Courtesy Redline of VI Code – Proposed Legislation Re. Construction and Operation of the Randall "Doc" James Racetrack on St. Croix and Operation of the Clinton E. Phipps Racetrack on St. Thomas

Title 32 VIC Chapter 13. Virgin Islands Lottery (§§ 241 — 261)

§ 246. Powers and duties of Commission

The Commission shall have the power, and it shall be its duty:

(a) To promulgate such rules and regulations governing the establishment and operation of the lottery as it deems necessary and desirable. Such rules and regulations may include, but shall not be limited to, the following:

(1) The types of lottery to be conducted may be classified as video lottery gaming machines or devices, or any similar type of gaming machine or device, provided that video lottery gaming machines or devices may only be operated in the St. Thomas/St. John district of the Virgin Islands and at the Randall "Doc" James Racetrack on St. Croix, and the other types of lottery conducted shall include:

(i) the official lottery in effect on January 1, 1985;

(ii) instant lottery, which shall be a manual scratch-off type lottery; and

(iii) such additional lotteries as approved pursuant to section 246a of this chapter.

(2) The price, or prices, of tickets or shares in the lottery.

(3) The numbers and sizes of the prizes on the winning tickets or shares.

(4) The manner of selecting the winning tickets or shares, provided, however that the manner of selection shall ensure that a ticket which has been sold shall be selected as a winning ticket for each and every major prize at each and every ordinary drawing, intermediate drawing, extra-ordinary drawing, or special drawing.

(5) The manner of payment of prizes to the holders of winning tickets or shares.

(6) The frequency of the drawings or selections of winning tickets or shares, without limitation.

(7) Without limit as to number, the type or types of locations at which tickets or shares may be sold.

(8) The method to be used in selling tickets or shares.

(9) The licensing of agents to sell tickets or shares, including the setting of the fee for the license, provided that no person under the age of 21 shall be licensed as an agent.

(10) The manner and amount of compensation, if any, to be paid licensed sales agents necessary to provide for the adequate availability of tickets or shares to prospective buyers and for the convenience of the public.

(11) The apportionment of the total revenues accruing to the Lottery, which shall, in any event, be as follows:

(i) After deducting transfer of funds pursuant to subsections 246(a)(11)(v) and 246 (a)(11(vi) below, transfer of not less than twenty percent (20%) of the net income of the lottery from all games authorized by this chapter to the General Fund of the Treasury of the Virgin Islands; provided that fifty percent (50%) of the portion allocated to the General Fund shall be utilized by the Department of Education, twenty-five percent (25%) shall be utilized by the Office of Veterans Affairs and the remaining twenty-five percent (25%) shall be distributed evenly among the Disabled Persons Special Fund established pursuant to the provisions of Title 34, section 14b, Virgin Islands Code; the Small Business Development and Loan Fund established pursuant to Title 33, Section 3031, Virgin Islands Code; the Textbook Reimbursement Revolving Fund established pursuant to Title 17, section 42, Virgin Islands Code; and the summer employment of youth program.

(ii) Payment of prizes to holders of winning tickets or shares;

(iii) Payment of all costs incurred in the operation and administration of the Lottery except that not more than 75% of the revenues derived from the games under contracts between the Virgin Islands Lottery and private contractors of lottery games, including the revenues derived under contracts with contractors of video lottery games authorized under title 32 V.I.C. § 246(a)(1), may be used to pay delinquent, prior obligations;

(iv) After deducting transfer of funds pursuant to subsections 246 (a)(11(vi) below, transfer of 15% of the proceeds derived from the games under each contract between the Virgin Islands Lottery and a private contractor of lottery games, including the proceeds under a contract with a contractor of video lottery games, authorized under title 32 V.I.C. § 246(a)(1), into the Virgin Islands Educational Initiative Fund established in 33 V.I.C. § 3093, 10% to the Government Employees' Retirement System to fund annuitants' annual cost of living bonuses and 15% in the Pharmaceutical Assistance to the Aged Program, established under title 34, sections 40–49, of this Code; transfer three percent (3.0%) of the proceeds derived by the Virgin Islands Lottery from video lottery on St. Thomas and St. John as follows:

(i) .75% to the Horse Racing Improvement Fund as established in title 33 V.I.C. § 3044 for use as authorized therein by the St. Thomas-St. John Commission of the Virgin Islands Horse Racing Commission;

(ii) 1.25% to the Lease Franchise holder or any temporary permittee, operator or promoter of live horse races at Clinton Phipps Park to supplement purses for live races at Clinton Phipps Park;

(iii) .50% to the Department of Agriculture to be used for the stray animal operations and recovery;

(iv) .50% to be administered by the Department of Agriculture to Golden Age Ranch for the protection and the care of retired and injured horses. The Department of Agriculture in conjunction with the Virgin Islands Lottery may award these funds to Golden Age Ranch and any other organization whose function is for the protection and care of retired and injured horses. Before awarding funds, the Department of Agriculture shall verify that the organizations that are granted the award are in good standing with the Government of the Virgin Islands and are in compliance with any rules set by the Department in order to receive the funds. The Department of Agriculture shall cease funding any organization that is no longer in operation and may cease or suspend funding to any organization that is in violation of any rules set by the Department of Agriculture for the granting of the award.

(v) Six percent (6%) of the revenues derived from video lottery terminals located at the Clinton Phipps Racetrack in St. Thomas-St. John district shall be distributed to the Association which represents a majority of all of the licensed horse owners and trainers in the St. Thomas & St John District, and is so recognized by the St. Thomas & St John Horseracing Commission for operating expenses on race days, for scholarships for training in disciplines deemed by the Horse Racing Commission to be beneficial to the horse racing industry, and supplementing of purses provided, however, that the amounts allocated under this paragraph shall be disbursed in quarterly payments not later than 30 days after the close of each fiscal quarter, based on revenues deposited into the Fund during the preceding quarter;~~divided between the Department of Sports, Parks and Recreation for development of youth sports and the Virgin Islands Olympic Committee equally~~.

(vi) Of the proceeds received from Video Lottery games at the Randall "Doc" James Racetrack, the Lottery shall transfer:

A) 50% to the Franchise Holder at the Randall "Doc" James Racetrack for purses,

B) 12% to the Horse Racing Improvement Fund as established in title 33 V.I.C. § 3044 for use as authorized therein by the St. Croix Commission of the Virgin Islands Horse Racing Commission;

C) 10% to the Association which represents a majority of all of the licensed horse owners and trainers in the St. Croix District, and is so recognized by the St Croix Horseracing Commission for operating expenses on race days, for scholarships for training in disciplines deemed by the Horse Racing Commission to be beneficial to the horse racing industry, and supplementing of purses; provided, however, that the amounts allocated under this specific section shall be disbursed in quarterly payments not later than 30 days after the close of each fiscal quarter, based on revenues deposited into the Fund during the preceding quarter;and

D) 6% to the Department of Agriculture to place in a special Horse Treatment Fund for the treatment of horses who are injured or cannot continue to race, to assist in taking care of the medical needs of the horses, as well as their euthanasia if needed.

(vii) Transfer, not less than four times each year in accordance with accepted accounting procedures which shall be adopted by the Lottery, of all proceeds remaining after compliance with subparagraphs (i), (ii), (iii) and (iv) hereof to the General Fund of the Treasury of the Virgin Islands; provided, however, that the Lottery shall maintain a reserve fund in such amount as may be approved annually pursuant to the provisions of section 260 of this chapter.

(12) Such other matters necessary or desirable for the efficient and economical operation and administration of the lottery and for the convenience of the purchasers of tickets or shares and the holders of winning tickets or shares.

(b) To amend, repeal, or supplement any such rules and regulations from time to time as it deems necessary or desirable.

Title 32 VIC Chapter 21. Virgin Islands Casino and Resort Control Act of 1995 (Arts. I — XVII) > Article VI. Licensing (§§ 432 — 446)

§ 434. Casino license applicant eligibility

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~~**(9)** The Commission may permit an agreement between a casino licensee and a casino service industry pursuant to the provisions of subsection (a) of section 445 of this title for the conduct of casino simulcasting in a simulcasting facility to provide for the payment to the casino service industry of an interest, percentage or share of the money derived from the casino licensee's share of proceeds from simulcast wagering activity; and~~

(d)

(1) The holder of a valid horse racing license granted by the St. Croix Horse Racing Commission ~~or the St. Thomas St. John Horse Racing Commission, as appropriate,~~ or the Government under chapter 11 of this title and a lease-franchise agreement under section 209 of this title may be issued a casino license to operate a slot machine only casino at the horse racetrack in St. Croix under the conditions prescribed in this chapter only if there is no Video Lottery Service agreement in place. ~~; but gaming at the horse racetrack casino in St. Croix is limited to only slot machines operated by an entity with a valid Casino license.~~

(2)

(A) The holder of a Casino License may be issued a license to operate a slot machine only casino at the horse racetrack in St. Croix under the conditions prescribed in this chapter, if the Casino Licensee has entered into a lease, management agreement, or other similar agreement with the holder of a Lease-Franchise Agreement under section 209 of this title for the horse racetrack in St. Croix and only if there is no Video Lottery Service agreement in place.

(B) No Casino License may be issued to operate slot machines at the horse racetrack in St. Croix unless a Lease Franchise Agreement under section 209 of this title is in effect for the horse racetrack in St. Croix.

§ 435a. Limits on the horse racetrack casino license in St. Croix

(a) The Commission may issue only one racetrack casino license on St. Croix, only if there is no Video Lottery Service agreement in place.

(b) The horse racetrack casino Licensed by the Commission in St. Croix may not operate or be authorized to operate more than 200 slot machines.

(c) No other type of gaming machine or casino gaming activity may take place at the horserace track in St. Croix, except as provided in section 434(d)(1).

Title 32 VIC Chapter 21. Virgin Islands Casino and Resort Control Act of 1995 (Arts. I — XVII) > Article XV. Special Requirements for Operators of Casinos At Horse Racetracks (§§ 801 — 803)

§ 801. Number and location of gaming machines; security

(a) Operational slot machines may be located only on the land upon which the horse racetrack in St. Croix is located or land contiguous thereto, excluding public rights of way.

(b) The licensee shall display pari-mutuel races within the structure where the horse racetrack in St. Croix and the horse racetrack on St. Thomas is located and offer patrons the ability to engage in pari-mutuel wagering on live and simulcast races conducted or offered to patrons of the racetrack.

(c) The licensee shall post signs warning of the risks and dangers of gambling, showing the odds of winning, and informing patrons of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling.

(d) The licensee shall provide adequate office space at no cost to the Casino Control Commission for the oversight of the slot machine operations. The Commission shall adopt rules establishing the criteria for adequate space, configuration, and location and needed electronic technology and technological requirements for office space required by this subsection.

§ 802. Voiding of casino license for horse racetrack

A casino license for a horse racetrack in St. Croix becomes void when after a formal determination and required notice by the St. Croix Horse Racing Commission or a determination by a competent judicial body that the operator of the racetrack is in default of its franchise agreement issued under section 209 of this title.

§ 803. Racetrack gaming tax for St. Croix

(a) Sections 515 and 516 of this chapter do not apply to any gross revenues derived from the operation of the casino at the horse racetrack in St. Croix. Gross revenues derived at the racetrack casino in St. Croix are not subject to gross receipts tax. Gross revenues received by the holder of a Lease-Franchise or Concession pursuant to 32 V.I.C. § 209 and derived from a License Agreement with the operator of the racetrack casino in St. Croix are not subject to gross receipts tax.

(b) There is imposed on the racetrack casino in St. Croix licensed by the Commission an annual tax of 25 percent on gross revenues as defined in Section 402 of this Title. Notwithstanding anything in this chapter, video lottery terminals at the St. Croix racetrack and St. Thomas racetrack are not subject to taxation or regulation under this chapter.

(c) Monies derived through taxation of casino gaming at the horse racetrack in St. Croix are separate and apart from any live racing agreement between the racetrack operators and the St. Croix Horsemen Association.

804. Sections Inapplicable

Sections 801 through 803 above apply to racetrack casinos licensed only in the event that no video lottery service agreement is in place.

Title 33 VIC Chapter 3. Miscellaneous Excise Taxes; Gross Receipts Taxes; Wharfage and Docking, etc., Fees

§ 42b. Procedure for collection of excise taxes on foreign imports

(a) All taxable articles, goods, merchandise and commodities having a place of manufacture or origin outside the territorial sovereignty of the United States, and being brought into the Virgin Islands from any place outside the Territory, including the fifty states, Puerto Rico, Guam and American Samoa, shall be delivered into the custody of the District Director of Customs where they shall remain until properly entered and released. Notwithstanding the above, the Franchise Holder at the Randall "Doc" James Racetrack and Clinton E. Phipps Racetrack shall not be subject to excise and trade taxes on articles, goods, merchandise, materials, and commodities brought in by the Franchise Holder for the construction, development, and maintenance of the racetrack facilities at the Racetracks. The Franchise Holder at the Racetrack is exempt from subsections (h) and (i) of Section 42 above. The owner, master, or pilot of any importing carrier which shall fail to retain foreign cargo at the place of unlading until released under such regulations as the District Director of Customs may prescribe, shall be liable to a penalty equal to the duties and excise taxes due and payable on such cargo.

(b) Notwithstanding any other provision of this chapter, the District Director of Customs is authorized to release articles, goods, merchandise or commodities of foreign origin or manufacture without payment of excise taxes upon the giving of a bond to guarantee payment of such taxes within fifteen days after the last day of the month in which the shipment was released.

(c) The District Director of Customs shall cause all articles, goods, merchandise or commodities which remain in customs custody after the fifteenth day after the last day of the month of importation to be delivered into a storage facility to be held at the risk and expense of the importer and subject to the further order of the District Director.

(d) All articles, goods, merchandise and commodities which shall remain in Customs custody without proper entry for a period of one year shall be considered unclaimed and abandoned. Such articles shall be sold at public sale under such regulations as the District Director of Customs may prescribe. The proceeds of such sale shall be disbursed according to the following priority: all storage charges and expenses of sale, (2) all customs duties and excise taxes, (3) all freight liens and demurrage charges, (4) with the remainder to be deposited to the Treasury of the Virgin Islands; Provided, That remaining proceeds may be paid over to the importer if a claim therefor is filed with the District Director not later than thirty days from date of sale.

[exemption from subsections (h) and (i) of Section 42 above:

(h) Any person, individual, firm corporation and other association receiving an exemption from excise taxes under the provisions of this section shall establish and maintain an employee pension benefit plan and an employee welfare benefits plan, as provided under the Employee Retirement Income Security Act, 29 U.S.C. 1001 et seq.
(i) Any person, individual, firm, corporation or other association receiving an exemption from excise taxes under the provisions of this section shall establish and maintain a Donated Leave Program similar to the program established under title 3, chapter 25, section 583b, Virgin Islands Code.]

43m. Exemption of franchise holders at the racetracks from gross receipts taxes.
The Franchise Holder at the Clinton E. Phipps and the Franchise Holder at the Randall "Doc" James Racetracks shall be exempt from gross receipts taxation from operations authorized under the Franchise Agreements, including but not limited to, gaming revenue.

47. Tax on performances and entertainments

(a) A tax at the rate of five percent on gross receipts shall be levied on all performances, or entertainments, not including dances, but including cock-fights, horse races, theatrical performances, motion picture shows, boxing matches, circuses and concerts where admission is charged or where admission is available to contributors, or where or for which contributions are solicited; Provided, however, That this tax shall not apply in the case of any event held by or sponsored by any officially recognized religious, charitable, benevolent-civic, educational or other organization when not engaged in the conduct of business for profit.
(b) The owner or operator of any theater, auditorium, building or property where performances and entertainments are held shall be jointly liable with the managers or conductors of such performances or entertainments for making reports and payments at such periods of time as the head of the Tax Division shall require.
(c) The Franchise Holder at the Clinton E. Phipps and the Franchise Holder at the Randall "Doc" James Racetracks shall be exempt from gross receipts taxation on performances and entertainments contemplated under this Section 47.

32 VIC § 223. Enforcement

(a) The Virgin Islands Horse Racing Commission shall enforce this subchapter. The Commission may request the Commissioner of Police and the Commissioner of Police may order law enforcement officers to aid the Commission in preventing horse racing at any track within the respective districts for which a license has been refused, suspended or revoked by the Commission. The Police Commissioner may similarly assign officers to aid the Commission when, by the Commissioner's determination, additional forces are needed to preserve the health, welfare or safety of any person or animal within the grounds of any race track in the Territory.

(b) The Attorney General pursuant to 3 V.I.C. § 114 shall furnish legal advice to the Commission and shall represent the Commission in any proceeding to which the Commission is a party.

(c) The Attorney General may file an action in the Superior Court of the Virgin Islands to enforce any penalty assessment or order of the Commission.

(d) ~~The Virgin Islands Casino Control Commission, Division of Enforcement~~ The St. Thomas and St. John Horse Racing Commission and The St. Croix Horse Racing Commission may audit and investigate service providers, totalizator companies, site operators, or organizations applying to conduct or conducting pari-mutuel wagering. ~~The Casino Control Commission, Division of Gaming Enforcement~~ The St. Thomas and St. John Horse Racing Commission and The St. Croix Horse Racing Commission may:

(1) inspect all sites in which pari-mutuel wagering is conducted;

(2) inspect all pari-mutuel wagering equipment and supplies;

(3) seize, remove, or impound and pari-mutuel equipment, supplies or books and records for examination and inspection; and

(4) inspect, examine, photocopy, and audit all books and records.