

SENATE FILE NO. SF0073

Lottery revisions.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to the Wyoming lottery; clarifying the
2 calculation and disposition of expenses and proceeds of the
3 lottery; revising terminology; specifying benefits for
4 employees of the lottery; specifying requirements for
5 procurement contracts; specifying use of the fidelity fund;
6 revising requirements related to unclaimed prize money;
7 making conforming changes; specifying applicability; and
8 providing for an effective date.

9

10 *Be It Enacted by the Legislature of the State of Wyoming:*

11

12 **Section 1.** W.S. 9-17-103(a)(vii) and (ix),
13 9-17-108(a)(i), 9-17-110 by creating a new subsection (h),
14 9-17-111(a) and (b)(intro), 9-17-113(d), 9-17-116(a),
15 9-17-119(g), 9-17-120(a) and 9-17-128(a)(i) are amended to
16 read:

1

2 **9-17-103. Definitions.**

3

4 (a) As used in this chapter:

5

6 (vii) "Major procurement contract" means any
7 gaming product or service costing in excess of seventy-five
8 thousand dollars (\$75,000.00) in a fiscal year including, but
9 not limited to, ~~major~~ advertising contracts, annuity
10 contracts, prize payment agreements, consulting services,
11 equipment, tickets and other products and services unique to
12 the Wyoming lottery, but not including materials, supplies,
13 equipment and services common to the ordinary operation of a
14 corporate entity;

15

16 (ix) "Net proceeds" means all revenue ~~derived from~~
17 ~~the sale of lottery tickets or shares and all other monies~~
18 ~~derived from the lottery less operating expenses~~ less direct,
19 indirect, operating and nonoperating expenses consistent with
20 generally accepted accounting principles;

21

22 **9-17-108. Adoption by board of procedures regulating**
23 **conduct of lottery games.**

1

2 (a) The board may adopt regulations, policies and
3 procedures regulating the conduct of lottery games in
4 general, including, but not limited to, regulations, policies
5 and procedures specifying:

6

7 (i) The type of games to be conducted,
8 specifically limited to a state lottery or a multi-state
9 lottery, and shall not include ~~instant lotteries~~ ~~instant-win~~
10 ~~tickets~~, scratch-off ticket games, video lottery terminals or
11 any other electronic game involving direct physical contact
12 between the player and a machine;

13

14 **9-17-110. Employees; compensation; restrictions;**
15 **background investigations; bonding.**

16

17 (h) Employees of the corporation shall be covered by
18 the Wyoming Retirement Act.

19

20 **9-17-111. Disposition of lottery proceeds.**

21

22 (a) As nearly as practical, at least forty-five percent
23 (45%) of the ~~net proceeds~~ total revenue from the sale of

1 lottery tickets or shares shall be made available as prize
2 money, provided, however, that this subsection shall be
3 deemed not to create any lien, entitlement, cause of action
4 or other private right and any rights of holders of tickets
5 or shares shall be determined by the corporation in setting
6 the terms of its lottery or lotteries.

7

8 (b) On or before the fifteenth day of each quarter, the
9 corporation shall transfer to the treasurer's office, for
10 credit to the lottery account which is hereby created, ~~the~~
11 ~~amount of all~~ at least seventy-five percent (75%) of the net
12 ~~proceeds minus prizes and amounts earned pursuant to~~
13 ~~subsection (a) of this section during~~ from the preceding
14 quarter. Final reconciliation of the transfer to the state
15 under this subsection shall be determined at the end of each
16 fiscal year based on the audited annual financial statements.

17 Upon their deposit into the account, any monies representing
18 a deposit of net proceeds shall then become the unencumbered
19 property of the state of Wyoming and the corporation shall
20 have no power to agree or undertake otherwise. At least once
21 per fiscal year, these monies shall be paid by the treasurer
22 to the treasurers of the counties, cities and towns for
23 payment into their respective general funds. The percentage

1 of the balance that will be distributed to each county and
2 its cities and towns will be determined by computing the
3 percentage that sales of lottery tickets collected by
4 retailers in each county including its cities and towns bear
5 to total sales of lottery tickets collected by retailers in
6 all counties including their cities and towns. This
7 percentage of the monies shall be distributed within each
8 county as follows:

9

10 **9-17-113. Bonding requirements for vendors;**
11 **qualifications of vendors; competitive bid requirement.**

12

13 (d) All major procurement contracts shall be
14 competitively bid pursuant to policies and procedures
15 approved by the board unless:

16

17 (i) There is only one (1) qualified vendor and
18 that vendor has an exclusive right to offer the service or
19 product; ~~or~~

20

21 (ii) The major procurement contract is an
22 amendment, extension or renewal of an existing contract with

1 terms that are not materially different than the terms of the
2 existing contract.

3

4 **9-17-116. Fidelity fund for retailers; assessments.**

5

6 (a) The corporation may establish a fidelity fund
7 separate from all other funds and shall assess each retailer
8 a one (1) time fee not to exceed one hundred dollars (\$100.00)
9 per sales location. The corporation is authorized to invest
10 the funds or place the funds in one (1) or more interest
11 bearing accounts. Monies deposited to the fund may be used
12 to cover losses the corporation experiences due to
13 nonfeasance, misfeasance or malfeasance of a lottery
14 retailer. In addition, the funds may be used to purchase
15 blanket bonds covering the Wyoming lottery corporation
16 against losses from all retailers. At the end of each fiscal
17 year, the corporation shall pay to the general lottery fund
18 any amount in the fidelity fund which exceeds ~~five hundred~~
19 ~~thousand dollars (\$500,000.00)~~ two hundred fifty thousand
20 dollars (\$250,000.00) and the funds shall be commingled with
21 and treated as net proceeds from the lottery.

22

1 9-17-119. Prize proceeds subject to attachments,
2 garnishments or executions; validation of winning tickets;
3 prohibited purchases; money dispensing machines; unclaimed
4 prize money.

5
6 (g) Unclaimed prize money shall ~~not constitute net~~
7 ~~proceeds~~ be used to offset prize expenses. A portion of
8 unclaimed prize money, not to exceed two hundred thousand
9 dollars (\$200,000.00) annually, shall be used by the
10 corporation to develop, in consultation with the department
11 of health programs for the treatment of compulsive gambling
12 disorder and educational programs related to the disorder.
13 ~~In addition, unclaimed prize money may be added to the pool~~
14 ~~from which future prizes are to be awarded or used for special~~
15 ~~prize promotions.~~

16
17 9-17-120. Confidentiality of information;
18 investigations; supervision and inspections; reports of
19 suspected violations; assistance in investigation of
20 violations.

21
22 (a) Except as authorized in this chapter, the
23 corporation is subject to the provisions of W.S. 16-4-201

1 through 16-4-205 and 16-4-401 through 16-4-408. The
2 corporation is specifically authorized to determine which
3 information relating to the operation of the lottery is
4 confidential. Confidential information includes trade
5 secrets, security measures, systems or procedures, security
6 reports, information concerning bids or other contractual
7 data, the disclosure of which would impair the efforts of the
8 corporation to contract for goods or services on favorable
9 terms, employee personnel information unrelated to
10 compensation, duties, qualifications or responsibilities and
11 information obtained pursuant to investigations which is
12 otherwise confidential. Information deemed confidential
13 pursuant to this subsection is exempt from the provisions of
14 W.S. 16-4-201 through 16-4-205. Meetings or portions of
15 meetings devoted to discussing information deemed
16 confidential pursuant to this subsection are exempt from W.S.
17 ~~16-4-201 through 16-4-205~~ 16-4-401 through 16-4-408.

18

19 **9-17-128. Reports by corporation; audits; budget;**
20 **fiscal year.**

21

22 (a) To ensure the financial integrity of the lottery,
23 the corporation through its board of directors shall:

1

2 (i) Submit quarterly and annual reports to the
3 governor, department of audit, the joint revenue interim
4 committee and the joint travel, recreation, wildlife and
5 cultural resources interim committee disclosing the total
6 lottery revenues, prize disbursements, ~~operating expenses~~ and
7 ~~administrative~~ expenses of the corporation during the
8 reporting period. The annual report shall additionally
9 describe the organizational structure of the corporation and
10 summarize the functions performed by each organizational
11 division within the corporation;

12

13 **Section 2.** W.S. 9-17-103(a)(i) and (x) is repealed.

14

15 **Section 3.** The benefits specified for employees of the
16 lottery corporation as provided in W.S. 9-17-110(h) created
17 in section 1 of this act shall be effective beginning on the
18 effective date of this act.

19

20 **Section 4.** The change in the accounting of revenue and
21 proceeds of the lottery under sections 1 and 2 of this act
22 shall be reflected through reclassification journal entries

1 on the balance sheet of the lottery corporation effective on
2 the effective date of this act.

3

4 **Section 5.** This act is effective July 1, 2019.

5

6

(END)