



## Regulatory Oversight

### COMMERCIAL GAMING

**Governing Body:** The state lottery oversees casino-style gaming in West Virginia. [Section 29-22-4](#) of the West Virginia Code creates a seven-member lottery commission. The governor, with the advice and consent of the state Senate, appoints members of the commission. [Section 29-22-5](#) outlines the powers and duties of the state lottery commission. The Racetrack Video Lottery Act, West Virginia Code [Section 29-22A](#), authorizes the operation of video lottery terminals (VLTs) at racetracks under the regulation and control of the state lottery. Local approval via a referendum is required before the state's racetracks can operate VLTs. A licensed racetrack has the right to install and operate up to 400 VLTs and may apply for the right to operate more.

[Section 29-22A-12\(b\)](#) states that VLTs must be in an age-restricted area, approved by the commission.



## Licensing

### COMMERCIAL GAMING

**Operator:** A racetrack casino must have a racetrack license to operate VLTs and table games in the state, except for at one licensed gaming facility. Racetrack licensees must pay \$2,500,000 annually. Racetracks are statutorily permitted to have a maximum of 400 machines, but a racetrack may apply to the Lottery Commission for the right to install more machines.

For the state's lone licensed gaming facility, a \$65,000 application fee is required. For every year after the third year that it is licensed, the licensed gaming facility shall pay to the commission a license renewal fee that is calculated by determining the annual average gross receipts of the West Virginia pari-mutuel racetracks with table games licenses for the last full fiscal year of adjusted gross receipts available, and dividing that number into the licensed gaming facility operator's adjusted gross receipts for the same full fiscal year of adjusted gross receipts to obtain a percentage, and by multiplying the resulting percentage by \$2,500,000: provided, that the amount required to be paid by the licensed gaming facility shall be not less than \$500,000, nor more than \$2,500,000.

In 2019, legislation was enacted that permits the state's licensed casinos to offer online casino games and online poker after applying for an interactive wagering license with the West Virginia Lottery Commission. No more than five interactive wagering licenses are permitted in the state. Operators are required to pay a \$250,000 application fee and licenses may be renewed every five years for \$100,000.

**Supplier License:** Under [Section 29-22C-12](#) of the West Virginia Code, the commission may issue a license to a person to supply a racetrack with table gaming equipment or services. The commission may accept licensing by another jurisdiction, specifically determined by the commission to have similar licensing requirements. The nonrefundable application and license fee is \$100, which is in lieu of the first year's license fee. After a supplier is licensed, it must pay a \$100 annual licensing renewal fee.

# West Virginia



Additionally, West Virginia requires VLT manufacturers to pay a \$10,000 annual licensing fee.

The West Virginia Lottery Interactive Wagering Act allows interactive wagering licensees to contract with an entity to conduct interactive wagering. That entity must obtain a license as a management services provider prior to the execution of any such contract and pay a nonrefundable license and application fee of \$100,000.

Any applicant seeking to sell or lease interactive gaming equipment systems, or other items necessary to conduct interactive gaming, and offer services related to such equipment or other gaming items to an interactive gaming licensee, must be licensed as an interactive gaming supplier. There is an annual \$10,000 license fee.

Lastly, the West Virginia Lottery Interactive Wagering Act allows interactive wagering licensees to contract with an entity to conduct interactive wagering. That entity must obtain a license as an interactive gaming provider/management services provider prior to the execution of any such contract and pay an annual \$100,000 license fee.



## Taxation

### COMMERCIAL GAMING

**Gaming Tax Rate:** Under [Section 29-22A-10](#) of the Racetrack Video Lottery Act, the operator retains 46.5 percent of net terminal income. Some of the taxes taken from operators go into funding programs for racetracks, including purses and pensions. [Section 29-22C-26](#) of the West Virginia Lottery Racetrack Tables Games Act levies a 35 percent tax on the licensee's adjusted gross receipts from the operation of West Virginia Lottery table games. Under the West Virginia Lottery Interactive Wagering Act, operators must also pay a 15 percent "privilege tax" on adjusted gross interactive wagering receipts.

**Tax Allocation:** The Lottery Commission first pays for its operating costs, which are capped at four percent of the gross terminal income. The net terminal income collected by the state is distributed in the following manner:

Lottery Commission	30%
Racing Purses	7%
Host Counties	2%
Racetrack Employee Pension	1%
West Virginia Thoroughbred Development Fund*	1.5%
West Virginia Racing Commission	1%
Returned to Licensee	46.5%
Tourism Fund	3%
Workers Compensation Debt Reduction Fund	7%
Other	1%

\*The statute makes clear that funds disbursed to the West Virginia Thoroughbred Development Fund may not be less than 1.5 percent.

# West Virginia



**Promotional Credits:** “Gross terminal income” means the total amount of cash, vouchers or tokens inserted into the VLTs operated by a licensee, minus the total value of coins and tokens won by a player and game credits which are cleared from the VLTs in exchange for winning redemption tickets. [W. Va. Code § 29-22A-3\(m\)](#). The state allows operators to issue 2% to 3% of promotional credits tax free, subject to a quarterly review.

**Withholdings on Winnings:** West Virginia does not withhold gambling taxes for state purposes, but must collect [6.5 percent](#) if the winner does not provide proper identification.



## Responsible Gaming

### COMMERCIAL GAMING

**Statutory Requirement:** The Compulsive Gambling Treatment Fund, created by [Section 29-22A-19](#) of the West Virginia Code, is controlled and administered by the Department of Health and Human Resources. The account, funded by gambling operations in the state, is used to distribute grants to support problem gambling initiatives. Between \$150,000 and \$500,000 is appropriated to the fund each fiscal year.

**Self-Exclusion:** The director of the West Virginia Lottery may place an individual on the exclusion list if that person has requested in writing to be excluded from the state’s casino gaming venues. At the time of placement on the list, the director will decide whether the exclusion should be permanent. A person who has been placed on any exclusion list may petition the Lottery Commission in writing and request that his or her name be removed from the list. Company-run self-exclusion programs were in place prior to the passage of legislation in 2008 enabling the lottery to maintain its own voluntary exclusion list. The four racetrack casino operators’ plans share many similarities but are not subject to regulatory oversight.

**Alcohol Use:** West Virginia allows its gaming facilities to offer complimentary alcoholic beverages to patrons.

**Advertising Restriction:** No.

**On-Premise Display Requirement:** [Section 29-22B-1112](#) of the West Virginia Code requires that each limited video lottery retailer conspicuously post in the restricted access adult-only facility the telephone numbers of state-approved providers of problem gambling information, treatment, and referral support services. They must also conspicuously post the following: “CAUTION Gambling and playing this machine can be hazardous to your health, your finances, and your future.”

**Restrictions on Minors on the Gambling Premises:** Individuals must be at least 21 years of age to gamble or be on the floor.

# West Virginia



## Other Regulations

### COMMERCIAL GAMING

**Testing Requirements:** The Lottery Rules for video lottery, including technical standards and equipment testing information, can be found [here](#).

**AML Requirements:** Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes in order to prevent money laundering activities and other financial crimes, including terrorism financing.

**Shipping Requirements:** Prior to shipment, a manufacturer must provide the Lottery Commission with notice.

**Credit Offered to Patrons:** West Virginia prohibits the offering of credit to patrons to play a video lottery game.

**Political Contributions:** There are no restrictions on political contributions from parties with gaming interests.

**Smoking Bans:** Smoking may be offered at West Virginia casinos.

**Cashless Gaming & Alternative Payments:** Cashless gaming is permitted. However, cryptocurrency is not currently accepted as a form of payment for gambling transactions.



## Sports Betting

**Authorized Operators:** The state allows existing casino and racetrack licensees to apply for licenses to operate sports betting.

**Mobile/Online:** Each licensee can offer up to three individually branded mobile skins. Each skin partner must display the logo of the license-bearing casino within its platform.

**Taxes and Fees:** West Virginia levies a 10 percent tax on operators' gross sports wagering revenue. A \$100,000 application fee is required with license application. The license is valid for a five-year period and may be renewed for additional five-year periods upon payment of a \$100,000 renewal fee, provided the operator continues to meet all qualification requirements.

**Amateur Restrictions:** Regulations do not impose any prohibitions on college sports betting, including on teams and events within the state.

**Tax on Promotional Credits:** Yes. Operators are only permitted to deduct winnings paid to wagerers from taxable revenue.

**Age Restrictions:** Individuals must be 21 years old to participate in sports wagering.

# West Virginia



## Internet Gaming

**Authorized Operators:** State law permits the state's five licensed casinos to operate online casino gaming. Casinos may partner with up to three interactive gaming management service providers to offer online gaming on the casino's behalf.

**Licensing:** Casinos must obtain an interactive gaming operator license to offer online gaming.

Any applicant seeking to operate interactive gaming pursuant to a contract with a licensed interactive gaming operator must be licensed as a management services provider.

**Taxes & Fees:** An applicant for an interactive gaming operator license must pay an initial license fee of \$250,000. Licenses may be renewed for a fee of \$100,000 every five years as long as the operator continues to meet all qualification requirements.

An applicant for a management services provider license must pay an initial license fee of \$100,000. Licenses must be renewed annually for a fee of \$100,000.

Internet gaming is taxed at 15 percent of GGR.

**Games Available:** Slot machines, table games, and other games approved by the Commission are permitted.

In addition, pursuant to the multi-state internet gaming agreement (MSIGA) in-state internet poker patrons in West Virginia may compete with players in Nevada, New Jersey, Delaware, and Michigan.