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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1989

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ENROLLED

Com. Sub. for
HOUSE BILL No. 2392

(By Mr. *Speaker, Mr. Chambers, & Del R. Bunk*)
[By Request of the Executive]

— ● —

Passed *March 24,* 1989

In Effect *July 1, 1989* Passage

ENROLLED
COMMITTEE SUBSTITUTE
FOR

H. B. 2392

(By MR. SPEAKER, MR. CHAMBERS, and DELEGATE R. BURK)
[By request of the Executive]

[Passed March 24, 1989; in effect July 1, 1989.]

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.

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

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

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

31 (d) A minimum annual average of forty percent of the
32 gross amount received from each lottery shall be
33 allocated as net profit. The director is authorized to
34 expend the necessary percentage of the amount allo-
35 cated as net profit, not to exceed fifteen percent thereof,
36 for the purposes of entering into contractual arrange-
37 ments for the acquisition, financing, lease and lease-

38 purchase, and other financing transactions, of lottery
39 goods and services, including tickets, equipment,
40 machinery, electronic computer systems and terminals,
41 and supplies and maintenance therefor, for the first
42 thirty-six months of operation, and may apportion the
43 costs, expenses and expenditures related thereto among
44 the commission, vendor or vendors and licensed lottery
45 sales agents.

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

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

71 (g) There is hereby created a special fund in the state
72 treasury which shall be designated and known as the
73 "lottery education fund." The fund shall consist of the
74 amounts allocated pursuant to subsection (f) of this
75 section, which amounts shall be deposited into the
76 lottery education fund by the state treasurer. The lottery
77 education fund shall also consist of all interest earned
78 from investment of the lottery education fund, and any

79 other appropriations, gifts, grants, contributions or
80 moneys received by the lottery education fund from any
81 source. The revenues received or earned by the lottery
82 education fund shall be disbursed in the manner
83 provided below and shall not be treated by the auditor
84 and treasurer as part of the general revenue of the state.
85 Annually, the Legislature shall appropriate the re-
86 venues received or earned by the lottery education fund
87 to the state system of public and higher education for
88 such educational programs as it considers beneficial to
89 the citizens of this state.

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

109 (i) The commerce division may use the amounts
110 allocated to it pursuant to subsection (f) of this section
111 for one or more of the following purposes: (1) The
112 payment of any or all of the costs incurred in the
113 development, construction, reconstruction, maintenance
114 or repair of any project or recreational facility, as such
115 terms are defined in section thirteen-a, article one,
116 chapter five-b of this code, pursuant to the authority
117 granted to it under article one, chapter five-b of this
118 code, (2) the payment, funding or refunding of the
119 principal of, interest on, or redemption premiums on

120 any bonds, security interests or notes issued by the parks
121 and recreation section of the commerce division under
122 article one, chapter five-b of this code, or (3) the
123 payment of any advertising and marketing expenses for
124 the promotion and development of tourism or any tourist
125 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.

Judd C. Nichols
Clerk of the Senate

Donald J. Hoyle
Clerk of the House of Delegates

Leah Turner
President of the Senate

Robert A. Bell
Speaker of the House of Delegates

The within *is approved* this the *4th*
day of *April*, 1989.

Yaston Caperton
Governor

PRESENTED TO THE

GOVERNOR

Date 3/29

Time 4:08