



WEST VIRGINIA SECRETARY OF STATE
KRIS WARNER
ADMINISTRATIVE LAW DIVISION

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Office of West Virginia
Secretary Of State

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-
MAKING REVIEW COMMITTEE**

AGENCY: Lottery Commission TITLE-SERIES: 179-05
RULE TYPE: Legislative Amendment to Existing Rule: Yes Repeal of existing rule: No
RULE NAME: 179-05 West Virginia Lottery Limited Video Lottery Rule

PRIMARY CONTACT

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CITE STATUTORY AUTHORITY: 29-22B-402

EXPLANATION OF THE STATUTORY AUTHORITY FOR THE LEGISLATIVE RULE, INCLUDING A DETAILED SUMMARY OF THE EFFECT OF EACH PROVISION OF THE LEGISLATIVE RULE WITH CITATION TO THE SPECIFIC STATUTORY PROVISION WHICH EMPOWERS THE AGENCY TO ENACT SUCH RULE PROVISION:

The statutory authority for extending the sunset date of the Legislative Rule is codified in W. Va. Code §29A-3-19.

The statutory authority for the Lottery Commission to promulgate and amend the West Virginia Lottery Limited Video Lottery Rule is codified in W. Va. Code §29-22B-402.

The statutory authority for the Department of Revenue to promulgate the Lotterys Legislative Rule is codified in W. Va. Code §64-7-4.

The West Virginia Lottery Limited Video Lottery Rule (LVL Rule) is authorized under the West Virginia Limited Video Lottery Act, which empowers the Lottery Commission to administer, regulate, and enforce limited video lottery operations within the state. The LVL Rule establishes the regulatory framework necessary for lawful operation of limited video lottery games and ensures compliance with the statutory requirements set forth in the Act.

Each provision of the rule supports the Commissions statutory authority to supervise licensing, regulate gaming operations, and protect the integrity of the Limited Video Lottery program. The amendments clarify qualifications and independence requirements for Commission approved testing laboratories; establish comprehensive background checks for individuals with ownership or influence; require testing facilities to operate securely within the United States; and modernize standards by incorporating nationally accepted benchmarks such as ISO/IEC17025. The amendments also expand evaluation requirements and strengthen the Commissions authority to audit, monitor, and enforce compliance. These provisions collectively ensure fair, reliable, conflict free testing and certification of gaming equipment.

Additionally, the amendments extend the LVL Rules sunset date from August1, 2027, to August 1, 2032, pursuant to W. Va. Code §29A 3 19, providing continued regulatory stability for the program.

IS THIS FILING SOLELY FOR THE SUNSET PROVISION REQUIREMENTS IN W. VA. CODE §29A-3-19(e)? No

IF YES, DO YOU CERTIFY THAT THE ONLY CHANGES TO THE RULE ARE THE FILING DATE, EFFECTIVE DATE AND AN EXTENSION OF THE SUNSET DATE? No

DATE eFiled FOR NOTICE OF HEARING OR PUBLIC COMMENT PERIOD: 6/29/2026

DATE OF PUBLIC HEARING(S) OR PUBLIC COMMENT PERIOD ENDED: 7/29/2026

COMMENTS RECEIVED: No

(IF YES, PLEASE UPLOAD IN THE COMMENTS RECEIVED FIELD COMMENTS RECEIVED AND RESPONSES TO COMMENTS)

PUBLIC HEARING: No

(IF YES, PLEASE UPLOAD IN THE PUBLIC HEARING FIELD PERSONS WHO APPEARED AT THE HEARING(S) AND TRANSCRIPTS)

RELEVANT FEDERAL STATUTES OR REGULATIONS: No

WHAT OTHER NOTICE, INCLUDING ADVERTISING, DID YOU GIVE OF THE HEARING?

Although the Administrative Procedures Act requires only publication in the State Register, the Lottery Commission provided additional notice to ensure transparency and meaningful stakeholder participation. The proposed LVL Rule amendments were distributed directly to registered industry stakeholders. No public comments were received.

SUMMARY OF THE CONTENT OF THE LEGISLATIVE RULE, AND A DETAILED DESCRIPTION OF THE RULE'S PURPOSE AND ALL PROPOSED CHANGES TO THE RULE:

The LVL Rule governs the administration and oversight of limited video lottery gaming in West Virginia. Its purpose is to establish the regulatory structure necessary for lawful operation, protect consumers, prevent illegal market activity, and safeguard the significant revenue stream the program generates for critical public services.

The amendments update and modernize oversight of video lottery testing within the state. Key changes include:

- Clarifying qualifications and independence requirements for Commission approved testing laboratories.
- Establishing comprehensive background check standards for individuals with ownership interests or substantive influence.
- Requiring laboratories to maintain a secure, fully staffed U.S. based testing facility.
- Recognizing nationally accepted standards, including ISO/IEC17025.
- Expanding the scope of required evaluations.
- Strengthening the Commissions authority to audit, monitor, and enforce compliance.
- Extending the LVL Rules sunset date to August 1, 2032, under W. Va. Code §29A 3 19.

Collectively, these changes enhance transparency, fairness, and accountability and increase public confidence in the Limited Video Lottery program.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE:

The Limited Video Lottery program has operated successfully for decades and remains a major revenue source for the State of West Virginia. Since its implementation, limited video lottery has generated \$8.9 billion (20012025), supporting education, senior services, tourism, and other essential public programs without raising taxes. Continued regulatory oversight is necessary to preserve these benefits.

Modernization of testing standards is required to address cybersecurity risks, ensure laboratory independence, and maintain integrity of gaming equipment evaluations. Updating and extending the rule also ensures regulatory continuity and supports the sustained operation of a program that consistently exceeds revenue projections.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED LEGISLATIVE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

Ending the LVL program would immediately eliminate one of West Virginias largest and most stable revenue streams. The state would lose approximately \$450475 million per year in privilegetax revenuefunds that currently support the general revenue budget and critical statewide services. Over its lifespan, LVL has generated \$8.9 billion for the state, meaning its expiration would erase a longterm, reliable funding source overnight.

The amendments relating to test labs would have no economic impact on the State.

B. ECONOMIC IMPACT ON SPECIAL REVENUE ACCOUNTS:

Because LVL revenue is statutorily earmarked for specific special revenue funds, termination of the program would cause immediate negative balances in multiple accounts that rely on scheduled LVL transfers. The Legislature would then be forced to fill these gaps by increasing general revenue appropriations, reducing services, or raising taxes. The LVL framework is financially selfsustaining, so ending the program would eliminate revenue without producing any offsetting cost reductions.

C. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

Expiration of the LVL program would harm local economies statewide. LVL operates through licensed retailers who rely on the program for revenue and jobs. Ending LVL would financially impact hundreds of establishments and their suppliers, reducing economic activity in communities across West Virginia. Residents would also be affected by likely service reductions or tax increases needed to compensate for the large revenue loss.

D. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year

	2026 Increase/Decrease (use "-")	2027 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost			
Personal Services			
Current Expenses			
Repairs and Alterations			
Assets			
Other			
2. Estimated Total Revenues	\$474,000,000	\$469,000,000	\$465,000,000 (Projected)

E. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

Revenue has exceeded annual projections since implementation of the West Virginia Limited Video Lottery Act. Long range expectations indicate continued strong financial performance due to stable market demand and strengthened regulatory oversight established through the LVL Rule amendments.

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.

Yes

Anoop Bhasin -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.

**TITLE 179
LEGISLATIVE RULE
WEST VIRGINIA LOTTERY**

**SERIES 5
LIMITED VIDEO LOTTERY RULE**

§179-5-1. General.

1.1. Scope and Purpose. -- The purpose of this legislative rule is to implement, clarify and explain provisions of the Limited Video Lottery Act codified in W. Va. Code §29-22B-101.

1.2. Authority. -- W. Va. Code §29-22B-402.

1.3. Filing Date. -- ~~April 14, 2022.~~

1.4. Effective Date. -- ~~July 1, 2022.~~

1.5 Sunset Provision -- This rule shall terminate and have no further force or effect on August 1, ~~2027~~ 2032.

§179-5-2. Definitions of terms and words.

2.1. “Advertising” as used in West Virginia Code §29-22B-702(13) and §29-22B-706(12) means a media advertisement, utilizing social media, an outdoor sign, or a sign inside the licensee’s premises that may be seen from the outside of the premises, that conveys to the average reader or hearer that limited video lottery gaming is available at the retail establishment or from the licensed operator.

2.2. “ABCA” means the office and agency known as the alcohol beverage control commissioner created in W. Va. Code §60-2-1.

2.3. “Act” and “the act” mean the Limited Video Lottery Act codified in W. Va. Code §29-22B-101 *et seq.*

2.4. “Central computer”, “central control computer” or “central site system” means any central site computer provided to and controlled by the commission to which video lottery terminals communicate for purposes of information retrieval and terminal activation and to disable programs. “Central computer” includes the computer at the commission’s hot backup site when it is functioning as the central control computer.

2.5. “Control” means the authority to direct the management and policies of an applicant for a license or a holder of a license. The following persons are considered to have control of an applicant:

2.5.~~a~~1. Each person associated with a corporate applicant, including any corporate holding company, parent company or subsidiary company of the applicant, except that:

2.5.~~a~~1.~~a~~. A bank or other licensed lending institution that holds a mortgage or

other lien acquired in the ordinary course of business does not have control of the applicant;

~~2.5.a.21.b.~~ An investment advisor who is registered with the United States Securities and Exchange Commission and whose beneficial interest in the applicant is held strictly for investment purposes, who has the ability to control the activities of the corporate applicant or to elect a majority of the board of directors of that corporation does not have control of the applicant; and

~~2.5.a.31.c.~~ An institutional investor who is registered with the United States Securities and Exchange Commission and whose beneficial interest in the applicant is held strictly for investment purposes, who has the ability to control the activities of the corporate applicant or to elect a majority of the board of directors of that corporation. The applicant or licensee has the burden of proving that the interest is held for investment and not for direct or indirect control of the applicant or licensee; and

~~2.5.b.2.~~ Each person associated with a noncorporate applicant who directly or indirectly holds any beneficial or proprietary interest in the applicant or who the commission determines to have the ability to control the applicant; and

~~2.5.e.3.~~ Key personnel of an applicant, including any executive, employee or agent, having the power to exercise significant influence over decisions concerning any part of the applicant's business operation.

2.6. "Gross profits" means the portion of gross terminal income collected by the commission from the permittee that remains after the commission deducts two percent of gross terminal income for administrative expenses.

2.7. "Gross terminal income" means the total amount of cash inserted into video lottery terminals operated by a licensee, minus the total value of game credits which are cleared from the video lottery terminals in exchange for winning redemption tickets printed by the video lottery terminals. Gross terminal income may also be determined by subtracting total credits won from total credits played. Either method will yield the same gross terminal income for the period.

2.8. "Incomplete applications" as used in W.Va. Code §29-22B-509(b) means applications that have not included one or more of the required elements for licensure:

2.8.a1. Fingerprint information;

2.8.b2. All lottery forms completely filled in;

2.8.e3. Payment of the non-refundable fee for license; and

2.8.d4. An ABCA private club liquor license number or eClass "A" nonintoxicating beer license number.

2.9. "Indirect ownership" means an interest a person owns in an entity or in property solely as a result of application of constructive ownership rules without regard to any direct ownership interest (or other beneficial interest) in the entity or property. "Indirect ownership" shall be determined under the rules applicable to determining whether a gain or loss between related parties is recognized for federal income tax purposes as provided for in 26 U.S.C. §267 of the Internal Revenue Code and regulations of the

Secretary of the United States Treasury.

2.10. “License” or “video lottery license” means the written authorization granted by the commission pursuant to the Act and this rule that permits the person named in the license to engage in the activity for which the license was issued during the period of time for which the license was issued, unless the license is surrendered by the licensee, or is cancelled or revoked by the director or the commission, before its expiration date. The activity for which the license was issued may not be engaged in during any period of time for which the license has been suspended by the director or the commission. The commission issues four types of licenses: (A) a limited video lottery retailer’s license, (B) a manufacturer’s license, (C) an operator’s license, and (D) a service technician’s license.

2.11. “Licensed limited video lottery location approved by the commission” as it appears in W. Va. Code, §29-22B-1201(a) includes:

2.11.1. A location approved by the commission that is in excess of one hundred fifty feet from a business in accordance with W. Va. Code §29-22B-1202 that sells petroleum products capable of being used as fuel in an internal combustion engine as determined by the commission during the license application review; or

2.11.2. A location approved by the commission that is a separate room or building which is a part of, contiguous to, or adjoining an “Authorized West Virginia Truck Stop.”

2.11.2.a. An Authorized West Virginia Truck Stop is a facility that (i) is also a convenience store, (ii) has separate diesel islands for fueling commercial vehicles, (iii) has overnight parking spaces for commercial vehicles, (iv) is open 24 hours, and (v) has at least fifty (50) parking spaces.

2.11.2.b. The applicant must attest to all qualification requirements prior to licensure of a limited video lottery retailer to operate video lottery terminals at the location of an Authorized West Virginia Truck Stop, and provide sufficient proof of compliance with all requirements in subdivision 2.12.2 of this subsection.

2.11.3. The provisions of any interpretive rule providing restrictions within the definition of the term “licensed limited video lottery location approved by the commission” shall continue in full force and effect except as to any such restriction that is explicitly superseded or modified by the provisions of this subsection.

2.12. “Modified terminal not approved by the commission” as used in subsection 15.1 of this rule, means a video lottery terminal whose assembly or operational functions are not identical to the video lottery terminal that was tested by the commission’s independent testing laboratory and approved by the commission for sale or lease to a permittee in West Virginia.

2.13. “Operating video lottery terminals” as the term is used in subsection 27.1 of this rule means terminals that are accepting and processing limited video lottery wagers in a day. A video lottery terminal that does not accept and process any limited video lottery wagers during a day will not be counted as operating on that day.

2.14. “Other act beyond the control of the permittee,” as used in W.Va. Code §29-22B-1113(b), means a natural or man-made occurrence that was not caused by any person having direct or indirect

ownership or control of the permittee. These occurrences include, but are not limited to, the following:

2.14.1. Failure of the electric power utility, the telephone utility, the water utility or the natural gas utility to provide electric power, telephone service, water or (if needed) natural gas to the restricted access adult-only facility;

2.14.2. The rendering of the restricted access adult-only facility uninhabitable by reason of smoke or water damage from a fire in an adjacent location of the building or structure in which the restricted access adult-only facility is located;

2.14.3. A declaration of a civil emergency that closes the premises in which the restricted access adult-only facility is located; or

2.14.4. A hardware or software malfunction in a video lottery terminal that can be corrected only by the licensed manufacturer that built the video lottery terminal, if the malfunction is registered by the manufacturer with the commission before the downtime limit expires.

2.15. “Petroleum products” as used in W.Va. Code §29-22B-328(b) and elsewhere in this rule means gasoline and special fuels as those terms are defined by W.Va. Code §11-14C-2.

2.16. “Pin ball machine” as it appears in W.Va. Code §29-22B-331 means an electro-mechanical amusement device in which a solid metal ball propelled by a plunger scores points as it rolls down a slanting surface among pins and targets. Flippers located on each side of the slanted surface allow the person playing the machine to keep the ball in play thereby scoring more points. “Pinball machine” does not include any electronic simulation that does not use a mechanical plunger, mechanical flippers or a physical solid metal ball to operate the game.

2.17. “Restricted access adult-only facility” means and is limited to:

2.17.~~a~~1. A private club licensed by the ABCA under W. Va. Code §60-7-1 *et seq.* that is also licensed by the commission as a limited video lottery retailer to allow members and their guests to play video lottery games, subject to the following restrictions:

2.17.~~a~~1.a. When a private club is frequented by minors and their parents, the private club is not a restricted access adult-only facility unless all ~~of~~ its video lottery terminals are located in a separate room suitable for the location of video lottery terminals with adult-only restricted access, the interior of which is not visible to persons outside the room. The commission shall determine whether the separate room is suitable for the location of video lottery terminals.

2.17.~~a~~1.b. When a place of business includes a private club licensed under W. Va. Code §60-7-1 *et seq.* and the place of business sells petroleum products, the private club may not have a limited video lottery retailer’s license. This restriction applies even though the video lottery terminals would be located in a separate room, or in a building that is part of, contiguous to or adjoining a place of business that sells petroleum products. This restriction applies even though the private club or the business that sells petroleum products, or both businesses, are located in owned or leased space and even though the private club and the business that sells petroleum products are owned or operated by unrelated parties for purposes of application of 26 U.S.C. §267 of the Internal Revenue Code.

2.17.b2. A place of business that (A) does not sell petroleum products, (B) has a Class “A” nonintoxicating beer license issued by the ABCA under W. Va. Code §11-16-1 *et seq.* allowing the holder to sell nonintoxicating beer for consumption on the premises, and (C) meets all of the following:

2.17.b.12.a. The business derives at least 40% of its annual gross receipts at that location from sales of nonintoxicating beer to consumers and of the gross receipts from sales of nonintoxicating beer, at least 80% are from sales of nonintoxicating beer for consumption on the premises.

2.17.b.1.A2.a.1. Example 1. ZXY pizza shop has a Class “A” nonintoxicating beer license. Annual gross receipts at that location from all sources is \$2 million. Of this amount, \$750,000 is from sales of nonintoxicating beer. Because gross receipts from sales of nonintoxicating beer is less than 40 percent of gross receipts from all sales of goods and services, the pizza shop is not eligible for a limited video lottery license.

2.17.b.1.B2.a.2. Example 2. ZXY pizza shop has a Class “A” nonintoxicating beer license. Annual gross receipts at that location from all sources is \$2 million. Of this amount, \$850,000 is from sales of nonintoxicating beer. Annual gross receipts from sales of nonintoxicating beer for consumption on the premises is \$637,500 while annual gross receipts from sales of nonintoxicating beer for off-premises consumption is \$212,500. In this example, more than 40 percent of annual gross receipts are from sales of nonintoxicating beer. However, because annual gross receipts from sales of nonintoxicating beer for consumption on the premises is less than 80 percent of gross receipts from all sales of nonintoxicating beer, the pizza shop is not eligible for a limited video lottery license.

2.17.b.1.C2.a.3. A business that has a Class “A” nonintoxicating beer license and wants to obtain or retain a limited video lottery license shall make and retain adequate records of its sales of goods and services. At a minimum, the records shall show, for each business location, total annual gross receipts, total annual gross receipts from all sales of nonintoxicating beer and total annual gross receipts from sales of nonintoxicating beer for consumption on the premises. When the business location has a Class “A” nonintoxicating beer license, the records separately shall show for each business day gross receipts derived from sales of nonintoxicating beer for consumption on the premises and gross receipts derived from sales of nonintoxicating beer for consumption off the premises. Whether nonintoxicating beer is sold for consumption on or off the premises is determined at the time nonintoxicating beer is sold to the customer. If nonintoxicating beer is sold for consumption off the premises, the sale is to be recorded as a sale for off-premises consumption even though the customer, after receiving the nonintoxicating beer in a sealed container, opens the container and consumes the product in whole or in part on the premises.

2.17.b.1.D2.a.4. In the absence of adequate records, the commission shall presume that annual gross receipts from sales of nonintoxicating beer is less than 40 percent of total annual gross receipts from all sales of goods and services at the business location.

2.17.b.1.E2.a.5. When the business does not keep adequate books and records of gross receipts from sales on nonintoxicating beer for consumption on the premises and of gross receipts from sales of nonintoxicating beer for consumption off the premises, the commission shall presume that gross receipts from sales of nonintoxicating beer for consumption on the premises is less than 80 percent of all sales on nonintoxicating beer.

2.17.~~b.22~~.b. The business maintains a suitable kitchen and dining facility and related equipment for serving meals for on-premises consumption;

2.17.~~b.32~~.c. The business regularly prepares and sells meals for consumption on the premises;

2.17.~~b.42~~.d. The business has a separate room suitable for the location of video lottery terminals with adult-only restricted access, the interior of which is not visible to persons outside the room. The commission shall determine whether the separate room is suitable for the location of video lottery terminals; and

2.17.~~b.52~~.e. The business meets any additional requirement(s) or standard developed by the commission for a Class “A” nonintoxicating beer licensee.

2.18. “Ten days after the date the ticket is printed,” as that phrase is used in subsection 7.1 of this rule, is calculated by excluding the day the ticket was printed and including the tenth subsequent day until the close of video lottery gaming that began on the tenth subsequent day.

§179-5-3. Review of continuing eligibility for license.

3.1. The commission shall determine on a continuing basis the eligibility of licensees to hold a license by one or more of the following means:

3.1.~~a~~1. The commission shall review the qualifications of each licensee on at least an annual basis;

3.1.~~b~~2. The commission shall perform spot audits at retailer locations and at operator locations; and

3.1.~~e~~3. The commission shall review reports of violations discovered by lottery investigators and ABCA inspectors during site visits to locations of operators, limited video lottery retailers and service technicians.

3.2. Each limited video lottery retailer shall continue to hold either a private club license or a eClass A nonintoxicating beer license issued by the ABCA;

3.2.~~a~~1. If the ABCA suspends or cancels the retailer’s private club license or eClass A nonintoxicating beer license, the director shall disable and cause not to operate the retailer’s video lottery terminals at the location where the ABCA license is suspended and shall re-enable the video lottery terminals only when the suspension or cancellation is lifted by the ABCA; and

3.2.~~b~~2. If the ABCA revokes the retailer’s private club license or eClass A nonintoxicating beer license, the director shall disable and cause not to operate the retailer’s video lottery terminals at the licensed location and shall recommend to the commission that the limited video lottery retailer’s license for that location be revoked.

3.3. If any condition that a licensee must meet for licensure changes after a license is granted, other than conditions in subsection 4.3 of this rule, the director shall suspend the license until the condition is corrected, and shall disable and cause not to operate during the period of suspension the licensee's video lottery terminals.

3.4. Renewal of a suspended license and the collection of the annual license fee will be held in abeyance until the reason for the underlying suspension is remedied whenever the limited video lottery license is suspended during the time when limited video licenses are renewed.

3.5. The commission may proceed to revoke the limited video lottery license whenever a suspension lasts longer than 30 days, whether the suspension is by the ABCA or by the commission.

§179-5-4. Application forms and other documents.

4.1. The commission shall approve the forms of application to be used, including, but not limited to:

4.1.a1. An application form;

4.1.b2. A personal data form;

4.1.c3. FBI fingerprint cards; and

4.1.d4. IRS form 8821 to disclose income tax filings, when necessary.

4.2. All application, registration and disclosure forms, and other documents submitted to the lottery commission, by or on behalf of an applicant for purposes of determining qualification for a limited video lottery license, shall be sworn to or affirmed before an officer qualified to administer oaths.

4.3. If the commission and the State Police implement an electronic fingerprint capturing technology, the requirement for submission of fingerprint cards for initial application and license renewal is waived as redundant for persons whose fingerprints are on file with the commission in electronic form.

§179-5-5. Bonding requirements for operators and limited video lottery retailers who are permittees.

5.1. Before any operator or limited video lottery retailer is issued a permit to own or lease video lottery terminals from a licensed manufacturer, the permittee shall post a bond executed by a surety company authorized to transact surety business in West Virginia, or an irrevocable "letter of credit," as defined in W. Va. Code §46-5-103, issued by a national or state bank or other financial institution acceptable to the commission to ensure the performance of the permittee's duties and responsibilities under the Act and this rule and indemnification of the commission.

5.1.a1. For the license year beginning ~~the~~ October 1, 2001, the annual bond or irrevocable letter of credit posted shall be in an amount equal to \$1,500 multiplied by the number of video lottery terminal stated in the permit. When an amended permit is issued for additional video lottery terminals, the permittee shall post a supplemental bond or irrevocable letter of credit for the additional lottery terminals

or, in the permittee's discretion, a replacement bond or irrevocable letter credit for the number of video lottery terminals stated in the amended permit;

5.1.~~b~~2. For license years beginning after September 30, 2002, the commission shall obtain a single financial guarantee bond covering all permittees as provided in W. Va. Code §29-22B-515;

5.1.~~b.12~~a. The commission shall obtain a blanket bond covering all permittees by competitive bidding procedures through the purchasing division of the department of administration and shall apportion the cost of the bond premium among all participating permittees on a per-terminal basis;

5.1.~~b.22~~b. Each permittee shall participate in the financial guarantee blanket bond program provided by the commission in the amount of at least \$2,000 for each terminal owned or leased by the permittee. The commission shall renew the blanket bond on an annual continuing basis. Bonding premium payments shall be made by electronic funds transfer from the permittee's bank accounts to the commission's revenues and transfers account each year; and

5.1.~~b.32~~c. If it is determined by the director that one or more permittees should be bonded for an amount and in a form and manner different from the financial guarantee bond of at least \$2,000, or if other security should be provided by the permittee to ensure the performance of the permittee's duties and responsibilities or the indemnification of the commission, the director shall determine and impose the amount, form and manner of the coverage, and shall also report his or her determination to the commission.

5.2. The bond specified in subdivision 5.1.~~b~~2 of this section shall be issued by a surety company authorized to transact surety business in West Virginia and the company must be approved by the West Virginia insurance commissioner as to solvency and responsibility.

5.3. A permittee who is a video lottery retailer that has permits for two or more restricted access adult-only facilities may post a bond or irrevocable letter of credit until October 1, 2002, for the number of video lottery terminals stated in all permits held by the permittee.

5.4. Whenever a permittee has no valid bond or irrevocable letter of credit or blanket bond under this section, for the amount determined by this section, the commission shall disable and cause not to operate every video lottery terminal of the permittee that is placed in a licensed retail location until the appropriate bond or irrevocable letter of credit is received by the commission and becomes effective.

§179-5-6. Additional duties of limited video lottery retailers.

6.1. In addition to the additional duties as listed in W.Va. Code §29-22B-702, a limited video lottery retailer shall:

6.1.~~a~~1. Ensure that the central site system controller/validator unit is at all times turned on, supplied with electric power, supplied with printer paper and connected to each limited video lottery terminal and to the data communications connection to the commission's central site system;

6.1.~~b~~2. Acquire and install one or more security cameras, at least one video cassette recorder, memory disk or other device that will record the video feed from the security cameras, and the

necessary cabling to connect the cameras to the video cassette recorder or other device in the restricted access adult-only facility on the premises of a licensed limited video lottery retailer;

6.1.~~e~~3. Ensure that security cameras are placed and remain placed in the specific locations that have been approved by the commission, and are not relocated within the facility without the prior written approval of the director;

6.1.~~d~~4. Ensure that security cameras are correctly aimed at the video lottery terminals and are always operating 24 hours a day;

6.1.~~e~~5. Ensure that video recorders tied to the security cameras are operating 24 hours a day;

6.1.~~f~~6. Ensure that videotapes or other storage media are changed when they are completely recorded, and that no tape or other storage media are reused more than the tape or media manufacturer's recommended number of times;

6.1.~~g~~7. Ensure that videotapes or other storage media are retained for at least 60 days after they are recorded;

6.1.~~h~~8. Pay for all credits won upon presentment of a valid winning video lottery ticket from a video lottery terminal located on the premises where it is presented for payment;

6.1.~~i~~9. Clear printer paper jams and bill acceptor jams and replace ticket paper in the printer unit in a competent and timely manner based on training received from a licensed service technician;

§179-5-7. Additional duties of limited video lottery retailer regarding payment of credits.

7.1 A limited video lottery ticket must be presented for payment no later than ten days after the date the ticket is printed.

7.1.~~a~~1. This ten-day calculation will not be extended regardless of whether the tenth day falls on a Saturday, Sunday or legal holiday; and

7.1.~~b~~2. When an act of God such as a flood renders the video lottery gaming system at a retail location inoperative in the opinion of the West Virginia State Lottery Commission, the ten-day time period will be deemed to be interrupted until such time as the video lottery gaming system is restored to operation.

§179-5-8. Supplemental duties of manufacturers.

8.1. In addition to the additional duties imposed on all licensees by W.Va. Code §29-22B-705, a manufacturer shall:

8.1.~~a~~1. Pay no compensation or inducement of any kind to any operator or retailer, or give or transfer anything of value to any operator or retailer, beyond a nominal consideration of one dollar per year. "Anything of value" does not include the following transactions:

~~8.1.a.1.a.~~ A lease agreement for video lottery terminals with the option to purchase the video lottery terminals at the end of the lease term, so long as the terms are reasonable and customary as determined by the commission; and

~~8.1.a.21.b.~~ A loan for the purchase of video lottery terminals so long as the terms are reasonable and customary as determined by the commission; and

8.1.b2. Prepare training courses for applicants seeking to be licensed as service technicians and prepare and administer course proficiency tests approved by the commission at the conclusion of each course;

§179-5-9. Supplemental duties of service technicians.

9.1. In addition to the additional duties imposed on all licensees by W.Va. Code §29-22B-707, a manufacturer shall train retailers and their employees how to clear printer paper jams and bill acceptor jams and replace ticket paper in the printer unit in a competent and timely manner; and

§179-5-10. Additional requirements for testing of video lottery terminals and associated equipment.

10.1. The commission shall review and approve one or more independent testing laboratories for the purpose of inspecting, ~~and testing, and certifying~~ video lottery terminals, associated equipment and related hardware and software to be operated or used in West Virginia under this rule; rule.

~~10.1.a. Any testing laboratory appointed by the commission for these functions shall, at the time of appointment, have a minimum of 5 years of experience testing video gaming equipment on behalf of government regulators of video gaming devices such as the video lottery terminals regulated by this rule;~~

~~10.1.b. The testing laboratories shall report all testing results to the commission, both video lottery terminals, associated equipment and software that comply with the Act and this rule, as well as video lottery terminals, associated equipment and software that do not comply; and~~

~~10.1.c. The testing laboratories shall test to assure the commission in writing that the video lottery terminals, associated equipment and software tested comply with all requirements and specifications set forth in the Act and this rule.~~

10.2. ~~The commission shall require that hardware modifications and modifications of software be submitted to a designated testing laboratory by the commission. Modified hardware and software must be approved by the commission before it may be used in limited video lottery in West Virginia. Any testing laboratory approved by the commission pursuant to this section shall, at the time of approval:~~

10.2.1. Have a minimum of five years of demonstrated experience testing video gaming equipment and software on behalf of governmental regulatory authorities overseeing video gaming devices including but not limited to video lottery terminals regulated under this rule.

10.2.2. Be independent and free from any ownership, financial, or organizational

affiliation with any licensed operator, retailer, platform provider, manufacturer, or supplier of video lottery terminals or associated equipment. Any actual or potential conflict of interest shall be fully disclosed to the commission and resolved to the commission's satisfaction. A testing laboratory may not certify any system or component in which it has a direct or indirect commercial or financial interest.

10.2.3. Maintain a fully staffed and operational testing facility located within the United States. The facility shall include the equipment, technical infrastructure, and secure environment necessary to independently test and certify video lottery terminal hardware, software, and associated systems. The commission may inspect such facility upon reasonable notice.

10.2.4. The testing laboratory shall provide verification to the Lottery that a criminal background investigation has been conducted on all individuals who exercise ownership, control, or significant influence over the laboratory's operations. The following persons shall be subject to background investigation requirements:

10.2.4.a. Any individual who owns five percent or more of the testing laboratory, directly or indirectly, or who otherwise possesses the ability to influence or control the management or policies of the laboratory.

10.2.4.b. All officers, directors, trustees, and managerial employees of the testing laboratory and of any parent company, holding company, or subsidiary that has the ability to influence the operations of the testing laboratory.

10.2.4.c. Any person associated with a corporate parent, holding company, or subsidiary of the testing laboratory who has the ability to control the activities of the testing laboratory or elect a majority of the board of directors of that entity. Banks and licensed lending institutions holding liens in the ordinary course of business are excluded.

10.2.4.d. Any person associated with a non-corporate ownership structure who directly or indirectly holds any beneficial or proprietary interest in the testing laboratory, or whom the commission determines has the ability to control or significantly influence the testing laboratory.

10.2.4.e. Key personnel, including any executive, employee, or agent who has the power to exercise significant influence over decisions concerning any part of the laboratory's testing, certification, security, or operational processes.

10.2.4.e.1. Background investigations shall include, at a minimum:

10.2.4.e.1.A. A state and federal criminal background history records check;

10.2.4.e.1.B. Fingerprinting and identity verification;

10.2.4.e.1.C. Disclosure of prior regulatory actions, disciplinary actions, or professional sanctions; and

10.2.4.e.1.D. Any additional investigative steps the commission

deems necessary to ensure the integrity of video lottery operations.

10.2.4.f. The commission may deny, suspend, or revoke approval of a testing laboratory if any covered individual:

10.2.4.f.1. Has been convicted of a felony, unless the commission determines the conviction is remote in time and unrelated to the duties and responsibilities associated with testing laboratory operations;

10.2.4.f.2. Has been convicted of any offense involving fraud, theft, dishonesty, embezzlement, false statements, or breach of fiduciary duty;

10.2.4.f.3. Has been convicted of any offense involving tampering with gaming equipment, gaming fraud, unlawful gambling activity, or any offense related to the integrity of gaming systems;

10.2.4.f.4. Has been convicted of any crime involving computer intrusion, cybersecurity violations, unauthorized access to computer systems, or manipulation of electronic data;

10.2.4.f.5. Has engaged in conduct that, in the commission's judgment, poses a risk to the integrity, security, fairness, or public confidence in video lottery operations;

10.2.4.f.6. Has willfully provided false or misleading information to the commission during the approval or investigative process; or

10.2.4.f.7. Refuses to submit fingerprints, documentation, or information required to complete the background investigation.

10.2.4.g. The testing laboratory shall notify the commission within ten business days of any change in ownership, control, or key personnel. The commission may require updated background investigations for newly added individuals. Failure to comply with this subsection may result in suspension or revocation of the laboratory's approval.

10.3. The commission may also require that the manufacturer transport two working models of a video lottery terminal with all components as it will be set up in retail locations, including any associated equipment that may be used, to the designated testing laboratory for testing, examination and analysis. When this is required, the manufacturer shall pay the cost of transportation of one video lottery terminal to lottery headquarters and a second video lottery terminal to the commission's hot backup computer site. All approved testing laboratories shall maintain continuous compliance with the requirements of this section. Failure to maintain compliance may result in suspension or revocation of approval by the commission.

10.4. Testing laboratories shall perform all evaluations and certifications in accordance with technical standards, testing protocols, and certification requirements established or adopted by the commission. The commission may require adherence to nationally or internationally recognized testing standards, including but not limited to ISO/IEC 17025 or equivalent standards.

10.5. The commission may require approved testing laboratories to submit periodic reports, certifications, or other documentation necessary to verify continued compliance. The commission may also conduct audits, inspections, or re-evaluations of any approved testing laboratory at its discretion.

10.6. Testing laboratories shall evaluate video lottery terminals and associated equipment for compliance with all applicable statutory, regulatory, technical, and security requirements, including but not limited to:

10.6.1. Game integrity and randomness;

10.6.2. Hardware and software functionality;

10.6.3. Accounting and reporting capabilities;

10.6.4. Communication protocols and system interfaces;

10.6.5. Security controls, including protection against unauthorized access, tampering, or data manipulation.

10.7. Nothing in this section shall limit the authority of the commission to:

10.7.1. Reject, conditionally approve, or revoke approval of any testing laboratory;

10.7.2. Require additional testing or independent verification of any video lottery terminal or associated equipment; or

10.7.3. Establish supplemental policies, technical standards, or minimum internal control standards related to testing and certification.

10.8. Testing laboratories shall report all testing results to the commission, including results for video lottery terminals, associated equipment, and software that comply with the Act and this rule, as well as those that do not comply.

10.9. Testing laboratories shall provide written assurance to the commission that all video lottery terminals, associated equipment, and software tested comply with all requirements and specifications set forth in the Act and this rule.

10.10. The commission shall require that all hardware and software modifications be submitted to a commission-approved testing laboratory. Modified hardware and software must be approved by the commission before being used in limited video lottery operations in West Virginia.

10.11. The commission may require a manufacturer to transport two working models of a video lottery terminal, with all components and associated equipment as it will be configured in retail locations, to the designated testing laboratory for testing, examination, and analysis. When required, the manufacturer shall pay the cost of transporting one video lottery terminal to lottery headquarters and a second terminal

to the commission's hot backup computer site.

§179-5-11. Additional video lottery hardware and software specifications not found in W.Va. Code §§29-22B-901 through 912.

11.1. A video lottery terminal shall not allow more than five dollars (\$5.00) to be wagered on a single game; however, the following game options do not violate the five-dollar wager limit on a single game because none require the insertion of more than \$5.00 to play the game:

- 11.1.a~~1~~. The double-up option in poker games;
- 11.1.b~~2~~. The splitting option in blackjack games;
- 11.1.e~~3~~. The insurance option in blackjack games; and
- 11.1.d~~4~~. The let-it-ride option in blackjack games.

11.2. A video lottery terminal may not be designed or configured to allow more than one individual to use video lottery terminal at the same time.

11.3. Each video lottery terminal must contain a single printing mechanism capable of printing an original ticket and retaining an exact legible copy within the video lottery terminal, or other means of capturing and retaining an electronic copy of the ticket data as approved by the commission for at least eleven days after the ticket is printed;

11.3.a~~1~~. If an impact printer is used by the video lottery terminal, the retained audit tape must be a different color paper from the ticket paper received by the player;

11.3.b~~2~~. If a thermal printer is used and the duplicate information is stored electronically in the video lottery terminal, any duplicate ticket printed by the terminal must have the prominent word "DUPLICATE" printed on the face of the ticket; and

11.3.e~~3~~. In addition to the information required to be printed on the ticket by W.Va. Code §29-22B-905, the unique terminal identification number shall be recorded on the ticket when credits accrued on a video lottery terminal are redeemed for cash.

11.4. The commission shall provide a label for each video lottery terminal prominently displaying information on how to locate and contact persons or organizations available for help, assistance or treatment for persons who may have a gambling addiction, together with the telephone number "1-800-GAMBLER" or another help line telephone number that the commission may later choose.

11.4.a~~1~~. Each limited video lottery retailer shall conspicuously post the following printed statement provided by the commission in at least 24-pitch type size: "CAUTION - Gambling and playing this machine can be hazardous to your health, your finances, and your future."

§179-5-12. Only licensed manufacturers may sell or lease video lottery terminals to permittees.

12.1. Only a licensed manufacturer of video lottery terminals may sell, lease or otherwise transfer ownership or possession of video lottery terminals for use in this state to a person who possesses at the time of delivery a valid permit to own or lease one or more video lottery terminals and a valid operator's license or a valid limited video lottery retailer's license issued by the commission.

12.2. One permittee may not sell, lease or otherwise transfer ownership or possession of a video lottery terminal to another permittee.

12.3. With the prior written approval of the commission, a licensed manufacturer may broker the sale of video lottery terminals it has manufactured from one permittee to another permittee provided the acquiring permittee is authorized by the commission to acquire the video lottery terminals.

§179-5-13. Modifications to previously approved video lottery terminals.

13.1. Changes to previously-approved EPROMs, the motherboard or any other hardware within the logic area of the video lottery terminal, as well as coin acceptors, bill acceptors and printers shall be approved in writing by the commission before live wagering at retail locations may occur using any modified hardware or software.

13.2. Changes to previously approved software that affects in any way the operation or payout of a video lottery terminal must be approved in writing by the commission before live wagering at retail locations may occur using any payout.

13.3. Changes to the video lottery terminal cabinet, including all printed material that appears on the cabinet or its clear glass or plastic front must be approved in writing by the director prior to use with the modification;

§179-5-14. Unapproved video lottery terminals; action on licenses; civil penalty.

14.1. A video lottery terminal is deemed *prima facie* to be contraband if a manufacturer or other person supplies the video lottery terminal or a video lottery terminal modification to a licensed permittee or license limited video lottery retailer and the new or modified terminal has not been approved by the commission.

14.2. When video lottery terminals have been seized and destroyed as provided in W.Va. Code §29-22B-1204, the commission shall suspend the licenses of the permittee and the licensed manufacturer for not less than one week or more than five weeks;

14.2.~~a~~1. When the license of an operator is suspended, the commission shall disable and cause not to operate all video lottery terminals owned or leased by the operator in the state of West Virginia;

14.2.~~b~~2. When the license of a limited video lottery retailer who is a permittee is suspended, the commission shall disable and cause not to operate all video lottery terminals owned or leased by the licensee at the retail location for which the license was suspended; and

14.2.e3. When the license of a manufacturer is suspended, the commission shall disable and cause not to operate all video lottery terminals manufactured by the manufacturer and operating in the state of West Virginia.

14.3. In addition to suspension of licenses, the commission may impose a civil money penalty as provided in W. Va. Code §29-22B-1601.

§179-5-15. Initial permit fee payment.

15.1. For persons authorized to own or lease video lottery terminals without going through the bid process, the fee shall initially be paid at the time the permit is issued for the number of video lottery terminals stated on the permit.

15.2. For persons authorized to own or lease video lottery terminals as a result of a bidding process, the amount bid per terminal shall be paid in lieu of the initial \$1,000 per terminal fee.

§179-5-16. Reservation of authority to have video lottery terminals on or before August 1, 2001, by persons who held a private club license or Class "A" nonintoxicating beer license on January 1, 2001.

16.1. On or before August 1, 2001, every person who on the January 1, 2001 held a private club license issued as provided W. Va. Code §60-7-1 *et seq.*, or a Class "A" nonintoxicating beer license issued as provided in W. Va. Code §11-16-1 *et seq.*, and who wants to offer video lottery terminals, as defined in this rule, for the enjoyment of the licensee's customers may file an application to be licensed as a limited video lottery retailer under this rule.

16.2. The applications shall be submitted on forms supplied by the director. Each application shall:

16.2.a1. Be signed by the applicant or a person authorized to sign the application filed for a person who is not an individual; and

16.2.b2. Provide all of the information requested by the commission.

16.3. The commission shall return to the applicant, for completion and re-filing an application that is incomplete in any material respect.

16.4. The application shall also elect and state whether the applicant intends to own or lease up to 2 video lottery terminals (up to 7 in the case of eligible fraternal and veterans' organizations) from a licensed manufacturer or obtain them from a licensed operator.

16.5. A licensee who elects to own 2 video lottery terminals (or 7 in the case of certain fraternal and veteran organizations) may obtain additional video lottery terminals from an operator or by being a successful bidder under W.Va. Code §29-22B-1107 provided the total number of video lottery terminals on the licensee's premises does not exceed the number specified in subsection 16.4 of this section.

16.6. An applicant, upon payment of \$1,000 per video lottery terminal the applicant intends to own or lease, shall be issued a permit to purchase or lease from a licensed manufacturer the number of video lottery terminals stated in the permit if the applicant held a private club license on January 1, 2001, and the

applicant elects to own or lease up to 2 video lottery terminals from a licensed manufacturer (or up to 7 video lottery terminals in the case of an eligible fraternal or veterans' organization), and the applicant qualifies as a private club for a limited video lottery license.

16.7. An applicant who intends to own or lease video lottery terminals, upon payment of \$1,000 per video lottery terminal, shall be issued a permit to purchase or lease from a licensed manufacturer the number of video lottery terminals stated in the permit if the applicant held a Class "A" nonintoxicating beer license on January 1, 2001, but did not also hold a private club license on that date for the location for which the application for a limited video lottery retailer's license is submitted.

16.8. The commission, when issuing a limited video lottery retailer's license to an applicant who qualifies as a private club for a limited video lottery license, shall also issue the applicant a certificate reserving up to 2 video lottery terminal authorizations (or up to 7 video lottery terminals authorizations in the case of an eligible fraternal or veterans' organization) as requested in the application filed on or before August 1, 2001 if the applicant held a private club license on January 1, 2001, and the applicant does not elect to own or lease up to 2 video lottery terminals from a licensed manufacturer (or up to 7 video lottery terminal authorizations in the case of an eligible fraternal or veterans' organization);

16.8.a1. The applicant may then contract with an operator for video lottery terminals and give the certificate of reservation to the operator; and.

16.8.b2. The operator, upon submitting to the commission a true copy of its contract with the licensed video lottery retailer along with the certificate of reservation issued to the retailer by the commission and payment of \$1,000 per video lottery terminal stated in the certificate of reservation shall be issued a permit or an amended permit.

16.8.e3. When a retailer that received a certificate of reservation, and has transferred that certificate of reservation to an operator, loses its limited video lottery retailer license, the underlying permit received in exchange for the retailer's certificate of reservation is void after the passage of 100 days for the number of terminals represented by the certificate of reservation.

16.9. When the commission issues a limited video lottery retailer's license to an applicant who held a Class "A" nonintoxicating beer license on January 1, 2001, but did not also hold a private club license on that date for the location for which the application for a limited video lottery retailer's license is submitted, and the applicant does not elect to own or lease up to 2 video lottery terminals from a licensed manufacturer (or up to 7 video lottery terminal authorizations in the case of an eligible fraternal or veterans' organization), the commission shall also issue the applicant a certificate reserving up to 2 video lottery terminal authorizations (or up to 7 video lottery terminals authorizations in the case of an eligible fraternal or veterans' organization) as requested in the application if it was filed on or before August 1, 2001;

16.9.a1. The licensee may then contract with an operator for video lottery terminals and may give the certificate of reservation to the operator; and

16.9.b2. The operator, upon submitting to the commission a true copy of its contract with the licensed video lottery retailer along with the certificate of reservation issued to the retailer by the commission and payment of \$1,000 per video lottery terminal stated in the certificate of reservation shall be issued a permit or an amended permit.

16.10. An applicant shall not be issued a permit to purchase or lease video lottery terminals from a licensed manufacturer or a certificate of reservation if the applicant held a private club license or Class "A" nonintoxicating beer license on January 1, 2001, and if on August 1, 2001, the person does not qualify for issuance of a limited video lottery license. The person shall be required to obtain all video lottery terminals from a licensed operator or be a successful bidder under W.Va. Code §29-22B-1107 if the person qualify in the future for a limited video lottery retailer's license.

16.11. An applicant shall not be issued a permit to purchase or lease video lottery terminals from a licensed manufacturer or a certificate of reservation if the applicant held a Class "A" nonintoxicating beer license on January 1, 2001 but not a private club license as of that date, and if on August 1, 2001, the person does not qualify for issuance of a limited video lottery license as a holder of a Class "A" nonintoxicating beer license. The person shall obtain all video lottery terminals from a licensed operator or be a successful bidder under W.Va. Code §29-22B-1107 for authorization to purchase or lease video lottery terminals from a licensed manufacturer if the person is issued a private club license after December 31, 2000, and qualifies for a limited video lottery retailer's license.

16.12. A certificate of reservation issued by the commission that is not converted to a permit by December 31, 2004, is void.

§179-5-17. The bidding process.

17.1. Mailed and courier-delivered bids shall be addressed as follows:

Submit one (1) original bid to:

State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130

17.2. The outside envelope/package(s) should be clearly marked:

17.2.a1. Buyer: _____, Director;

17.2.b2. Req.: Video Lottery Permit Bids;

17.2.c3. Date: (opening) _____; and

17.2.d4. Time: (opening) _____ .

17.3. Bids submitted by facsimile, or by other means not specifically provided for in this rule, shall be rejected.

17.4. Failure of the United States Postal Service or a courier service to make timely delivery of

any bid shall not act to validate any bid not in the hands of the Purchasing Division by the time and date specified in the class II-O advertisement.

17.5. Each bid shall indicate both the number of video lottery terminals for which the permit is sought and the per-terminal bid for which the permit is sought.

17.6. No bid may be altered or withdrawn after the appointed hour for the opening of the bids.

17.7. The Purchasing Division officials will open all received bids in the same room;

17.7.~~b~~1. The Lottery's representatives shall reject any bid ~~bid~~ package does not comply with this rule or W. Va. Code §§29-22B-1101 through 1103;

17.7.~~b~~2. The Lottery's representatives will next determine whether the bid sent to the Purchasing Division contains a bid bond equal to 100 percent of the per-terminal bid amount multiplied by the number of video lottery terminal authorizations requested by the bid;

17.7.~~b~~2.~~a~~. If no bond or State Treasurer's receipt is found, the bid shall be rejected; or

17.7.~~b~~2.~~b~~. If the amount of the bond is less than 100 percent of the per-terminal bid amount multiplied by the number of video lottery terminal authorizations requested, the bid shall be rejected; and

17.7.~~e~~3. The Lottery's representatives shall next reject any bid as non-responsive if the per terminal bid amount is less than the minimum per-terminal bid amount established by the West Virginia State Lottery Commission prior to the first publication and included in the published notice;

17.7.~~d~~4. The Lottery's representatives shall reduce the number of terminal authorizations requested in the bid if a successful bid would grant to the bidder a total number of video lottery terminals greater than 7.5% of the total available terminals authorized by the Act. If the bidder is an operator, a retailer or fraternal organization operating one location, lottery representatives shall limit the number of terminal authorizations requested in the bid to 10. When the bidder is an independently owned video lottery retailer operating its own machines and has more than one licensed retail location, the number of video lottery terminal authorizations may not exceed 10 multiplied by the number of retail locations for which the bidder holds a limited video lottery retail license;

17.7.~~e~~5. Whenever there are two or more bids of the same dollar amount and the number of authorizations for which the bids were submitted exceeds the number of authorizations still available to fill the bids, the commission shall award the permit based upon the drawing of lots among the bidders; and

17.7.~~f~~6. Once all bids are opened, those bids that have passed all qualitative checks will be arranged in per-terminal amount from highest bid to lowest bid and the results posted by representatives of the Lottery in a spreadsheet or on a marker board. Each listing shall show the following information:

17.7.~~f~~6.~~a~~. Name of the Bidder;

17.7.~~f.26~~.b. Per terminal amount bid in US dollars;

17.7.~~f.36~~.c. Number of terminal authorizations requested; and

17.7.~~f.46~~.d. Number of terminal authorizations remaining after this bid opening is completed.

17.8. All permits shall be signed by the director of the lottery in the name of the state of West Virginia and shall state number of video lottery terminals the permit authorizes the holder to own or lease from licensed manufacturers.

§179-5-18. Examples of the preference for current permit holders.

18.1. The preference for current permit holders allowed by W.Va. Code §29-22B-1108 shall be computed by adding 5 percent of the bid price submitted by the current permit holder to the amount of the bid submitted by that holder;

18.1.a~~1~~. Example for year 2031. Operator “A” holds a current permit to own or lease 500 video lottery terminals. Operator “A” submits a bid of \$4,000 per terminal for authorization to own or lease 500 terminals during the 10-year period that begins July 1, 2031. The minimum bid amount set by the commission is \$4,000 per terminal authorization. When the bids are opened and the amounts of the per terminal bids are arranged from highest to lowest, it is apparent that operator “A” is not a successful bidder for some or all of the permits sought by operator “A.” Before the permits are awarded, the commission will apply the 5 percent preference to bids submitted by a current permittee whose bids equal or exceed the minimum per terminal bid authorization amount set by the commission. With this preference added, operator “A’s” bid of \$4,000 per terminal authorization is effectively \$4,200 per terminal authorization. Because of this preference, operator “A” is a successful bidder for 500 video lottery terminal authorizations. The amount due from operator “A” will be \$2.1 million plus applicable license fees. The amount due shall be paid to the commission on or before the date set by the commission.

18.2. The preference may not be calculated on any bid that is for less than the minimum per terminal authorization bid price set by the commission.

18.3. For all bids conducted subsequent to June 30, 2011, the commission shall give a priority preference to allow current permit holders to acquire permits which are held by those permit holders at the minimum stated bid price before those permits are made available for bid to other applicants, as set forth in W. Va. Code §29-22B-1107(a).

§179-5-19. Operator - retailer contracts.

19.1. A true copy of all contracts the applicant has entered into with persons who hold a limited video lottery retailer’s license issued under the Act for placement of video lottery terminals in the premises of the limited video lottery retailer for whom authorizations were reserved shall be attached to the application along with a true copy of the certificate of reservation issued by the commission to that video lottery retailer.

19.2. The contract between the operator and the limited video lottery retailer shall be in writing

and be signed by the parties, or their duly authorized representative when the party is a person who is not an individual;

19.2.a1. The commission shall supply a contract elements form to provide quick and easy review of the important terms and elements of each contract;

19.2.b2. The operator submitting each contract shall list the required information and contract terms from the signed contract onto the commission-supplied form and shall staple the form onto the appropriate contract prior to filing the contract with the commission; and

19.2.e3. The operator shall provide to the commission an affidavit stapled to each contract, which is signed and attested to by the operator's chief executive stating that this contract is the only contract, agreement or understanding, written or oral, between the operator and the licensed video lottery retailer concerning the placement and operation of limited video lottery terminals, and that the operator will execute no further limited video lottery agreements with the retailer so long as this attached agreement is in force for video lottery terminals on the premise of the retailer stated in the contract. Any other agreements between the operator and the limited video lottery retailer shall be identified by the operator and are subject to review by the commission. Those agreements shall be negotiated in good faith and for fair market consideration, and shall not be for excess or unreasonable consideration designed to circumvent the requirement of this subdivision 19.2.e3 of this subsection.

§179-5-20. Additional requirements regarding the 150-foot requirement for location of a limited video lottery retailer license.

20.1. A retailer license will not be denied based solely on the proposed establishment being closer than 150 feet to an existing limited video lottery retail licensee or in a structure where another limited video lottery licensee was already licensed to conduct video lottery games so long as the initial application for a limited video lottery retailer license for the premises was applied for on or before July 1, 2002 if an applicant applies for a limited video lottery license for a specific premise which was a licensed ABCA location under a valid and continuing private club liquor license or a Class "A" nonintoxicating beer license on or before January 1, 2001, and if an ABCA license for that premises is still in effect at the time of the filing of the application for a limited video lottery license for the same premise.

20.2. After July 1, 2002, the initial exemption from the 150-foot restriction and the single structure under one roof restriction as stated in subsection 20.1 of this rule shall be considered waived for the premises whenever a premises that has initially been licensed by the commission as a limited video lottery retail location ceases to offer limited video lottery gaming for at least 180 consecutive days. Until the 180-day period has passed, no new limited video lottery retailer license shall be granted for a premises closer than 150 feet to the previously-licensed premises.

20.3. The award of the license shall be determined based on the date the applications were received in the state lottery office when two or more applications for a limited video lottery retailer's license are pending at the same time, if the proposed premise of each applicant would be in the same structure under one roof, and each applicant meets all other requirements for a retailer license;

20.3.a1. The license shall be awarded to the applicant who first filed a complete application;
and

20.3.~~b~~2. The license shall be issued by the commission by lots when the applications were received on the same day.

20.4. The award of a retailer license shall be determined based on the date the applications were received in the state lottery office when two applications for limited video lottery retailer's licenses are pending at the same time for premises that are within 150 feet of each other, and neither premise is within 150 feet of an existing licensee;

20.4.~~a~~1. The license shall be awarded to the applicant who first filed a complete application; and

20.4.~~b~~2. The license shall be issued by the commission by lots when the applications were received on the same day.

20.5. The award of a retailer license shall be determined based on the date the applications were received in the state lottery office when more than two applicants for limited video lottery retailer's license are pending at the same time for premises that are within 150 feet of one or more other applicants;

20.5.~~a~~1. The license shall be awarded to the applicant who first filed a complete application if complete applications were received on the same day, the commission shall first eliminate one or more applicants if by doing so, the remaining applicants would comply with the 150-foot restriction; and

20.5.~~b~~2. The award of the license shall be determined by the commission by lots when elimination of one or more applicants will not make other applicants eligible.

§179-5-21. Testing and installation of approved lottery terminals.

21.1. The request for original approval or subsequent modification shall be made directly to one of the commission's designated independent testing laboratories.

21.2. The request for modification shall contain a detailed description of the type of change, the reasons for the change and technical documentation of the change.

21.3. Each video lottery terminal approved for placement at a licensed location shall conform to the exact specifications of the video lottery terminal prototype tested and approved by the independent testing laboratory, and approved by the commission.

21.4. The director shall disable and cause not to operate during the suspension period every video lottery terminal supplied by the operator to all licensed video lottery retailers when an operator's license is suspended.

21.5. The director shall disable and cause not to operate during a license suspension period every video lottery terminal owned or leased by the permittee when the license of a video lottery retailer who is also a permittee is suspended.

21.6. The director shall disable and cause not to operate during the suspension period every video

lottery terminal supplied by the manufacturer to permittees that are placed in licensed video lottery retailer locations when a manufacturer's license is suspended.

§179-5-22. Transportation from manufacturer and registration of video lottery terminals.

22.1. A manufacturer transporting or arranging for the transportation of one or more video lottery terminals into this state shall, prior to shipment, provide the commission with the number or other identification mark that identifies the security seal on the container within the cargo compartment of the carrier delivering one or more video lottery terminals to a permittee.

22.2. Notices required by this section twenty-two and W.Va. Code §29-22B-1205 shall be either by United States mail, by courier service, by facsimile or by Internet electronic mail using the format prescribed by the commission.

22.3. No operator or limited video lottery retailer who holds a permit to own or lease a video lottery terminal may transport, or arrange for the transportation of, a video lottery terminal to a non-licensed retail location, or to a licensed limited access adult-only location if the transported terminal or terminals will result in more video lottery terminals in the new location than has been authorized by the commission.

§179-5-23. Training for service technician licensees and license applicants.

23.1. Instructors for service technician training classes shall be employed by the manufacturer or be retained by the manufacturer under contract.

23.2. No individual may act as an instructor who is an officer, principal or employee of a person that holds a limited video lottery license as an operator, retailer or service technician.

§179-5-24. Master keys.

24.1. Each licensed manufacturer shall provide the commission with 40 copies of the master key for access into the logic area door of the manufacturer's video lottery terminals placed in operation.

24.2. No manufacturer may provide any copies of the logic area access key to any operator, retailer, service technician or to any other person other than the commission.

24.3. The object of subsections 24.1 and 24.2 of this section is that one master key shall be capable of opening all video lottery terminals the manufacturer sells or leases to permittees for use in locations governed by the Act and this rule.

§179-5-25. Sealing the logic area of the video lottery terminal and the controller unit.

25.1. The commission shall provide logic box and controller unit security seals for each video lottery terminal and controller unit in operation.

25.2. The seal shall be affixed by commission personnel to prevent unauthorized access to the video lottery terminal logic unit or tampering with the controller unit.

25.3. Any licensee that discovers a broken or torn seal shall immediately report the incident to the lottery commission by telephone and shall also report to the commission in writing within thirty-six hours by facsimile or Internet electronic mail;

25.3.a1. The reporting licensee shall identify himself or herself by name and by license number;

25.3.b2. The reporting licensee shall identify the video lottery terminal by location, license number and decal number;

25.3.e3. The reporting licensee shall report the date and time when the broken or torn seal was discovered; and

25.3.d4. The reporting licensee may state the hard meter reading of the video lottery terminal at the time the broken or torn seal was discovered.

25.4. Upon receipt of a report that a seal has been broken or torn, the commission shall disable the video lottery terminal.

25.5. The video lottery terminal shall remain disabled until completion by the commission of an investigation of the seal damage.

§179-5-26. Repairs to logic board or circuitry.

26.1. Reports required by W.Va. Code §29-22B-1304 may be delivered by United States mail, by courier service, by facsimile or by Internet electronic mail using the format prescribed by the commission.

§179-5-27. Accounting for the state's share of gross terminal income.

27.1. The gross terminal income from all operating video lottery terminals of a permittee shall be calculated monthly by the commission based on the calendar month.

27.2. The commission shall send a statement to each permittee of the following information for each machine covered by the permittee's permit that was in service for any portion of the calendar month covered by the calculations:

27.2.a1. Credits played;

27.2.b2. Credits won;

27.2.e3. Gross terminal income;

27.2.d4. Two percent of gross terminal income for the commission's administrative expenses;

27.2.e5. Gross profits;

27.2.~~6~~7. The commission's share rate applicable to gross profits for the current quarter; and

27.2.~~g~~7. The commission's two percent of gross terminal income plus the commission's net terminal income to be swept from the permittee's account by electronic fund transfer.

27.3. Each licensed permittee shall maintain in its bank account an amount equal to or greater than the commission's two percent of gross terminal income plus the commission's net terminal income from its operation of video lottery machines, to be electronically transferred by the lottery commission on the tenth day of the month that follows the month for which the report is made. If the tenth day of the month falls on a Saturday, Sunday or legal holiday, as that term is defined in W. Va. Code §2-2-1, the due date shall be the next day that is not a Saturday, Sunday or legal holiday.

27.4. If a permittee fails to maintain the bank account balance required in W.Va. Code §29-22B-1401(b), the commission may disable all ~~of~~ a permittee's video lottery terminals until full payment of all amounts due is made;

27.4.~~a~~1. If the commission receives a non-sufficient funds message from the permittee's depository bank:

27.4.~~a~~1.~~a~~. The director shall suspend the permittee's license until the permittee has paid the full amount owed to the Lottery by cashier's check, or certified check, or money order, or cash, and also has paid the one hundred percent civil penalty provided for in W.Va. Code §29-22B-1407(a); and

27.4.~~a~~2~~1~~.~~b~~. The director shall issue a warning letter containing an explanation of the consequences of a future non-sufficient funds message; and

27.4.~~b~~2. If the permittee does not settle for all moneys and penalties due to the commission within thirty days after the commission's demand for payment of non-sufficient funds amounts, the director shall recommend to the commission that the permittee's license and ten-year permit be revoked; and

27.4.~~e~~3. If the commission receives three non-sufficient funds messages within any twelve consecutive month period, the director shall recommend to the commission that the permittee's license and ten-year permit be revoked.

27.5. Interest shall accrue on any unpaid balance due the commission at the rates charged for state tax delinquency under W.Va. Code §11-10-17a;

27.5.~~a~~1. The interest shall begin to accrue on the date payment is due to the commission and shall continue to accrue until the amount due, including applicable interest, is paid; and

27.5.~~b~~2. Payments shall be applied first to interest and then to the balance of the amount due the commission.

27.6. The statement required in this section may be transmitted to the permittee by United States mail, facsimile or Internet e-mail.

§179-5-28. Resolution of discrepancies.

28.1. The commission will not withhold from money it owes to an operator and pay that money to a retailer unless directed to do so by a state court of record.

§179-5-29. Pay over of state's share of gross terminal income when electronic funds transfer is inoperative.

29.1. The commission shall monthly transfer from each permittee's bank account the state's share of gross terminal income as calculated under subdivision 27.2.~~g~~7. of this rule.

29.2. The permittee shall remit payment by mail if the electronic transfer of funds is not operational or the commission notifies the permittee that remittance by this method is required.

29.3. Using the commission's statement under W.Va. Code §29-22B-1408, the permittee shall report, for each video lottery terminal operated by a licensee, the following information on forms prepared and supplied by the commission:

29.3.~~a~~1. Credits played;

29.3.~~b~~2. Credits won;

29.3.~~e~~3. Gross terminal income;

29.3.~~d~~4. Two percent of gross terminal income for the commission's administrative expenses;

29.3.~~e~~5. Gross profits;

29.3.~~f~~6. The commission's share rate applicable to gross profits for the current quarter; and

29.3.~~g~~7. The lottery commission's two percent of gross terminal income plus the commission's net terminal income to be swept from the permittee's account by electronic fund transfer.

29.4. The permittee shall remit to the commission the amount calculated in subdivision 29.3.~~g~~7. of this rule;

29.4.~~a~~1. The remittance shall be sealed in a properly addressed and stamped envelope and deposited in the United States mail no later than noon on the tenth day of the month that follows the month for which the report is made; and

29.4.~~b~~2. If the tenth day of the month falls on a Saturday, Sunday or legal holiday, the due date shall be the next day that is not a Saturday, Sunday or legal holiday.

29.5. The rule regarding non-sufficient funds messages from the permittee's depository bank

contained in subsection 27.4 and subdivisions 27.4.~~a~~1, through 27.4.~~e~~3 of this rule also apply to payments made by check to the commission under provisions of this section.

§179-5-30. Examination of permittee and retailer books and records.

30.1. The commission has the right to examine all accounts, bank accounts, financial statements and records in a retailer licensee's possession, under its control or in which it has an interest, when the retailer is not also a permittee, and the licensed retailer shall authorize all third parties in possession or in control of the accounts or records to allow examination of any of those accounts or records by the commission.

§179-5-31. Additional requirements concerning appeal of an order.

31.1. A petition for hearing shall be served on the commission by delivery in one of the following ways:

31.1.~~a~~1. Personal delivery to the West Virginia lottery's central office at the address stated in the order, during regular business hours and excluding Saturdays, Sundays and legal holidays;

31.1.~~b~~2. United States mail, postage prepaid, addressed to the post office box stated in the order;

31.1.~~e~~3. Delivery to the West Virginia lottery's central office by private companies such as Airborne, DHL, Federal Express and United Parcel Service; or

31.1.~~d~~4. Facsimile transmission to telephone number stated in the order. When the petition is delivered by facsimile transmission, the original of the petition and required security shall immediately be delivered to the commission using one of the delivery methods set forth in subdivisions 31.1.~~a~~1, 31.1.~~b~~2 or 31.1.~~e~~3.

31.2. Filing of the petition and subsequent documents is in each case effective upon delivery to the West Virginia lottery's central office and is not effective upon mailing or pickup by a private delivery company.

31.3. Copies of all documents filed in an appeal under this section must be served upon all other parties.

§179-5-32. Judicial review.

32.1. The petition for appeal shall be filed in conformity with the requirements of W. Va. Code §29A-5-4.

32.2. Any party to the proceeding in circuit court or the Intermediate Court of Appeals, as provided for in W. Va. Code §51-11-1, *et seq.*, may appeal an adverse decision of said court to the Supreme Court of Appeals of West Virginia, as provided in W. Va. Code §29A-5-4(h).

32.3. The application for appeal to the supreme court of appeals shall be filed within the time

provided by law for civil appeals generally in W. Va. Rules of Appellate Procedure, Supreme Court of Appeals of West Virginia.

§179-5-33. Restrictions on retailer and operator advertising and promotion activities; restriction on retailer corporation and doing-business-as names of retail license locations.

33.1. A limited video lottery licensed operator shall not conduct video lottery advertising.

33.2. A limited video lottery licensed retailer and/or operator shall not conduct video lottery Advertising or video lottery promotional activities: Provided, that a limited video lottery retailer may display a sign on the exterior of the establishment that states “Limited Video Lottery Location” which sign is of uniform size and design, no greater than eighteen (18) inches by eighteen (18) inches, produced and distributed to retailers by the lottery commission;

33.3. A limited video lottery licensed retailer and/or operator may use the words “Limited Video Lottery Location” on one sign used to identify that the location has video lottery machines. Such sign shall conform to the following guidelines:

33.3.a1. The sign shall not to exceed six (6) square feet in size as an addition to a sign currently being used by the licensed retailer and/or operator setting forth name of the approved retailer, or the area in which the words “Limited Video Lottery Location” appear on any new sign developed pursuant to this rule shall not exceed six (6) square feet in size;

33.3.b2. The sign shall be affixed in one location on the outside of the licensed retail location; and the sign can be double-sided if the existing sign identifying the name of the licensed retail location is also double-sided;

33.3.e3. The sign shall have a white background with a single color of black, red or dark blue lettering;

33.3.d4. The font used in the sign shall be Helvetica or Arial and said font cannot exceed three inches in height or width per character; and

33.3.e5. The sign can be illuminated but shall not have flashing or intermittent lights.

33.4. A limited video lottery licensed retailer and/or operator may use social media platforms to identify the licensed retail location. The use of social media to depict an image of the outdoor signage and indoor décor of the licensed retail location is permitted. Additionally, licensed retailers may use a written description of the licensed retail location and activities offered therein, including a description of the video lottery machines. Pictures of video lottery machines are strictly prohibited. Additionally, all social media advertising, regardless of form, shall include the statement “Gambling Problem? Call 1-800-Gambler. Must be 21 to Play.” All social media advertising must also abide by the terms of the social media platform regarding gambling;

33.5. A limited video lottery licensed retailer and/or operator may use the words “Limited Video Lottery” in an advertisement to hire an employee, which can be utilized in print media or placed online using social media;

33.6. A limited video lottery licensed retailer and/or operator shall not use words commonly associated with gambling either in its corporate name or in its doing-business-as (“DBA”) name;

33.7. A limited video lottery licensed retailer and/or operator shall not use gambling symbols including but not limited to playing cards, roulette wheels, slot machines or dice on any sign or in any directions or advertising visible from outside the licensed retailer’s establishment; and

33.8. Nothing contained in this section prohibits the advertising on radio and television of scratch off “instant” lottery games, online numbers games such as PowerBall®, racetrack video lottery games, or new lottery games other than limited video lottery games.

§179-5-34. Prohibition against a business selling petroleum products establishing a separate room or building which is a part of, contiguous to, or adjoining the place of business as a restricted access adult-only facility.

34.1. The commission may grant a license to and renew the license of an applicant for a limited video lottery retailer license for a restricted access adult-only facility that is contiguous to or adjoining a business that sells petroleum products so long as all of the following requirements are met:

34.1.a1. The restricted access adult-only facility is not owned or operated either directly or indirectly by a direct or indirect owner of the business selling petroleum products; and

34.1.b2. If the facility is leased, directly or indirectly, from the business selling petroleum products or from the direct or indirect owner of that business, the lease must be for a fixed monthly fair market rent and may not be based, in whole or in part, on the gross or net income of the video lottery terminals or on the video lottery income of the tenant licensee; or

34.1.e3. If the facility is leased, directly or indirectly, from the landlord who directly or indirectly also leases space to the business selling petroleum product, the lease must be for a fixed monthly fair market rent and may not be based, in whole or in part, on the gross or net income of the video lottery terminals or on the video lottery income of the tenant licensee.

34.2. The commission shall not grant a license to an applicant for a restricted access adult-only facility that fits within one or more of the following situations:

34.2.a1. A business that sells petroleum products has subdivided its building or space within a building in order to create a restricted access adult-only facility to be owned or operated either directly or indirectly by a direct or indirect owner of the business that sells petroleum products;

34.2.b2. The owner of a commercial business facility leased to a business that sells petroleum products has subdivided the facility on or after April 21, 2001, in order to create a restricted access adult-only facility to be owned or operated either directly or indirectly by a direct or indirect owner of the lessor;

34.2.e3. A business that sells petroleum products has subdivided its parcel of land in order to create a restricted access adult-only facility to be owned or operated either directly or indirectly by a

direct or indirect owner of the business selling petroleum products;

34.2.~~d~~4. The owner of a commercial business facility leased to a business that sells petroleum products has subdivided the parcel of land on which the business selling petroleum products operates in order to create a restricted access adult-only facility on a separate parcel to be owned or operated either directly or indirectly by a direct or indirect owner of the lessor or the business selling petroleum products;

34.2.~~e~~5. The restricted access adult-only facility is in a facility that is contiguous to, adjoining, or on a parcel of real property adjoining a business that sells petroleum products and is owned or operated either directly or indirectly by a direct or indirect owner of the business selling petroleum products;

34.2.~~f~~6. The restricted access adult-only facility is leased from an adjoining or contiguous business selling petroleum products, and the consideration for the lease is based in whole or in part on the gross or net income of the video lottery terminals or on the video lottery income of the tenant; or

34.2.~~g~~7. The restricted access adult-only facility is leased from the same landlord who also leases space to an adjoining or contiguously located business selling petroleum products, and the consideration for the lease is based in whole or in part on the gross or net income of the video lottery terminals or on the video lottery income of the tenant.

34.3. For purposes of determining whether property is “directly or indirectly” owned or leased by or from a related person, the related party rules set forth in 26 U.S.C. §§267 and 707, as amended, apply, including any regulations for that section issued by the United States Secretary of the Treasury, which are hereby incorporated by reference.

§179-5-35. Prohibition Against Extending Credit.

35.1. A video lottery retailer shall not extend credit, in any manner, to a player to enable the player to play a video lottery game.

35.2. For purposes of this rule, a video lottery retailer shall be deemed to be extending credit when he or she knows or has reason to know that the proceeds of the check will be used to play or continue to play a video lottery game.

§179-5-36. Permits to purchase, own and operate video lottery terminals; expiration date.

36.1. The commission shall issue an amended permit which shall expire at 12:00 a.m. in this state on July 1, 2031, when the number of video lottery terminals a permittee is allowed to own or lease increases or decreases.

36.2. A permit to own or lease video lottery terminals issued after July 1, 2021, for the 10-year period that ends June 30, 2031, expires at 12:00 a.m. in this state on July 1, 2031, unless it is surrendered or revoked before that time. When the number of video lottery terminals a permittee is allowed to own or lease increases or decreases, the commission shall issue an amended permit which shall expire at 12:00 a.m. in this state on July 1, 2031.

36.3. A person licensed as a limited video lottery retail shall continuously meet the qualifications for issuance of that license. If the limited video lottery license is surrendered or revoked by the commission, the licensee's permit to own or lease video lottery terminals shall also be surrendered or revoked.

36.4. A licensee's permit expires at 12:00 a.m. on the 31st day if the person's license as a limited video lottery retailer expires and the license is not renewed within 30 days after the expiration date. The person shall then obtain all video lottery terminals on the premises for which the license is issued from a licensed operator or as a result of a successful bid under W.Va. Code §29-22B-1107 if the person subsequently reapplies for a limited video lottery retailer's license and the license is issued.

36.5. A permit to own or lease video lottery terminals is a revocable privilege granted pursuant to the provision of the Act and this rule. Issuance of a permit or a license under the Act does not create (A) any property interest in the permit or the license, (B) any right to transfer or encumber the permit or license, (C) any vested right in the permit or license, or (D) the accrual of any value to the privilege of participating in any limited video lottery activity.

36.6. An application for a limited video lottery retailer's license may not include more than one physical location. A separate application shall be submitted for each location at which the applicant wants to offer video lottery terminals if a person owns or operates two or more physical locations licensed by the ABCA.