



HB0225

Gaming governance.

Sponsored By: Representative(s) Walters and Senator(s) Driskill

AN ACT relating to gaming; authorizing online sports wagering; providing for regulation; requiring rulemaking; providing for the collection of revenues; creating penalties; and providing for effective dates.

2/12/2020 Bill Number Assigned
2/12/2020 H Received for Introduction
2/14/2020 H Introduced and Referred to H02 - Appropriations 45-12-3-0-0

ROLL CALL

Ayes: Representative(s) Barlow, Blackburn, Blake, Brown, Burkhart, Burlingame, Clausen, Connolly, Dayton-Selman, Duncan, Eklund, Freeman, Furphy, Greear, Haley, Hallinan, Harshman, Henderson, Hunt, Kinner, Kirkbride, Larsen Lloyd, Lindholm, Loucks, Macquire, Miller, Newsome, Nicholas, Northrup, Obermueller, Olsen, Paxton, Pelkey, Pownall, Roscoe, Schwartz, Simpson, Sommers, Stith, Sweeney, Tass, Walters, Washut, Wilson, Zwonitzer

Nays: Representative(s) Clifford, Edwards, Eyre, Flitner, Gray, Jennings, Laursen Dan, Piiparinen, Salazar, Styvar, Winter, Yin

Excused: Representative(s) Clem, Crank, Western

Ayes 45 Nays 12 Excused 3 Absent 0 Conflicts 0

2/19/2020 H02 - Appropriations:Recommend Do Pass 4-3-0-0-0

ROLL CALL

Ayes: Representative(s) Kinner, Larsen, Olsen, Walters

Nays: Representative(s) Nicholas, Schwartz, Sommers

Ayes 4 Nays 3 Excused 0 Absent 0 Conflicts 0

2/19/2020 H Placed on General File

HB0225HW001/ADOPTED

Page 1-line 4 After "penalties;" insert "providing for contingent application;".

Page 17-line 21 Delete.

Page 18-lines 1 through 7 Delete entirely and insert:

"Section 4. W.S. 11-25-201 through 11-25-206 are created to read:

**ARTICLE 2
SPORTS WAGERING**

11-25-201. Definitions.

(a) As used in this article:

(i) "Commission" means the Wyoming gaming commission;

(ii) "Online sports wagering" means engaging in sports wagering conducted by sports wagering vendors through sports wagering accounts over the internet by use of computers, digital platforms or mobile applications on mobile devices;

(iii) "Online sports wagering revenue" means the total of all wagers placed by players with an online sports wagering vendor, excluding free wagers and promotional play, minus all payments to players minus any applicable federal excise taxes. Payments to players include all payments of cash, cash equivalents, merchandise or any other thing of value;

(iv) "Prohibited sports wager" means:

(A) A proposition wager determined by the performance statistics of an individual athlete participating in a collegiate sports contest or collegiate athletic event that takes place in Wyoming or a sports contest or athletic event in which any Wyoming college or university team participates regardless where the event takes place;

(B) A wager involving any sporting event or other event where the majority of participants are under the age of eighteen (18) years;

(C) Any wagering category not authorized by the commission.

(v) "Qualified gaming entity" means a gaming entity that offers online sports wagering through computers, digital platforms or mobile applications in any jurisdiction in the United States pursuant to a state regulatory structure;

(vi) "Sporting event" means any professional sport or athletic event, any Olympic or international sports competition event or any collegiate sport or athletic event, or any portion thereof, including the individual performance statistics of athletes in a sports event or combination of sports events, or any other event approved by the commission;

(vii) "Sports wagering" means the business of accepting wagers on sporting events or portions of sporting events, other events, the individual performance statistics of athletes in a sporting event or other events, or a combination of any of the same by any system or method of wagering approved by the commission including mobile applications and other digital platforms that utilize communications technology to accept sports wagers. The term includes single game bets, teaser bets, parlays, over under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets and straight bets. The term shall not include any of the following:

(A) Activities authorized under W.S. 6-7-101 through 6-7-104, except to the extent that online sports wagering is exempted from criminal penalties under those sections;

(B) Other activities authorized or regulated by the commission;

(C) Lotteries authorized by law;

(D) Fantasy sports contests, which are simulated games or contests with an entry fee that meet all of the following conditions:

(I) No fantasy contest team is composed of the entire roster of a real world sports team;

(II) No fantasy contest team is composed entirely of individual athletes who are members of the same real world sports team;

(III) Each prize and award or the value of all prizes and awards offered to winning fantasy contest players is made known to the fantasy contest players in advance of the fantasy contest;

(IV) Each winning outcome reflects the relative knowledge and skill of the fantasy contest players and is determined by the aggregated statistical results of the performance of multiple individual athletes selected by the fantasy contest player to form the fantasy contest team, whose individual performance in the fantasy contest directly correspond with the actual performance of those athletes in the athletic event in which those individual athletes participated;

(V) A winning outcome is not based on randomized historical events, or on the score, point spread, or performance in an athletic event of a single real world sports team, a single athlete or any combination of real world sports teams;

(VI) The fantasy contest does not constitute or involve and is not based on a slot machine or other mechanical, electromechanical or electric device, equipment or machine, including computers and other cashless wagering systems.

(viii) "Sports wagering account" means a financial record established by a sports wagering vendor for an individual patron in which the patron may deposit and withdraw funds for sports wagering and other authorized purchases, and to which the sports wagering vendor may credit winnings or other amounts due to that patron or authorized by that patron. Such account can be established electronically through an approved mobile application or digital platform;

(ix) "Sports wagering vendor" means any qualified gaming entity authorized by the commission to accept online sports wagers.

11-25-202. Online sports wagering regulation.

(a) The commission shall regulate online sports wagering and sports wagering vendors. The commission shall promulgate appropriate rules to implement this article. The rules shall establish standards and procedures for online sports wagering and associated systems. The commission shall examine the regulations implemented in other states where online sports wagering is conducted and shall, to the extent practicable, adopt a similar regulatory framework in order to maximize revenue generated to the state. The rules shall include:

(i) Governance of the conduct of online sports wagering and the system of wagering associated with online sports wagering, including:

(A) The sporting events upon which online sports wagers may be accepted and methods of play;

(B) The manner in which online sports wagers are received and payoffs are remitted;

(C) Procedures for handling suspected cheating, sports wagering irregularities and complaints;

(D) Terms and conditions for online sports wagering, including a requirement that a player be physically present in the state to make the wager;

(E) A requirement for each sports wagering vendor to use a geolocation system to ensure that a player making an online sports wager is physically present in the state when making the wager;

(F) Internal controls for all aspects of online sports wagering, including procedures for system integrity, system security, operations and accounting;

(G) Operational controls for online gaming accounts; and

(H) Procedures to ensure that sports wagering vendors do not offer prohibited sports wagers.

(ii) Establishing the method for calculating online sports wagering revenue and standards for the counting and recording of cash and cash equivalents received in the conduct of online sports wagering and ensuring that internal controls are followed, financial records are maintained and audits are conducted;

(iii) Reasonable minimum qualifications for sports wagering vendors; and

(iv) Any other matters necessary for overseeing online sports wagering and sports wagering vendors.

11-25-203. Permits; fees.

(a) The commission shall regulate sports wagering vendors. A vendor shall possess a permit issued by the commission to accept online sports wagers. No person shall accept online sports wagers without holding a valid permit issued by the commission.

(b) A qualified gaming entity applying for a sports wagering vendor permit shall do so on a uniform application furnished by the commission. The applicant shall provide the commission fingerprints and other information and permission as requested by the commission necessary for a criminal history record background check. The cost of the criminal history record background check shall be paid using a portion of the applicant's permit fee charged pursuant to subsection (c) of this section.

(c) The commission shall charge a fee of twenty thousand dollars (\$20,000.00) for an initial sports wagering vendor permit. A permit shall be valid for one (1) year. The commission shall charge a fee of ten thousand dollars (\$10,000.00) for a sports wagering vendor permit renewal.

(d) Vendor permit fees charged pursuant to subsection (c) of this section shall be deposited in the state sports wagering administration account, which is hereby created. Subject to legislative appropriation, amounts within the account may be used by the commission for all expenses incurred in administering this article.

(e) An application submitted to the commission shall, at a minimum, include the following:

(i) The full name, current address and contact information of the applicant;

(ii) Disclosure of each person that has control of the applicant as described in subsection (f) of this section;

(iii) Consent to permit the commission to conduct a criminal history record check in accordance with subsection (b) of this section of the applicant and each person disclosed under paragraph (ii) of this subsection in accordance with procedures established by the commission;

(iv) For the applicant and each person disclosed under paragraph (ii) of this subsection, a record of previous issuances and denials of or any adverse action taken against a gambling related license or application under this article or in any other jurisdiction. For purposes of this paragraph, "adverse action" includes a condition resulting from an administrative, civil or criminal violation, a suspension or revocation of a license or a voluntary surrender of a license to avoid or resolve a civil, criminal or disciplinary action; and

(v) Any additional information required by the commission by rule.

(f) The following persons are considered to have control of an applicant or a permit holder:

(i) Each corporate holding company, parent company or subsidiary company of a corporate applicant or permit holder and each person that owns ten percent (10%) or more of the corporate applicant or licensee and that has the ability to control the activities of the corporate applicant or permit holder or elect a majority of the board of directors of that corporate applicant or permit holder, except for a bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business;

(ii) Each person associated with a noncorporate applicant or permit holder that directly or indirectly holds a beneficial or proprietary interest in the noncorporate applicant's or permit holder's business operation or that the commission otherwise determines has the ability to control the noncorporate applicant or permit holder; and

(iii) Key personnel of an applicant or permit holder, including any executive, employee or agent, having the power to exercise significant influence over decisions concerning any part of the applicant's or permit holder's relevant business operation.

(g) The commission may issue a temporary permit for the conduct of sports wagering and further, the commission may, in lieu of conducting its own suitability review, issue a permit to a sports wagering vendor that is currently operating pursuant to a regulatory framework in a United States jurisdiction that the commission deems comparable to that of the state of Wyoming.

11-25-204. Distribution of revenue.

Not later than the fifth day of each month, in accordance with appropriate commission rules, a sports wagering vendor shall remit sixteen percent (16%) of online sports wagering revenue from the prior month to the commission. Monies remitted to the commission shall be deposited in the general fund. The sports wagering vendor shall be permitted to carry over negative sports wagering revenues and apply such amounts to returns filed for subsequent months.

11-25-205. Age to engage in sports wagering.

No sports wagering vendor shall allow a person under the age of eighteen (18) years to engage in online sports wagering.

11-25-206. Penalties.

(a) A person who knowingly accepts online sports wagers or otherwise operates a business of sports wagering who does not possess a valid permit issued by the department under this article shall be subject to the following, in addition to any penalty imposed under W.S. 6-7-102:

(i) For a first offense, a civil penalty of five thousand dollars (\$5,000.00);

(ii) For a second or subsequent offense, a civil penalty of ten thousand dollars (\$10,000.00).

(b) For purposes of this section, a series of similar events that result in violation of this article shall be treated as one (1) offense and not separate and distinct violations.

Section 5. W.S. 6-7-101(a)(iii) by creating a new subparagraph (M), 7-19-106(a) by creating a new paragraph (xxxii) and 7-19-201(a) by creating a new paragraph (xxviii) are amended to read:

6-7-101. Definitions.

(a) As used in this article:

(iii) "Gambling" means risking any property for gain contingent in whole or in part upon lot, chance, the operation of a gambling device or the happening or outcome of an event, including a sporting event, over which the person taking a risk has no control, but does not include any of the following:

(M) Online sports wagering authorized under W.S. 11-25-201 through 11-25-206.

7-19-106. Access to, and dissemination of, information.

(a) Criminal history record information shall be disseminated by criminal justice agencies in this state, whether directly or through any intermediary, only to:

(xxxii) The Wyoming gaming commission for purposes of permitting sports wagering vendors.

7-19-201. State or national criminal history record information.

(a) The following persons shall be required to submit to fingerprinting in order to obtain state and national criminal history record information:

(xxviii) Applicants for a vendor permit under W.S. 11-25-203.

Section 6. The Wyoming gaming commission shall promulgate rules required by this act not later than January 1, 2021.

Section 7. Sections 1 through 3 of this act shall only be effective if 2020 House Bill 0171 is not enacted into law. Sections 4 through 6 of this act shall only be effective if 2020 House Bill 0171 is enacted into law.

Section 8.

(a) Except as provided in subsection (b) of this section, this act is effective January 1, 2021.

(b) Section 3, if effective, or section 6, if effective, and sections 7 and 8 of this act are effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.". OLSEN

HB0225HW002/ADOPTED

(CORRECTED COPY)

Page 11-line 5 Before "sports" insert "state".

Page 11-line 6 After "wagering" insert "administration".

Page 14-lines 11 through 18 Delete entirely and insert:

"(a) Not later than the fifth day of each month, in accordance with appropriate department rules, a sports wagering vendor shall remit a portion of online sports wagering revenue from the prior month to the department. The sports wagering vendor shall be permitted to carry over negative sports wagering revenues and apply such amounts to returns filed for subsequent months. Monies shall be remitted to the department in accordance with the following:

(i) Seven percent (7%) of online sports wagering revenue shall be remitted to the department and the department shall transfer these funds to the cities, towns and counties of the state in an equitable distribution based on the respective populations of the cities, towns and counties of the state as calculated in the most recent decennial census;

(ii) Eight percent (8%) of online sports wagering revenue shall be remitted to the department and deposited in the school foundation program account;

(iii) One percent (1%) of online sports wagering revenue shall be remitted to the department and deposited in the state sports wagering administration account.".

Page 18-lines 1 through 7 In the Olsen committee of the whole amendment (HB0225HW001/A) to these lines, delete the newly created section W.S. 11-25-204 and insert:

"11-25-204. Distribution of revenue.

(a) Not later than the fifth day of each month, in accordance with appropriate commission rules, a sports wagering vendor shall remit a portion of

online sports wagering revenue from the prior month to the commission. The sports wagering vendor shall be permitted to carry over negative sports wagering revenues and apply such amounts to returns filed for subsequent months. Monies shall be remitted to the commission in accordance with the following:

(i) Seven percent (7%) of online sports wagering revenue shall be remitted to the commission and the commission shall transfer these funds to the cities, towns and counties of the state in an equitable distribution based on the respective populations of the cities, towns and counties of the state as calculated in the most recent decennial census;

(ii) Eight percent (8%) of online sports wagering revenue shall be remitted to the commission and deposited in the school foundation program account;

(iii) One percent (1%) of online sports wagering revenue shall be remitted to the commission and deposited in the state sports wagering administration account.". OLSEN

HB0225HW003/ADOPTED

Page 15-lines 14 through 18 Delete entirely and insert:

"(i) For a first offense, a civil penalty of twenty-five thousand dollars (\$25,000.00);

(ii) For a second or subsequent offense, a civil penalty of fifty thousand dollars (\$50,000.00).".

Page 15-line 20 Delete "W.S. 9-23-106" and insert "this section".

Page 18-lines 1 through 7 In the Olsen committee of the whole amendment (HB0225HW001/A) to these lines, in the newly created subsection W.S. 11-25-206(a) delete paragraphs (i) and (ii) entirely and insert:

"(i) For a first offense, a civil penalty of twenty-five thousand dollars (\$25,000.00);

(ii) For a second or subsequent offense, a civil penalty of fifty thousand dollars (\$50,000.00).". OLSEN

HB0225HW004/ADOPTED

Page 9-line 19 Delete "and".

Page 9-after line 19 Insert:

"(iv) A prohibition on commercial establishments facilitating online sports wagering by offering computers, digital platforms or mobile devices to customers to conduct online sports wagering; and".

Page 9-line 21 Delete "(iv)" and insert "(v)".

Page 18-lines 1 through 7 In the Olsen committee of the whole amendment (HB0225HW001/A) to these lines, in the newly created subsection W.S. 11-

25-202(a) delete paragraphs (iii) and (iv) entirely and insert:

"(iii) Reasonable minimum qualifications for sports wagering vendors;

(iv) A prohibition on commercial establishments facilitating online sports wagering by offering computers, digital platforms or mobile devices to customers to conduct online sports wagering; and

(v) Any other matters necessary for overseeing online sports wagering and sports wagering vendors.". OLSEN

2/25/2020 H COW:Passed

HB0225H2001/ADOPTED

Page 15-line 2 Delete "eighteen (18)" and insert "twenty-one (21)".

Page 18-lines 1 through 7 In the Olsen committee of the whole amendment to these lines (HB0225HW001/A) in the newly created section 11-25-205 delete "eighteen (18)" and insert "twenty-one (21)". NEWSOME, SCHWARTZ

2/26/2020 H 2nd Reading

2/27/2020 H 3rd Reading:Laid Back

HB0225H3001/FAILED

Page 2-line 14 After "vendor" delete balance of line.

Page 2-line 15 Delete "play,".

Page 7-line 21 Delete "similar" and insert "secure and reasonable"; after "framework" insert "similar to other states".

Page 18-lines 1 through 7 In the Olsen committee of the whole amendment (HB0255HW001/A) to these lines, in section 11-25-201(a)(iii) created by that amendment delete ", excluding free wagers and promotional play,"; in section 11-25-202(a)(intro) created by that amendment delete "similar" and insert "secure and reasonable"; after "framework" insert "similar to other states". NICHOLAS

HB0225H3002/FAILED

Delete the Olsen committee of the whole amendment (HB0225HW004/A) entirely. NICHOLAS

HB0225H3003/ADOPTED

Page 14-lines 11 through 18 In the Olsen committee of the whole amendment (HB0225HW002/AC) to these lines in paragraph (a)(i) created by that amendment delete "Seven percent (7%)" and insert "Not less than nine percent (9%)" ; in paragraph (a)(ii) created by that amendment delete "Eight percent (8%)" and insert "Not less than ten percent (10%)" ; after paragraph (a)(iii) created by that amendment insert:

"(b) The commission shall review revenue practices in other states and shall modify the percent of revenue to position the state as competitive in the market while maximizing the return paid to the state.". NICHOLAS, OLSEN

2/28/2020 H 3rd Reading:Failed 27-32-1-0-0

ROLL CALL

Ayes: Representative(s) Blake, Brown, Burkhart, Burlingame, Clausen, Connolly, Duncan, Eklund, Greear, Haley, Hallinan, Harshman, Hunt, Kinner, Lindholm, Loucks, Macguire, Nicholas, Olsen, Pelkey, Pownall, Roscoe, Schwartz, Stith, Walters, Western, Zwonitzer

Nays: Representative(s) Barlow, Clem, Clifford, Crank, Dayton-Selman, Edwards, Eyre, Flitner, Freeman, Furphy, Gray, Henderson, Jennings, Kirkbride, Larsen Lloyd, Laursen Dan, Miller, Newsome, Northrup, Obermueller, Paxton, Piiparinen, Salazar, Simpson, Sommers, Styvar, Sweeney, Tass, Washut, Wilson, Winter, Yin

Excused: Representative Blackburn

Ayes 27 **Nays** 32 **Excused** 1 **Absent** 0 **Conflicts** 0