WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1989

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ENROLLED

Com. Rule for
HOUSE BILL No. 2392

(By Mr. Speaker, Mr. Chambers, and Mr. B. B. Bank)

[By Request of the Executive]

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Passed

March 24, 1989

In Effect

July 1, 1989

Passage
AN ACT to amend and reenact section eighteen, article twenty-two, chapter twenty-nine of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the creation of a lottery education fund and lottery senior citizens fund; providing for the appropriation of all of the net profits deposited into the state lottery fund on an annual basis to the lottery education fund, the lottery senior citizens fund, and to the commerce division; and specifying the purposes for which such net profits may be used.

Be it enacted by the Legislature of West Virginia:

That section eighteen, article twenty-two, chapter twenty-nine of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

ARTICLE 22. STATE LOTTERY ACT.

§29-22-18. State lottery fund; appropriations and deposits; not part of general revenue; no transfer of state funds after initial appropriation; use and repayment of initial appropriation; allocation of fund for prizes, net profit and
expenses; surplus; state lottery education fund; state lottery senior citizens fund; allocation and appropriation of net profits.

(a) There is hereby created a special fund in the state treasury which shall be designated and known as the “state lottery fund.” The fund shall consist of all appropriations to the fund and all interest earned from investment of the fund, and any gifts, grants or contributions received by the fund. All revenues received from the sale of lottery tickets, materials and games shall be deposited with the state treasurer and placed into the “state lottery fund.” The revenue shall be disbursed in the manner herein provided for the purposes stated herein and shall not be treated by the auditor and treasurer as part of the general revenue of the state.

(b) No appropriation, loan or other transfer of state funds shall be made to the commission or lottery fund after the initial appropriation. The initial appropriation shall be used solely for the establishment and operation of the commission and lottery operations during the period until the lottery becomes a revenue-producing agency but no longer than eighteen months. After such period, but in no event longer than eighteen months from the effective date of this article, the commission shall commence repayment to the state general revenue fund of the amount of the initial appropriation from the general revenue fund to be repaid in equal installments over the ensuing twelve months from the funds provided in subsection (e) below.

(c) A minimum annual average of forty-five percent of the gross amount received from each lottery shall be allocated and disbursed as prizes.

(d) A minimum annual average of forty percent of the gross amount received from each lottery shall be allocated as net profit. The director is authorized to expend the necessary percentage of the amount allocated as net profit, not to exceed fifteen percent thereof, for the purposes of entering into contractual arrangements for the acquisition, financing, lease and lease-
purchase, and other financing transactions, of lottery
goods and services, including tickets, equipment,
machinery, electronic computer systems and terminals,
and supplies and maintenance therefor, for the first
thirty-six months of operation, and may apportion the
costs, expenses and expenditures related thereto among
the commission, vendor or vendors and licensed lottery
sales agents.

(e) Not more than fifteen percent of the gross amount
received from each lottery shall be allocated to and may
be disbursed as necessary for fund operation and
administration expenses: Provided, That in the initial
year of operation not more than twenty percent may be
so allocated and disbursed. In the event that the
percentage allotted for operations and administration
generates a surplus, the surplus will be allowed to
accumulate to an amount not to exceed two hundred
fifty thousand dollars. On a monthly basis the director
shall report to the joint committee on government and
finance of the Legislature any surplus in excess of two
hundred fifty thousand dollars and remit to the state
treasurer the entire amount of those surplus funds in
excess of two hundred fifty thousand dollars which shall
be allocated as net profit.

(f) Annually, the Legislature shall appropriate all of
the amounts allocated as net profits above, in such
proportions as it deems beneficial to the citizens of this
state, to (1) the lottery education fund created in
subsection (g) of this section, (2) the lottery senior
citizens fund created in subsection (h) of this section,
and (3) the commerce division created in article one,
chapter five-b of this code, in accordance with subsec-
tion (i) of this section.

(g) There is hereby created a special fund in the state
treasury which shall be designated and known as the
“lottery education fund.” The fund shall consist of the
amounts allocated pursuant to subsection (f) of this
section, which amounts shall be deposited into the
lottery education fund by the state treasurer. The lottery
education fund shall also consist of all interest earned
from investment of the lottery education fund, and any
other appropriations, gifts, grants, contributions or moneys received by the lottery education fund from any source. The revenues received or earned by the lottery education fund shall be disbursed in the manner provided below and shall not be treated by the auditor and treasurer as part of the general revenue of the state. Annually, the Legislature shall appropriate the revenues received or earned by the lottery education fund to the state system of public and higher education for such educational programs as it considers beneficial to the citizens of this state.

(h) There is hereby created a special fund in the state treasury which shall be designated and known as the "lottery senior citizens fund." The fund shall consist of the amounts allocated pursuant to subsection (f) of this section, which amounts shall be deposited into the lottery senior citizens fund by the state treasurer. The lottery senior citizens fund shall also consist of all interest earned from investment of the lottery senior citizens fund, and any other appropriations, gifts, grants, contributions or moneys received by the lottery senior citizens fund from any source. The revenues received or earned by the lottery senior citizens fund shall be disbursed in the manner provided below and shall not be treated by the auditor or treasurer as part of the general revenue of the state. Annually, the Legislature shall appropriate the revenues received or earned by the lottery senior citizens fund to such senior citizens medical care and other programs as it considers beneficial to the citizens of this state.

(i) The commerce division may use the amounts allocated to it pursuant to subsection (f) of this section for one or more of the following purposes: (1) The payment of any or all of the costs incurred in the development, construction, reconstruction, maintenance or repair of any project or recreational facility, as such terms are defined in section thirteen-a, article one, chapter five-b of this code, pursuant to the authority granted to it under article one, chapter five-b of this code, (2) the payment, funding or refunding of the principal of, interest on, or redemption premiums on
any bonds, security interests or notes issued by the parks and recreation section of the commerce division under article one, chapter five-b of this code, or (3) the payment of any advertising and marketing expenses for the promotion and development of tourism or any tourist facility or attraction in this state.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Frederick L. Parker  
Chairman Senate Committee

Bernard V. Kelly  
Chairman House Committee

Originating in the House.

Takes effect July 1, 1989.

J. Kent Miller  
Clerk of the Senate

Donald J. Vogt  
Clerk of the House of Delegates

Peter K. Thomas  
President of the Senate

D.B. Cl Junker  
Speaker of the House of Delegates

The within is approved this the 44th day of April, 1989.

Yoston Casperon  
Governor
PRESENTED TO THE GOVERNOR

Date 3/29
Time 4:08