

# WEST VIRGINIA CODE: §29-22B-1408

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

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

(1) The commission shall deposit two percent of gross terminal income into the State Lottery Fund for the commission's costs and expenses incurred in administering this article. From this amount, not less than \$150,000 nor more than \$1 million per fiscal year, as determined by the commission each year, shall be transferred to the Compulsive Gambling Treatment Fund created in §29-22A-19 of this code. In the event that the percentage allotted under this subsection for the commission's costs and expenses incurred in administering this article generates a surplus, the surplus shall be allowed to accumulate to an amount not to exceed \$250,000. On a monthly basis, the director shall report to the Joint Committee on Government and Finance of the Legislature any surplus in excess of \$250,000 and remit to the State Treasurer the entire amount of those surplus funds in excess of \$250,000 to be deposited in the fund established in §29-22-18a of this code: Provided, That at the close of each of the fiscal years ending June 30, 2006, 2007, 2008, 2009, 2010 and 2011, the portion of the two percent allowance for administrative expenses provided in this subdivision (1) that remains unspent for costs and expenses incurred in administering this article, not to exceed \$20 million in any fiscal year, shall be transferred to the Revenue Center Construction Fund created by §29-22-18(l) of this code for the purpose of constructing a state office building.

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

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

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.