

SB 1060

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Enrolled
Committee Substitute
for

Senate Bill 1060

BY SENATOR BARRETT

[Passed March 9, 2026; in effect 90 days from
passage (June 7, 2026)]

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

2026 APR - 1 P 10:40

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1 AN ACT to amend and reenact §19-23-3, §19-23-12c, §19-23-13b, §29-22A-10, and §29-22A-
2 10b of the Code of West Virginia, 1931, as amended, relating to horse and greyhound
3 racing; providing a definition; setting requirements and purse calculations for West
4 Virginia-certified thoroughbred horses to race in restricted races; changing distribution of
5 funds required from interstate simulcasts; providing eligibility requirements for West
6 Virginia-accredited restricted races; increasing the \$1 million cap on funding of restricted
7 races by thoroughbred horse racetracks that did not participate in the West Virginia
8 Development Fund for a period of not more than four consecutive years prior to December
9 31, 1992; and modifying distribution scheme of net terminal income and excess net
10 terminal income of racetrack video lottery.

Be it enacted by the Legislature of West Virginia:

CHAPTER 19. AGRICULTURE.

ARTICLE 23. HORSE AND DOG RACING.

§19-23-3. Definitions.

1 Unless the context clearly requires a different meaning, as used in this article:
2 (1) "Horse racing" means any type of horse racing, including, but not limited to,
3 thoroughbred racing and harness racing;
4 (2) "Thoroughbred racing" means flat or running type horse racing in which each horse
5 participating is a thoroughbred and mounted by a jockey;
6 (3) "Harness racing" means horse racing in which the horses participating are harnessed
7 to a sulky, carriage or other vehicle and does not include any form of horse racing in which the
8 horses are mounted by jockeys;
9 (4) "Horse race meeting" means the whole period of time for which a license is required
10 by the provisions of section one of this article;

11 (5) "Dog racing" means any type of dog racing, including, but not limited to, greyhound
12 racing;

13 (6) "Purse" means any purse, stake, or award for which a horse or dog race is run;

14 (7) "Racing association" or "person" means any individual, partnership, firm, association,
15 corporation, or other entity or organization of whatever character or description;

16 (8) "Applicant" means any racing association making application for a license under the
17 provisions of this article or any person making application for a permit under the provisions of this
18 article or any person making application for a construction permit under the provisions of this
19 article;

20 (9) "License" means the license required by the provisions of section one of this article;

21 (10) "Permit" means the permit required by the provisions of section two of this article;

22 (11) "Construction permit" means the construction permit required by the provisions of
23 section eighteen of this article;

24 (12) "Licensee" means any racing association holding a license required by the provisions
25 of section one of this article and issued under the provisions of this article;

26 (13) "Permit holder" means any person holding a permit required by the provisions of
27 section two of this article and issued under the provisions of this article;

28 (14) "Construction permit holder" means any person holding a construction permit required
29 by the provisions of section 18 of this article and issued under the provisions of this article;

30 (15) "Hold or conduct" includes "assist, aid or abet in holding or conducting";

31 (16) "Racing commission" means the West Virginia Racing Commission;

32 (17) "Stewards" means the steward or stewards representing the Racing Commission, the
33 steward or stewards representing a licensee and any other steward or stewards whose duty it is
34 to supervise any horse or dog race meeting, all as may be provided by reasonable rules of the
35 Racing Commission which rules shall specify the number of stewards to be appointed, the method
36 and manner of their appointment and their powers, authority and duties;

(18) "Pari-mutuel" means a mutuel or collective pool that can be divided among those who have contributed their wagers to one central agency, the odds to be reckoned in accordance to the collective amounts wagered upon each contestant running in a horse or dog race upon which the pool is made, but the total to be divided among the first three contestants on the basis of the number of wagers on these;

(19) "Pari-mutuel clerk" means any employee of a licensed racing association who is responsible for the collection of wagers, the distribution of moneys for winning pari-mutuel tickets, verification of the validity of pari-mutuel tickets and accounting for pari-mutuel funds;

(20) "Pool" means a combination of interests in a joint wagering enterprise or a stake in such enterprise;

(21) "Legitimate breakage" is the percentage left over in the division of a pool;

(22) "To the dime" means that wagers shall be figured and paid to the dime;

(23) "Code" means the Code of West Virginia, 1931, as heretofore and hereinafter amended;

(24) "Accredited thoroughbred horse" means a thoroughbred horse that is registered with the West Virginia Thoroughbred Breeders Association and that is:

(A) Foaled in West Virginia; or

(B) Sired by an accredited West Virginia sire; or

(C) As a yearling, finished twelve consecutive months of verifiable residence in the state, except for 30 days' grace:

(i) For the horse to be shipped to and from horse sales where the horse is officially entered in the sales catalogue of a recognized thoroughbred sales company; or

(ii) For obtaining veterinary services, documented by veterinary reports;

(25) "Accredited West Virginia sire" is a sire that is permanently domiciled in West Virginia, stands a full season in West Virginia and is registered with West Virginia Thoroughbred Breeders Association;

63 (26) "Breeder of an accredited West Virginia horse" is the owner of the foal at the time it
64 was born in West Virginia;

65 (27) "Raiser of an accredited West Virginia horse" is the owner of the yearling at the time
66 it finished 12 consecutive months of verifiable residence in the state. During the period, the raiser
67 will be granted one month of grace for his or her horse to be shipped to and from thoroughbred
68 sales where the horse is officially entered in the sales catalogue of a recognized thoroughbred
69 sales company. In the event the yearling was born in another state and transported to this state,
70 this definition does not apply after the December 31, 2007, to any pari-mutuel racing facility
71 located in Jefferson County nor shall it apply after the December 31, 2012, and thereafter to any
72 pari-mutuel racing facility located in Hancock County. Prior to the horse being shipped out of the
73 state for sales, the raiser must notify the Racing Commission of his or her intentions;

74 (28) The "owner of an accredited West Virginia sire" is the owner of record at the time the
75 offspring is conceived;

76 (29) The "owner of an accredited West Virginia horse" means the owner at the time the
77 horse earned designated purses to qualify for restricted purse supplements provided in section
78 13b of this article;

79 (30) "Registered greyhound owner" means an owner of a greyhound that is registered with
80 the National Greyhound Association;

81 (31) "Fund" means the West Virginia Thoroughbred Development Fund established in
82 section 13(b) of this article;

83 (32) "Regular purse" means both regular purses and stakes purses; and

84 (33) "West Virginia Certified Thoroughbred" means a thoroughbred horse that:

85 (A) Is registered with the West Virginia Thoroughbred Breeds Association; and

86 (B) Prior to its three year-old year finished six consecutive months of verifiable residence
87 in the state, except for 30 days' grace:

(i) For the horse to be shipped to and from horse sales where the horse is officially entered in the sales catalogue of a recognized thoroughbred sales company; or

(ii) For obtaining veterinary services, documented by veterinary reports;

(C) Is subject to an affidavit, certification, or audit/inspection by the WV Thoroughbred Breeders Association;

(D) Is ineligible to participate in WV Accredited Stakes Races or WV Breeders Classics; and

(E) Is ineligible for the West Virginia Thoroughbred Fund.

§19-23-12c. Interstate simulcasts by licensed racetracks.

(a) Any licensed racing association may be authorized by the commission to transmit broadcasts of races conducted at its racetrack to legal wagering entities located outside this state, which legal wagering entities located outside this state shall not be subject to the provisions of subsection (e), section twelve-b of this article: *Provided*, That as consideration for the televised racing services it provides, the host racing association shall receive a signal transmission fee to be paid by the receiving legal wagering entity which shall be in an amount agreed upon by the receiving legal wagering entity and the host racing association. All broadcasts of horse races shall be in accordance with all of the provisions of the "Federal Interstate Horseracing Act of 1978," also known as Public Law 95-515, Section 3001-3007 of Title 15 of the United States Code.

(b) One percent of the total signal transmission fee provided in subsection (a) of this section shall be paid into a special fund to be established by the Racing Commission for and on behalf of all employees of the licensed racing association to be used for payments into the pension plan for all employees of the licensed racing association, and any thoroughbred horse racetrack which has participated in the West Virginia Thoroughbred Development Fund for a period of more than four consecutive calendar years prior to December 31, 1992, shall pay seven and one-half percent of the signal transmission fee into the West Virginia Thoroughbred Development Fund established by the Racing Commission according to section thirteen-b of this article. After

deducting: (i) The amounts required to be placed into the pension plan for all employees of the licensed racing association under this section; (ii) the amounts, if any, required to be paid into the West Virginia Thoroughbred Development Fund under this section; and (iii) the direct costs necessary to send a live audio and visual signal of horse races or dog races from any racetrack licensed under the provisions of section one of this article to any legal wagering entities outside this state for the purpose of pari-mutuel wagering, which direct costs shall include the cost of satellite equipment necessary to transmit the signal, a satellite operator and the satellite time necessary to broadcast the signal and the cost of telecommunication and facsimile services needed to communicate necessary information to all legal wagering entities for the purpose of pari-mutuel wagering, racing associations shall make a deposit equal to 50 percent of the remainder into the purse fund established under section nine of this article: *Provided*, That the funds deposited in the purse fund pursuant to this section may be used for the payment of regular purses or, upon agreement between the horse racing association and the representative of the majority of owners and trainers at a particular thoroughbred racetrack, may be used for capital improvements supporting simulcast operations.

§19-23-13b. West Virginia Thoroughbred Development Fund; distribution; restricted races; nonrestricted purse supplements; preference for West Virginia accredited thoroughbreds.

(a) The Racing Commission shall deposit moneys required to be withheld by an association or licensee in subsection 9(b) of this article in a banking institution of its choice in a special account to be known as West Virginia Racing Commission Special Account – West Virginia Thoroughbred Development Fund: *Provided*, That after the West Virginia Lottery Commission has divided moneys between the West Virginia Thoroughbred Development Fund and the West Virginia Greyhound Breeding Development Fund, pursuant to the provisions of sections §29-22-10 and §29-22-10b, the Racing Commission shall, beginning October 1, 2005, deposit the remaining moneys required to be withheld from an association or licensee designated

9 to the Thoroughbred Development Fund under the provisions of subsection (b), section nine of
10 this article, subdivision (3), subsection (e), 12(b) of this article, subsection (b), section 12(c) of this
11 article, paragraph (B), subdivision (3), subsection (b), section 13(c) of this article and sections
12 §29-22A-10 and §29-22A-10b of this code into accounts for each thoroughbred racetrack licensee
13 with a banking institution of its choice with a separate account for each association or licensee.
14 Each separate account shall be a special account to be known as West Virginia Racing
15 Commission Special Account – West Virginia Thoroughbred Development Fund and shall name
16 the licensee for which the special account has been established: *Provided, however,* That the
17 Racing Commission shall deposit all moneys paid into the Thoroughbred Development Fund by
18 a thoroughbred racetrack licensee that did not participate in the Thoroughbred Development Fund
19 for at least four consecutive calendar years prior to December 31, 1992, from July 8, 2005, until
20 the effective date of the amendment to this section passed during the fourth extraordinary session
21 of the 77th Legislature shall be paid into the purse fund of that thoroughbred racetrack licensee:
22 *Provided further,* That the moneys paid into the Thoroughbred Development Fund by a
23 thoroughbred racetrack licensee that did not participate in the Thoroughbred Development Fund
24 for at least four consecutive calendar years prior to December 31, 1992, shall be transferred into
25 that licensee's purse fund until April 1, 2006. Notice of the amount, date and place of the deposits
26 shall be given by the Racing Commission, in writing, to the State Treasurer. The purpose of the
27 funds is to promote better breeding and racing of thoroughbred horses in the state through awards
28 and purses for accredited breeders/raisers, sire owners and thoroughbred race horse owners:
29 *Provided,* That five percent of the deposits required to be withheld by an association or licensee
30 in subsection (b), section nine of this article shall be placed in a special revenue account hereby
31 continued in the State Treasury called the Administration and Promotion Account: *Provided,*
32 *however,* That four and one-half percent of the deposits into the Thoroughbred Development Fund
33 shall be placed in the Administration and Promotion Account, except that of this percentage, no
34 more than \$305,000 shall be placed in the account in any year.

(b) The Racing Commission is authorized to expend the moneys deposited in the administration and promotion account at times and in amounts as the commission determines to be necessary for purposes of administering and promoting the thoroughbred development program: *Provided*, That during any fiscal year in which the commission anticipates spending any money from the account, the commission shall submit to the executive department during the budget preparation period prior to the Legislature convening before that fiscal year for inclusion in the executive budget document and budget bill the recommended expenditures, as well as requests of appropriations for the purpose of administration and promotion of the program. The commission shall make an annual report to the Legislature on the status of the administration and promotion account, including the previous year's expenditures and projected expenditures for the next year.

(c) The fund or funds and the account or accounts established in subsection (a) of this section shall operate on an annual basis.

(d) Funds in the Thoroughbred Development Fund or funds in the separate accounts for each association or licensee as provided in subsection (a) of this section shall be expended for awards and purses except as otherwise provided in this section. Annually, the first \$800,000 shall be available for distribution for a minimum of 14 accredited stakes races at a racetrack which has participated in the West Virginia Thoroughbred Development Fund for a period of more than four consecutive calendar years prior to December 31, 1992. The weights for all accredited stakes races shall be weight for age. One of the stakes races shall be the West Virginia Futurity and the second shall be the Frank Gall Memorial Stakes. The accredited stake races shall be chosen by the committee set forth in subsection (f) of this section.

(e) Awards and purses shall be distributed as follows:

(1) The breeders/raisers of accredited thoroughbred horses that earn a purse at a participating West Virginia meet shall receive a bonus award calculated at the end of the year as a percentage of the fund dedicated to the breeders/raisers, which shall be 60 percent of the fund

61 available for distribution in any one year. The total amount available for the breeders'/raisers'
62 awards shall be distributed according to the ratio of purses earned by an accredited racehorse to
63 the total amount earned in the participating races by all accredited racehorses for that year as a
64 percentage of the fund dedicated to the breeders'/raisers. However, no breeder/raiser may receive
65 from the fund dedicated to breeders'/raisers' awards an amount in excess of the earnings of the
66 accredited horse at West Virginia meets. In addition, should a horse's breeder and raiser qualify
67 for the same award on the same horse, they will each be awarded one half of the proceeds. The
68 bonus referred to in this subdivision may only be paid on the first \$100,000 of any purse and not
69 on any amounts in excess of the first \$100,000.

70 (2) The owner of an accredited West Virginia sire of an accredited thoroughbred horse
71 that earns a purse in any race at a participating West Virginia meet shall receive a bonus award
72 calculated at the end of the year as a percentage of the fund dedicated to sire owners, which shall
73 be 15 percent of the fund available for distribution in any one year. The total amount available for
74 the sire owners' awards shall be distributed according to the ratio of purses earned by the progeny
75 of accredited West Virginia stallions in the participating races for a particular stallion to the total
76 purses earned by the progeny of all accredited West Virginia stallions in the participating races.
77 However, no sire owner may receive from the fund dedicated to sire owners an amount in excess
78 of 35 percent of the accredited earnings for each sire. The bonus referred to in this subdivision
79 shall only be paid on the first \$100,000 of any purse and not on any amounts in excess of the first
80 \$100,000.

81 (3) The owner of an accredited thoroughbred horse that earns a purse in any participating
82 race at a West Virginia meet shall receive a restricted purse supplement award calculated at the
83 end of the year, which shall be 25 percent of the fund available for distribution in any one year,
84 based on the ratio of the earnings in the races of a particular race horse to the total amount earned
85 by all accredited race horses in the participating races during that year as a percentage of the
86 fund dedicated to purse supplements. However, the owners may not receive from the fund

87 dedicated to purse supplements an amount in excess of 35 percent of the total accredited
88 earnings for each accredited race horse. The bonus referred to in this subdivision shall only be
89 paid on the first \$100,000 of any purse and not on any amounts in excess of the first \$100,000.

90 (4) In no event may purses earned at a meet held at a track which did not make a
91 contribution to the Thoroughbred Development Fund out of the daily pool on the day the meet
92 was held qualify or count toward eligibility for an award under this subsection.

93 (5) Any balance in the breeders/raisers, sire owners and purse supplement funds after
94 yearly distributions shall first be used to fund the races established in subsection (f) of this section.
95 Any amount not so used shall revert into the general account of the Thoroughbred Development
96 Fund for each racing association or licensee for distribution in the next year.

97 Distribution shall be made on the 15th day of each February for the preceding year's
98 achievements.

99 (f)(1) Each pari-mutuel thoroughbred horse track shall provide at least one restricted race
100 per racing day: *Provided*, That sufficient horses and funds are available. For purposes of the one
101 restricted race required by this subdivision, there are sufficient horses if there are at least seven
102 single betting interests received for the race: *Provided, however*, That, if sufficient horses and
103 funds are available, any thoroughbred horse racetrack whose licensee participated in the
104 Thoroughbred Development Fund for at least four consecutive calendar years prior to December
105 31, 1992, shall provide three restricted races per racing day, at least one of which may be split at
106 the discretion of the racing secretary. For the purposes of a second restricted race there shall be
107 at least seven single betting interests and for purposes of a third restricted race there must be at
108 least nine single betting interests in one of the restricted races run that day. The restricted race
109 required by this section must be included in the first nine races written in the condition book for
110 that racing day. Effective May 1, 2026, West Virginia certified thoroughbred horses are also
111 eligible for restricted races under this subsection for purse money only, provided that accredited
112 thoroughbreds shall receive preference over West Virginia certified thoroughbreds only in the

event of an oversubscribed field. Effective July 1, 2026, accredited West Virginia thoroughbreds may race for an additional percentage of purses in restricted races under this subsection as by written agreement between the racing association and the organization that represents the majority of owners and trainers at that racetrack.

(2) The restricted races established in this subsection shall be administered by a three-member committee at each track consisting of:

(A) The racing secretary at each track;

(B) A member appointed by the authorized representative of a majority of the owners and trainers at the thoroughbred track; and

(C) A member appointed by the West Virginia Thoroughbred Breeders Association.

(3) Restricted races shall be funded by each racing association from:

(A) Moneys placed in the general purse fund: *Provided*, That a thoroughbred horse racetrack which did not participate in the West Virginia Thoroughbred Development fund for a period of more than four consecutive years prior to December 31, 1992, may fund restricted races in an amount not to exceed \$2 million per year;

(B) Moneys as provided in subdivision (5), subsection (e) of this section, which shall be placed in a special fund called the West Virginia Accredited Race Fund.

(4) The racing schedules, purse amounts and types of races are subject to the approval of the West Virginia Racing Commission.

(g) As used in this section, "West Virginia-bred foal" means a horse that was born in the State of West Virginia.

(h) To qualify for the West Virginia Accredited Race Fund, the breeder must qualify under one of the following:

(1) The breeder of the West Virginia-bred foal is a West Virginia resident;

(2) The breeder of the West Virginia-bred foal is not a West Virginia resident, but keeps his or her breeding stock in West Virginia year round; or

139 (3) The breeder of the West Virginia-bred foal is not a West Virginia resident and does not
140 qualify under subdivision (2) of this subsection, but either the sire of the West Virginia-bred foal
141 is a West Virginia stallion, or the mare is covered only by a West Virginia accredited stallion or
142 stallions before December 31 of the calendar year following the birth of that West Virginia-bred
143 foal.

144 (i) From July 1, 2001, West Virginia accredited thoroughbred horses have preference for
145 entry in all accredited races at a thoroughbred race track at which the licensee participates in the
146 West Virginia Thoroughbred Development Fund.

147 (j) Beginning July 1, 2006, any racing association licensed by the Racing Commission to
148 conduct thoroughbred racing and permitting and conducting pari-mutuel wagering under the
149 provisions of this article must have a West Virginia Thoroughbred Racing Breeders Program.

CHAPTER 29. MISCELLANEOUS BOARDS AND OFFICERS.

ARTICLE 22A. RACETRACK VIDEO LOTTERY.

§29-22A-10. Accounting and reporting; commission to provide communications protocol data; distribution of net terminal income; remittance through electronic transfer of funds; establishment of accounts and nonpayment penalties; commission control of accounting for net terminal income; settlement of accounts; manual reporting and payment may be required; request for reports; examination of accounts and records.

1 (a) The commission shall provide to manufacturers, or applicants applying for a
2 manufacturer's permit, the protocol documentation data necessary to enable the respective
3 manufacturer's video lottery terminals to communicate with the commission's central computer
4 for transmitting auditing program information and for activation and disabling of video lottery
5 terminals.

6 (b) The gross terminal income of a licensed racetrack shall be remitted to the commission
7 through the electronic transfer of funds. Licensed racetracks shall furnish to the commission all
8 information and bank authorizations required to facilitate the timely transfer of moneys to the
9 commission. Licensed racetracks must provide the commission 30 days' advance notice of any
10 proposed account changes to assure the uninterrupted electronic transfer of funds. From the
11 gross terminal income remitted by the licensee to the commission:

12 (1) The commission shall deduct an amount sufficient to reimburse the commission for its
13 actual costs and expenses incurred in administering racetrack video lottery at the licensed
14 racetrack and the resulting amount after the deduction is the net terminal income. The amount
15 deducted for administrative costs and expenses of the commission may not exceed four percent
16 of gross terminal income: *Provided*, That any amounts deducted by the commission for its actual
17 costs and expenses that exceeds its actual costs and expenses shall be deposited into the State
18 Lottery Fund. For the fiscal years ending June 30, 2011, through June 30, 2030, the term "actual
19 costs and expenses" may include transfers of up to \$9 million in surplus allocations for each fiscal
20 year, as calculated by the commission when it has closed its books for the fiscal year, to the
21 Licensed Racetrack Modernization Fund created by subdivision (2), of this subsection. For all
22 fiscal years beginning on or after July 1, 2001, the commission shall not receive an amount of
23 gross terminal income in excess of the amount of gross terminal income received during the fiscal
24 year ending on June 30, 2001, but four percent of any amount of gross terminal income received
25 in excess of the amount of gross terminal income received during the fiscal year ending on June
26 30, 2001, shall be deposited into the fund established in §29-22-18a of this code; and

27 (2) A Licensed Racetrack Modernization Fund is created within the Lottery Fund. For all
28 fiscal years beginning on or after July 1, 2011, and ending with the fiscal year beginning July 1,
29 2030, the commission shall deposit such amounts as are available according to subdivision (1) of
30 this subsection into a separate facility modernization account maintained within the Licensed
31 Racetrack Modernization Fund for each racetrack. Each racetrack's share of each year's deposit

shall be calculated in the same ratio as each racetrack's apportioned contribution to the four percent administrative costs and expenses allowance provided for in subdivision (1) of this subsection for that year. For each \$2 expended by a licensed racetrack for facility modernization improvements or capital improvements at facilities located in this state that are on or contiguous to the premises of the licensed racetrack, having a useful life of three or more years and placed in service after July 1, 2011, the licensed racetrack shall receive \$1 in recoupment from its facility modernization account. If the licensed racetrack's facility modernization account contains a balance in any fiscal year, the unexpended balance from that fiscal year will be available for matching for one additional fiscal year, after which time, the remaining unused balance carried forward shall revert to the lottery fund. For purposes of this section, the term "facility modernization improvements" includes acquisitions of new and unused video lottery terminals and related equipment, and the term "capital improvements" means real property that is expected to replace or modernize buildings, equipment, machinery and other tangible property used in connection with the operation of the gaming, hospitality, or entertainment at the facility. Video lottery terminals financed through the recoupment provided in this subdivision must be retained by the licensee in its West Virginia licensed location for a period of not less than five years from the date of initial installation.

(c) The amount resulting after the deductions required by subsection (b) of this section constitutes net terminal income that shall be divided as set out in this subsection. For all fiscal years beginning on or after July 1, 2001, any amount of net terminal income received in excess of the amount of net terminal income received during the fiscal year ending on June 30, 2001, shall be divided as set out in §29-22A-10b of this code. The licensed racetrack's share is in lieu of all lottery agent commissions and is considered to cover all costs and expenses required to be expended by the licensed racetrack in connection with video lottery operations. The division shall be made as follows:

57 (1) The commission shall receive 30 percent of net terminal income, which shall be paid
58 into the State Lottery Fund as provided in §29-22A-10a of this code;

59 (2) Until July 1, 2005, 14 percent of net terminal income at a licensed racetrack shall be
60 deposited in the special fund established by the licensee, and used for payment of regular purses
61 in addition to other amounts provided for in §19-23-1 *et seq.* of this code, on and after July 1,
62 2005, the rate shall be seven percent of net terminal income;

63 (3) The county where the video lottery terminals are located shall receive two percent of
64 the net terminal income: *Provided, That:*

65 (A) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent
66 received during the fiscal year 1999 by a county in which a racetrack is located that has
67 participated in the West Virginia Thoroughbred Development Fund since on or before January 1,
68 1999, shall be divided as follows:

69 (i) The county shall receive 50 percent of the excess amount; and

70 (ii) The municipalities of the county shall receive 50 percent of the excess amount, said
71 50 percent to be divided among the municipalities on a per capita basis as determined by the
72 most recent decennial United States census of population; and

73 (B) Beginning July 1, 1999, and thereafter, any amount in excess of the two percent
74 received during the fiscal year 1999 by a county in which a racetrack other than a racetrack
75 described in paragraph (A) of this subdivision is located and where the racetrack has been located
76 in a municipality within the county since on or before January 1, 1999, shall be divided, if
77 applicable, as follows:

78 (i) The county shall receive 50 percent of the excess amount; and

79 (ii) The municipality shall receive 50 percent of the excess amount; and

80 (C) In a county in which a racetrack other than a racetrack described in paragraphs (A) or
81 (B) of this subdivision is located and where the racetrack has been located within that county

82 since on or before January 1, 1999, and where the racetrack is not located in a municipality, the
83 two percent of net terminal income shall be divided, if applicable, as follows:

84 (i) The county shall receive one percent; and

85 (ii) The remaining one percent shall be distributed in equal shares to all municipalities
86 within the county. Per capita population has no effect on distributions under this paragraph;

87 (4) One percent of net terminal income shall be paid for and on behalf of all employees of
88 the licensed racing association by making a deposit into a special fund to be established by the
89 Racing Commission to be used for payment into the pension plan for all employees of the licensed
90 racing association;

91 (5) (A) The West Virginia Thoroughbred Development Fund created pursuant to §19-23-
92 13b of this code shall receive one and one-half percent of the net terminal income originating at
93 licensed thoroughbred racetracks;

94 (B) Effective July 1, 2026, the West Virginia Greyhound Breeding Development Fund
95 created pursuant to §19-23-10 of this code shall receive one and one-half percent of the net
96 terminal income originating at licensed greyhound tracks;

97 (6) The West Virginia Racing Commission shall receive one percent of the net terminal
98 income which shall be deposited and used as provided in §19-23-13c of this code;

99 (7) A licensee shall receive one and one-half percent of net terminal income;

100 (8)(A) The Tourism Promotion Fund established in §5B-2-12 of this code shall receive
101 three percent of the net terminal income: *Provided*, That for the fiscal year beginning July 1, 2003,
102 the tourism commission shall transfer from the Tourism Promotion Fund \$5 million of the three
103 percent of the net terminal income described in this section and §29-22A-10b of this code into the
104 fund administered by the West Virginia Economic Development Authority pursuant to §31-15-7 of
105 this code, \$5 million into the Capitol Renovation and Improvement Fund administered by the
106 Department of Administration pursuant to §5A-4-6 of this code, and \$5 million into the Tax
107 Reduction and Federal Funding Increased Compliance Fund; and

(B) Notwithstanding any provision of paragraph (A) of this subdivision to the contrary, for each fiscal year beginning after June 30, 2004, this three percent of net terminal income and the three percent of net terminal income described in §29-22a-10b(a)(8)(B) of this code shall be distributed as provided in this paragraph as follows:

(i) 1.375 percent of the total amount of net terminal income described in this section and §29-22A-10b of this code shall be deposited into the Tourism Promotion Fund created pursuant to §5B-2-12 of this code;

(ii) 0.375 percent of the total amount of net terminal income described in this section and in §29-22A-10b of this code shall be deposited into the Development Office Promotion Fund created pursuant to §5B-2-3b of this code;

(iii) 0.5 percent of the total amount of net terminal income described in this section and in §29-22A-10b of this code shall be deposited into the Research Challenge Fund created pursuant to §18B-1B-10 of this code;

(iv) 0.6875 percent of the total amount of net terminal income described in this section and in §29-22A-10b of this code shall be deposited into the Capitol Renovation and Improvement Fund administered by the Department of Administration pursuant to §5A-4-6 of this code; and

(v) 0.0625 percent of the total amount of net terminal income described in this section and in §29-22A-10b of this code shall be deposited into the 2004 Capitol Complex Parking Garage Fund administered by the Department of Administration pursuant to §5A-4-5a of this code;

(9)(A) On and after July 1, 2005, seven percent of net terminal income shall be deposited into the Workers' Compensation Debt Reduction Fund created in §23-2d-5 of this code: *Provided*, That in any fiscal year when the amount of money generated by this subdivision totals \$11 million, all subsequent distributions pursuant to this subdivision shall be deposited in the special fund established by the licensee and used for the payment of regular purses in addition to the other amounts provided in §19-23-1 *et seq.* of this code;

133 (B) The deposit of the seven percent of net terminal income into the Workers'
134 Compensation Debt Reduction Fund pursuant to this subdivision shall expire and not be imposed
135 with respect to these funds and shall be deposited in the special fund established by the licensee
136 and used for payment of regular purses in addition to the other amounts provided in §19-23-1 *et*
137 *seq.* of this code on and after the first day of the month following the month in which the Governor
138 certifies to the Legislature that: (i) The revenue bonds issued pursuant to §23-2D-1 *et seq.* of this
139 code have been retired or payment of the debt service provided for; and (ii) that an independent
140 certified actuary has determined that the unfunded liability of the old fund, as defined in chapter
141 23 of this code, has been paid or provided for in its entirety; and

142 (10) The remaining one percent of net terminal income shall be deposited as follows:

143 (A) For the fiscal year beginning July 1, 2003, the Veterans Memorial Program shall
144 receive one percent of the net terminal income until sufficient moneys have been received to
145 complete the veterans memorial on the grounds of the State Capitol Complex in Charleston, West
146 Virginia. The moneys shall be deposited in the State Treasury in the Division of Culture and
147 History special fund created pursuant to §29-11-3 of this code: *Provided*, That only after sufficient
148 moneys have been deposited in the fund to complete the veterans memorial and to pay in full the
149 annual bonded indebtedness on the veterans memorial, not more than \$20,000 of the one percent
150 of net terminal income provided in this subdivision shall be deposited into a special revenue fund
151 in the State Treasury, to be known as the John F. "Jack" Bennett Fund. The moneys in this fund
152 shall be expended by the Division of Veterans Affairs to provide for the placement of markers for
153 the graves of veterans in perpetual cemeteries in this state. The Division of Veterans Affairs shall
154 promulgate legislative rules pursuant to the provisions of §29-3-1 *et seq.* of this code specifying
155 the manner in which the funds are spent, determine the ability of the surviving spouse to pay for
156 the placement of the marker and setting forth the standards to be used to determine the priority
157 in which the veterans' grave markers will be placed in the event that there are not sufficient funds
158 to complete the placement of veterans' grave markers in any one year, or at all. Upon payment in

159 full of the bonded indebtedness on the veterans memorial, \$100,000 of the one percent of net
160 terminal income provided in this subdivision shall be deposited in the special fund in the Division
161 of Culture and History created pursuant to §29-11-3 of this code and be expended by the Division
162 of Culture and History to establish a West Virginia veterans memorial archives within the Cultural
163 Center to serve as a repository for the documents and records pertaining to the veterans
164 memorial, to restore and maintain the monuments and memorial on the capitol grounds: *Provided,*
165 *however,* That \$500,000 of the one percent of net terminal income shall be deposited in the State
166 Treasury in a special fund of the Department of Administration, created pursuant to §5A-4-5 of
167 this code, to be used for construction and maintenance of a parking garage on the State Capitol
168 Complex; and the remainder of the one percent of net terminal income shall be deposited in equal
169 amounts in the Capitol Dome and Improvements Fund created pursuant to §5A-4-2 of this code
170 and Cultural Facilities and Capitol Resources Matching Grant Program Fund created pursuant to
171 §29-1-3 of this code.

172 (B) For each fiscal year beginning after June 30, 2004:

173 (i) Five hundred thousand dollars of the one percent of net terminal income shall be
174 deposited in the State Treasury in a special fund of the Department of Administration, created
175 pursuant to §5A-4-5 of this code, to be used for construction and maintenance of a parking garage
176 on the State Capitol Complex; and

177 (ii) The remainder of the one percent of net terminal income and all of the one percent of
178 net terminal income described in §29-22A-10b(a)(9)(B) of this code shall be distributed as follows:
179 The net terminal income shall be deposited in equal amounts into the Capitol Dome and Capitol
180 Improvements Fund created pursuant to §5A-4-2 of this code and the Cultural Facilities and
181 Capitol Resources Matching Grant Program Fund created pursuant to §29-1-3 of this code until
182 a total of \$1,500,000 is deposited into the Cultural Facilities and Capitol Resources Matching
183 Grant Program Fund; thereafter, the remainder shall be deposited into the Capitol Dome and
184 Capitol Improvements Fund.

185 (d) Each licensed racetrack shall maintain in its account an amount equal to or greater
186 than the gross terminal income from its operation of video lottery machines, to be electronically
187 transferred by the commission on dates established by the commission. Upon a licensed
188 racetrack's failure to maintain this balance, the commission may disable all of a licensed
189 racetrack's video lottery terminals until full payment of all amounts due is made. Interest shall
190 accrue on any unpaid balance at a rate consistent with the amount charged for state income tax
191 delinquency pursuant to chapter 11 of this code. The interest shall begin to accrue on the date
192 payment is due to the commission.

193 (e) The commission's central control computer shall keep accurate records of all income
194 generated by each video lottery terminal. The commission shall prepare and mail to the licensed
195 racetrack a statement reflecting the gross terminal income generated by the licensee's video
196 lottery terminals. Each licensed racetrack shall report to the commission any discrepancies
197 between the commission's statement and each terminal's mechanical and electronic meter
198 readings. The licensed racetrack is solely responsible for resolving income discrepancies
199 between actual money collected and the amount shown on the accounting meters or on the
200 commission's billing statement.

201 (f) Until an accounting discrepancy is resolved in favor of the licensed racetrack, the
202 commission may make no credit adjustments. For any video lottery terminal reflecting a
203 discrepancy, the licensed racetrack shall submit to the commission the maintenance log which
204 includes current mechanical meter readings and the audit ticket which contains electronic meter
205 readings generated by the terminal's software. If the meter readings and the commission's
206 records cannot be reconciled, final disposition of the matter shall be determined by the
207 commission. Any accounting discrepancies which cannot be otherwise resolved shall be resolved
208 in favor of the commission.

209 (g) Licensed racetracks shall remit payment by mail if the electronic transfer of funds is
210 not operational or the commission notifies licensed racetracks that remittance by this method is

211 required. The licensed racetracks shall report an amount equal to the total amount of cash
212 inserted into each video lottery terminal operated by a licensee, minus the total value of game
213 credits which are cleared from the video lottery terminal in exchange for winning redemption
214 tickets and remit the amount as generated from its terminals during the reporting period. The
215 remittance shall be sealed in a properly addressed and stamped envelope and deposited in the
216 United States mail no later than noon on the day when the payment would otherwise be completed
217 through electronic funds transfer.

218 (h) Licensed racetracks may, upon request, receive additional reports of play transactions
219 for their respective video lottery terminals and other marketing information not considered
220 confidential by the commission. The commission may charge a reasonable fee for the cost of
221 producing and mailing any report other than the billing statements.

222 (i) The commission has the right to examine all accounts, bank accounts, financial
223 statements, and records in a licensed racetrack's possession, under its control or in which it has
224 an interest and the licensed racetrack shall authorize all third parties in possession or in control
225 of the accounts or records to allow examination of any of those accounts or records by the
226 commission.

227 (j) If a court of competent jurisdiction finds that the provisions of this section as amended
228 and reenacted in 2021 and the provisions of §29-22A-10d of this code conflict and cannot be
229 harmonized, the provisions of §29-22A-10d of this code shall control.

§29-22A-10b. Distribution of excess net terminal income.

1 (a) For all years beginning on or after July 1, 2001, any amount of net terminal income
2 generated annually by a licensed racetrack in excess of the amount of net terminal income
3 generated by that licensed racetrack during the fiscal year ending on June 30, 2001, shall be
4 divided as follows:

5 (1) The commission shall receive 41 percent of net terminal income, which the commission
6 shall deposit in the state Excess Lottery Revenue Fund created in §29-22-18a of this code;

(2) Until July 1, 2005, eight percent of net terminal income at a licensed racetrack shall be deposited in the special fund established by the licensee and used for payment of regular purses in addition to other amounts provided in §19-23-1 *et seq.* of this code; on and after July 1, 2005, the rate shall be four percent of net terminal income;

(3) The county where the video lottery terminals are located shall receive two percent of the net terminal income: *Provided, That:*

(A) Any amount by which the total amount under this section and §29-22A-10(c)(3) of this code is in excess of the two percent received during fiscal year 1999 by a county in which a racetrack is located that has participated in the West Virginia Thoroughbred Development Fund since on or before January 1, 1999, shall be divided as follows:

(i) The county shall receive 50 percent of the excess amount; and

(ii) The municipalities of the county shall receive 50 percent of the excess amount, the 50 percent to be divided among the municipalities on a per capita basis as determined by the most recent decennial United States census of population; and

(B) Any amount by which the total amount under this section and §29-22A-10(c)(3) of this code is in excess of the two percent received during fiscal year 1999 by a county in which a racetrack other than a racetrack described in paragraph (A) of this proviso is located and where the racetrack has been located in a municipality within the county since on or before January 1, 1999, shall be divided, if applicable, as follows:

(i) The county shall receive 50 percent of the excess amount; and

(ii) The municipality shall receive 50 percent of the excess amount; and

(C) In a county in which a racetrack other than a racetrack described in paragraphs (A) or (B) of this subdivision is located and where the racetrack has been located within that county since on or before January 1, 1999, and where the racetrack is not located in a municipality, the two percent of net terminal income shall be divided, if applicable, as follows:

(i) The county shall receive one percent; and

(ii) The remaining one percent shall be distributed in equal shares to all municipalities within the county. Per capita population has no effect on distributions under this paragraph;

(4) One half of one percent of net terminal income shall be paid for and on behalf of all employees of the licensed racing association by making a deposit into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of the licensed racing association;

(5) (A) The West Virginia Thoroughbred Development Fund created pursuant to §19-23-13b of this code shall receive one and one-half percent of the net terminal income originating at licensed thoroughbred racetracks;

(B) Effective July 1, 2026, the West Virginia Greyhound Breeding Development Fund created pursuant to §19-23-10 of this code shall receive one and one-half percent of the net terminal income originating at licensed greyhound tracks;

(6) The West Virginia Racing Commission shall receive one percent of the net terminal income which shall be deposited and used as provided in §19-23-13c of this code;

(7) A licensee shall receive 42 percent of net terminal income;

(8) The Tourism Promotion Fund established in §5B-2-12 of this code shall receive three percent of the net terminal income: *Provided*, That for each fiscal year beginning after June 30, 2004, this three percent of net terminal income shall be distributed pursuant to the provisions of §29-22A-10(c)(8)(B) of this code;

(9) (A) On and after July 1, 2005, four percent of net terminal income shall be deposited into the Workers' Compensation Debt Reduction Fund created in §23-2D-5 of this code: *Provided*, That in any fiscal year when the amount of money generated by this subdivision together with the total allocation transferred by the operation of §29-22A-10(c)(9) of this code totals \$11 million, all subsequent distributions under this subdivision during that fiscal year shall be deposited in the special fund established by the licensee and used for payment of regular purses in addition to other amounts provided in §19-23-1 *et seq.* of this code;

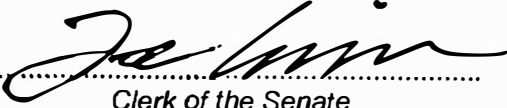
59 (B) The deposit of the four percent of net terminal income into the Worker's Compensation
60 Debt Reduction Fund pursuant to this subdivision shall expire and not be imposed with respect to
61 these funds, which shall be deposited in the special fund established by the licensee and used
62 for payment of regular purses in addition to the other amounts provided in §19-23-1 *et seq.* of this
63 code on and after the first day of the month following the month in which the Governor certifies to
64 the Legislature that: (i) The revenue bonds issued pursuant to §23-2D-1 *et seq.* of this code have
65 been retired or payment of the debt service is provided for; and (ii) that an independent certified
66 actuary has determined that the unfunded liability of the Old Fund, as defined in chapter 23 of this
67 code, has been paid or provided in its entirety; and

68 (10) (A) One percent of the net terminal income shall be deposited in equal amounts in
69 the capitol dome and improvements fund created under §5A-4-2 of this code and cultural facilities
70 and capitol resources matching grant program fund created under §29-1-3 of this code; and

71 (B) Notwithstanding any provision of paragraph (A) of this subdivision to the contrary, for
72 each fiscal year beginning after June 30, 2004, this one percent of net terminal income shall be
73 distributed pursuant to the provisions of §29-22A-10(c)(9)(B)(ii) of this code.

74 (b) The commission may establish orderly and effective procedures for the collection and
75 distribution of funds under this section in accordance with the provisions of this section and §29-
76 22A-10 of this code.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

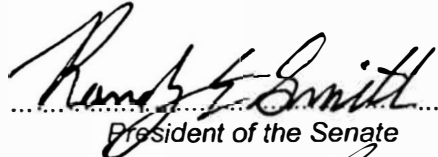

.....
Clerk of the Senate


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Clerk of the House of Delegates

FILED
2026 APR - 1 P 10:40
OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

Originated in the Senate.

In effect 90 days from passage.


.....
President of the Senate


.....
Speaker of the House of Delegates

The within is approved this the 1st
Day of April, 2026.


.....
Governor

PRESENTED TO THE GOVERNOR

MAR 11 2026

Time 2:10 pm