responsible gaming, and

18 inclusion of the statement, "If you or someone you know has a gambling problem and wants help,  
19 call 1-800 GAMBLER," , in every designated area approved for sports wagering and on any mobile  
20 application or other digital platform used to place wagers.

21 (2) The commission shall establish minimum internal control standards (MICS) and  
22 approve minimum internal control standards proposed by licensed operators for administration of  
23 sports wagering operations, wagering equipment and systems, or other items used to conduct  
24 sports wagering, as well as maintenance of financial records and other required records.

25 (d) The commission shall propose a rule for legislative approval in accordance with the  
26 provisions of §29A-3-1 *et seq.* of this code that enumerates the reasons for which patrons of  
27 sports gaming may be banned from engaging in sports betting. The list of reasons for which  
28 patrons may be banned shall include, but not be limited to:

29 (1) A prior conviction under §61-2-15a of this code;

30 (2) A prior violation of an order of the commission; or

31 (3) If the commission determines that the person poses a threat to the safety of patrons  
32 or participants in a sporting event or determines that the person has engaged in a pattern of  
33 conduct of harassing a sports official, coach, or any participants.

34 (e) The rule shall also set forth the procedure by which complaints against patrons are  
35 lodged with and investigated by the commission. The commission shall notify a patron of the  
36 commission's intent to ban the patron from sports betting, and the patron is entitled to a hearing  
37 before the commission pursuant to §29A-5-1 *et seq.* of this code.

38 (f) The commission shall determine the eligibility of a person to hold or continue to hold a  
39 license, shall issue all licenses, and shall maintain a record of all licenses issued under this article.

40 (g) The commission shall levy and collect all fees, surcharges, civil penalties, and weekly  
41 tax on adjusted gross sports wagering receipts imposed by this article, and deposit all moneys  
42 into the sports wagering fund, except as otherwise provided under this article.

43 (h) The commission may sue to enforce any provision of this article or any rule of the  
44 commission by civil action or petition for injunctive relief.

45 (i) The commission may hold hearings, administer oaths, and issue subpoenas or  
46 subpoenas duces tecum: *Provided*, That all hearings shall be conducted pursuant to the  
47 provisions of the State Administrative Procedures Act, §29A-2-1, *et seq.* of this code and the  
48 Lottery Administrative Appeal Procedures, W.Va. CSR §179-2-1, *et seq.*

49 (j) The commission may exercise any other powers necessary to effectuate the provisions  
50 of this article and the rules of the commission.

**§29-22D-15a. Fixed odds wagering on horse racing or dog racing.**

1 (a) Fixed odds wagering on horse racing or dog racing is hereby authorized. Acceptance  
2 of fixed odds wagering on horse racing or dog racing shall only be conducted by a licensed  
3 operator, licensed gaming facility, or management services provider, as defined in this article.

4 (b) Any content authorized for fixed odds wagering on horse races from outside of West  
5 Virginia to be offered for wagering by a licensed operator, licensed gaming facility, or  
6 management services provider, shall comply with the Interstate Horseracing Act of 1978, 15  
7 U.S.C. 3001, et seq.

8 (c) Any content authorized for fixed odds wagering on horse races from West Virginia, or  
9 fixed odds wagering on dog races from West Virginia, to be offered for wagering by a licensed  
10 operator, licensed gaming facility, or management services provider, shall require the consent of  
11 the host racetrack and recognized horsemen's group for horse races.

**§29-22D-17a. Fixed Odds Horse Racing Wagering Purse Supplement Fund creation;**  
**distribution of funds.**

1 (a) There is hereby created within the State Treasury a fund known as the West Virginia  
2 Lottery Fixed Odds Horse Racing Wagering Purse Supplement Fund. The fund shall be  
3 administered by the Director of the West Virginia Lottery.

4           (b) Ten percent of the licensee's adjusted gross wagering receipts from fixed odds  
5 wagering on horse racing shall be collected in the same manner as prescribed by §29-22D-16 of  
6 this code. The funds shall be distributed as follows:

7           (1) Of the 10 percent collected from the licensee's gross wagering receipts from fixed  
8 odds wagers on horse races excluding parlays, 25 percent of such collections shall be deposited  
9 into the West Virginia Lottery Fixed Odds Horse Racing Wagering Purse Supplement Fund  
10 created by this section.

11           (2) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds  
12 wagers on horse races excluding parlays, 25 percent of such collections shall be collected and  
13 distributed equally among the licensed thoroughbred racetracks in this state.

14           (3) Of the 10 percent collected from the licensee's gross wagering receipts from parlays,  
15 25 percent of the portion of such collections wagered on horse race events in the parlays shall be  
16 deposited into the West Virginia Lottery Fixed Odds Horse Racing Wagering Purse Supplement  
17 Fund created by this section. For the avoidance of doubt, only the horse racing portion(s) of any  
18 parlay bet shall be included in this calculation.

19           (4) Of the 10 percent collected from the licensee's gross wagering receipts from parlays,  
20 25 percent of the portion of such collections wagered on horse race events in the parlays shall be  
21 collected and distributed equally among licensed thoroughbred racetracks in this state. For the  
22 avoidance of doubt, only the horse racing portion(s) of any parlay bet shall be included in this  
23 calculation.

24           (c) All moneys collected under this section by the West Virginia Lottery from fixed odds  
25 wagering on horse racing shall be deposited with the State Treasurer in the West Virginia Lottery  
26 Fixed Odds Horse Racing Wagering Purse Supplement Fund. The fund shall be an interest-  
27 bearing account with all interest or other return earned on the money of the fund credited to and  
28 deposited in the fund. All expenses of the West Virginia Lottery incurred in the administration and

29 enforcement of this article shall be paid from the sports wagering fund pursuant to §29-22D-17(b)  
30 of this code.

31 (d) Moneys in the fund shall be invested by the State Treasurer in the same manner as  
32 moneys in the state general fund. Interest earned on the investments of moneys in the fund shall  
33 be deposited in and credited to the fund.

34 (e) Within 30 days of the beginning of each fiscal year, 50 percent of the amount of moneys  
35 in the fund shall be distributed into the special funds created by thoroughbred racetrack licensees  
36 to be used for the payment of regular purses offered for thoroughbred racing and established  
37 under §19-23-9(b)(1) of this code, and 50 percent shall be distributed equally among licensed  
38 thoroughbred racetracks in this state.

39 (f) In distributing the funds collected into the special funds of the thoroughbred racetrack  
40 licensees to be used for the payment of regular purses offered for thoroughbred racing  
41 established under §19-23-9(b)(1) of this code, the State Treasurer shall allocate proportionally  
42 based upon the total handle, or amount wagered, at each licensed thoroughbred racetrack, as  
43 calculated annually by the West Virginia Racing Commission, for the preceding calendar year.

**§29-22D-17b. Fixed Odds Dog Racing Wagering Purse Supplement Fund creation;**  
**distribution of funds.**

1 (a) There is hereby created in the State Treasury a fund known as the West Virginia Lottery  
2 Fixed Odds Dog Racing Wagering Purse Supplement Fund. The fund shall be administered by  
3 the Director of the West Virginia Lottery.

4 (b) Ten percent of the licensee's adjusted gross wagering receipts from fixed odds  
5 wagering on dog racing shall be collected in the same manner as prescribed by §29-22D-16 of  
6 this code. The funds shall be distributed as follows:

7 (1) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds  
8 wagers on dog races, excluding parlays, 25 percent of such collections shall be deposited into

9 the West Virginia Lottery Fixed Odds Dog Racing Wagering Purse Supplement Fund established  
10 by this section.

11 (2) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds  
12 wagers on dog races excluding parlays, 25 percent of such collections shall be collected and  
13 distributed equally among the licensed dog racetracks in this state.

14 (3) Of the 10 percent collected from the licensee's gross wagering receipts from fixed odds  
15 wagers on dog races from parlays, 25 percent of the portion of such collections wagered on dog  
16 race events in the parlays shall be deposited into the West Virginia Lottery Fixed Odds Dog  
17 Racing Wagering Purse Supplement Fund created by this section. For the avoidance of doubt,  
18 only the dog racing portion(s) of any parlay bet shall be included in this calculation.

19 (4) Of the 10 percent collected from the licensee's gross wagering receipts from parlays,  
20 25 percent of the portion of such collections wagered on dog race events in the parlays shall be  
21 collected and distributed equally among licensed dog racetracks in this state. For the avoidance  
22 of doubt, only the dog racing portion(s) of any parlay bet shall be included in this calculation.

23 (c) All moneys collected under this section by the West Virginia Lottery from fixed odds  
24 wagering on dog racing shall be deposited with the State Treasurer in the West Virginia Lottery  
25 Fixed Odds Dog Racing Wagering Purse Supplement Fund. The fund shall be an interest-bearing  
26 account with all interest or other return earned on the money of the fund credited to and deposited  
27 in the fund. All expenses of the West Virginia Lottery incurred in the administration and  
28 enforcement of this article shall be paid from the sports wagering fund pursuant to §29-22D-17(b)  
29 of this code.

30 (d) Moneys in the fund shall be invested by the State Treasurer in the same manner as  
31 moneys in the state General Fund. Interest earned on the investments of moneys in the fund shall  
32 be deposited in and credited to the fund.

33 (e) Within 30 days of the beginning of each fiscal year, 50 percent of the amount of moneys  
34 in the fund shall be distributed to the West Virginia Greyhound Breeding Development Fund

35 created under §19-23-10 of this code, and 50 percent shall be distributed equally among licensed  
36 dog racetracks in this state.

**§29-22D-17c. Use of funds by licensed racetrack facilities.**

1 Any funds distributed to licensed racetracks under §29-22D-17a and §29-22D-17b of this  
2 code may be expended by such licensed racetracks to support operations in this state authorized  
3 under §19-23-1, §29-22A-1, §29-22C-1, §29-22D-1, or §29-22E-1 of this code, or for capital  
4 improvements at facilities located in this state that are on or contiguous to the premises of the  
5 licensed racetrack.

**§29-22D-25. Wagering by racing officials not allowed.**

1 An operator shall not knowingly accept a wager from a person who is an owner or trainer  
2 of a racehorse or dog, or a jockey, including their employees, or a racing official, who is  
3 participating in the horse racing or dog racing sports event, as applicable, on which the person is  
4 attempting to place the wager. For the purposes of this section, a racing official shall mean:  
5 stewards, placing judges, clerk of scales, starter, timer, paddock judge, Racing Commission  
6 veterinarian(s), association's racing secretary and assistants, horse identifier, clocker, and jockey  
7 room custodian.