

ENROLLED ACT NO. 50, HOUSE OF REPRESENTATIVES

SIXTY-SIXTH LEGISLATURE OF THE STATE OF WYOMING
2021 GENERAL SESSION

AN ACT relating to online sports wagering; authorizing online sports wagering; providing for regulation by the Wyoming gaming commission; imposing fees; requiring rulemaking; creating an account; providing for the collection and distribution of revenues from online sports wagering to the state; providing for a continuous appropriation; creating penalties; specifying that fantasy sports contests are not gambling; and providing for effective dates.

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

Section 1. W.S. 9-24-101 through 9-24-106 are created to read:

CHAPTER 24
GAMING COMMISSION REGULATED ACTIVITIES

ARTICLE 1
ONLINE SPORTS WAGERING

9-24-101. Definitions.

(a) As used in this chapter:

(i) "Cash equivalent" means an asset that is convertible to cash and approved for use in connection with online sports wagering. Approved cash equivalents include:

- (A) Travelers checks;
- (B) Foreign currency and coin;
- (C) Certified checks, cashier's checks and money orders;

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- (D) Personal checks and drafts;
 - (E) Digital, crypto and virtual currencies;
 - (F) Online and mobile payment systems that support online money transfers;
 - (G) Credit cards and debit cards;
 - (H) Prepaid access instruments;
 - (J) Any other form of asset that is convertible to cash approved by commission rules.
- (ii) "Commission" means the Wyoming gaming commission;
 - (iii) "Director" means the executive director of the commission;
 - (iv) "Fantasy sports contest" means a simulated game or contest with an entry fee that meets all of the following conditions:
 - (A) No fantasy sports contest team is composed entirely of individual contestants who are members of the same real world sports team;
 - (B) Each prize and award or the value of all prizes and awards offered to winning fantasy sports contest players is made known to the fantasy sports contest players in advance of the fantasy sports contest;

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(C) Each winning outcome reflects the relative knowledge and skill of the fantasy sports contest players and is determined by the aggregated statistical results of the performance of multiple individual contestants who each fantasy sports contest player has selected to form that player's fantasy sports contest team. The individual performances of the individual contestants in the fantasy sports contest directly correspond with the actual performances of those contestants in a real world sporting event in which those individuals participated;

(D) A winning outcome is not based on the performance of a single real world sports team, any combination of real world sports teams or a single contestant in a real world sporting event, nor is it based on the score or point spread of one (1) or more real world sporting events;

(E) The fantasy sports contest does not constitute or involve a slot machine or a fixed, commercial electrical gaming device.

(v) "Fantasy sports contest player" means a person who engages in selecting individual contestants to comprise a team for a fantasy sports contest;

(vi) "Online sports wagering" means engaging in sports wagering conducted by a sports wagering operator through a sports wagering account over the internet by use of a computer, digital platform or mobile application on a mobile device, any of which uses communications technology to accept sports wagers or any system or method of electronic sports wagering approved by commission rules. "Online sports wagering" shall not include or be conducted from any physical location created by a sports wagering

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operator or vendor for a patron to physically visit to place a wager;

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

(viii) "Patron" means a person who places an online sports wagering wager;

(ix) "Prohibited sports wager" means:

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

(B) Any wagering category not authorized by law or commission rules adopted in compliance with law.

(x) "Qualified gaming entity" means a gaming entity that offers online sports wagering through computers, digital platforms or mobile applications in not less than three (3) jurisdictions in the United States pursuant to a state regulatory structure;

(xi) "Sporting event" means any professional sports event or athletic event, any Olympic or international sports event or athletic event, any amateur sports event or athletic event, any collegiate sports event or athletic event, electronic sports, or any portion

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thereof, including the individual performance statistics of contestants or athletes in sports events, athletic events or a combination of sports and athletic events, or any other event approved by commission rules;

(xii) "Sports wagering" means the business of accepting wagers from patrons on sporting events through online sports wagering. "Sports wagering" wagers include single game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets and straight bets. "Sports wagering" shall not include any of the following:

(A) Activities other than online sports wagering that are exempted from criminal penalties under W.S. 6-7-101 through 6-7-104;

(B) Activities outside of this chapter authorized or regulated by the commission;

(C) Lotteries authorized by law;

(D) Fantasy sports contests;

(E) Prohibited sports wagers.

(xiii) "Sports wagering account" means a financial record established by a sports wagering operator for an individual patron into which the patron may deposit and from which the patron may withdraw funds for sports wagering and other purchases, and into which the sports wagering operator may credit winnings or other amounts due to that patron or authorized by that patron. In compliance with any other applicable law, a sports wagering account

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may be established electronically through an approved mobile application or digital platform;

(xiv) "Sports wagering operator" means any qualified gaming entity authorized by the commission to accept online sports wagers;

(xv) "Sports wagering vendor" means a vendor that provides services to a sports wagering operator that the sports wagering operator uses to accept online sports wagers, including geolocation services, know your customer services, payment processors and data providers.

9-24-102. Online sports wagering regulation; rulemaking.

(a) The commission shall regulate online sports wagering and sports wagering operators and vendors.

(b) The commission shall promulgate rules to implement this chapter. The rules the commission promulgates shall establish standards and procedures for online sports wagering and associated sports wagering systems. The rules shall include:

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

(A) Terms and conditions for online sports wagering that are compliant with all applicable federal laws;

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(B) Identification of the sporting events upon which online sports wagers may be accepted and methods of play;

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

(D) Procedures for managing and resolving suspected cheating, sports wagering irregularities and complaints;

(E) A requirement that for a patron to make a lawful wager the patron must be physically present in the state when making the wager unless otherwise authorized by the commission;

(F) A requirement for each sports wagering operator to use a geolocation system to ensure that a patron making an online sports wager is physically present in the state when making the wager unless otherwise authorized by the commission;

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

(H) Operational controls for online gaming accounts;

(J) Procedures to ensure that sports wagering operators 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

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received in the conduct of online sports wagering, to include methods for ensuring that internal controls are followed, financial records are maintained and audits are conducted;

(iii) Reasonable minimum qualifications for sports wagering operators;

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

(c) In promulgating rules pursuant to this section, the commission shall examine the regulations implemented in other states where online sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework to maximize revenue generated for the state.

9-24-103. Permits; fees; application.

(a) A sports wagering operator 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 operator permit shall do so on a uniform application furnished by the commission. The fee for both an initial application and renewal application shall be two thousand five hundred dollars (\$2,500.00). The application shall require an applicant, at a minimum, to provide:

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

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

(iii) The applicant's fingerprints and the fingerprints of individuals identified in subsection (g) of this section considered to have control of an applicant or permit holder;

(iv) Consent to permit the commission to conduct a criminal history record check of the applicant and each individual disclosed under subsection (g) of this section in accordance with procedures established by the commission. This subsection shall not require an applicant or individual who has submitted to a criminal background check in this or any other state within the twelve (12) months before submitting the application to resubmit to another criminal background check provided that the applicant or individual submits the results of the previous criminal background check and affirms that there has been no material change in the criminal history since the time of the criminal background check. The cost of the criminal history record background check shall be paid using a portion of the applicant's application fee;

(v) Other information and permissions as requested by the commission;

(vi) For the applicant and each person disclosed under subsection (g) of this section, a record of previous issuances and denials of any gambling related license or application under Wyoming statutes or in any other jurisdiction in the United States;

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(vii) Any additional information required by commission rules.

(c) The commission shall charge a permit fee of one hundred thousand dollars (\$100,000.00) for an initial sports wagering operator permit. An initial permit and any renewal permit shall each be valid for five (5) years. The commission shall charge a fee of fifty thousand dollars (\$50,000.00) for a sports wagering operator permit renewal.

(d) A sports wagering vendor shall possess a permit issued by the commission to conduct business in the state. No person shall provide vendor services to a sports wagering operator without holding a valid permit issued by the commission.

(e) The commission shall charge a fee of ten thousand dollars (\$10,000.00) for an initial sports wagering vendor permit. An initial permit and any renewal permit shall each be valid for five (5) years. The commission shall charge a fee of five thousand dollars (\$5,000.00) for a sports wagering vendor permit renewal.

(f) Sports wagering operator and sports wagering vendor permit fees charged pursuant to subsections (c) and (e) of this section shall be deposited in the sports wagering 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 chapter. On a quarterly basis, the commission shall transfer amounts within the account in excess of five hundred thousand dollars (\$500,000.00) to the state treasurer for credit to the general fund.

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(g) The following persons are considered to have control of a sports wagering operator permit applicant or permit holder:

(i) Each holding company, parent company or subsidiary company of the applicant or permit holder;

(ii) Each person, except for a bank or other licensed lending institution that holds a mortgage or other lien acquired in the ordinary course of business, who owns fifteen percent (15%) or more of a corporate applicant or permit holder and has the ability to:

(A) Control the activities of the corporate applicant or permit holder; or

(B) Elect a majority of the board of directors of that corporate applicant or permit holder.

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

(iv) Key personnel of an applicant or permit holder, including any executive, employee or agent having the power to exercise ultimate decision making authority over the applicant's or permit holder's sports wagering operations in this state.

(h) The commission shall, not more than sixty (60) days after the date of receipt of an application for a

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permit or application for renewal of a permit under W.S. 9-24-103, either:

(i) Issue the permit; or

(ii) Deny the application based on the grounds that the applicant failed to qualify as provided by subsection (j) of this section.

(j) The commission shall deny an application under this article upon finding any of the following:

(i) The applicant or permit holder has been convicted of, forfeited bail on or pleaded guilty to:

(A) A crime involving theft, dishonesty or fraud;

(B) Bribery or unlawfully influencing a public official;

(C) A felony crime involving physical harm to a person; or

(D) Any other crime identified by rule of the commission that negatively impacts the applicant's credibility or the security, integrity or fairness of online sports wagering.

(ii) The applicant tampered with submitted documentation or concealed, failed to disclose or otherwise attempted to mislead the commission with respect to any material fact contained in the application or contained in any other information required of or submitted by an applicant to the commission;

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(iii) The applicant or permit holder failed or refused to cooperate in the investigation of a crime related to gambling, corruption of a public official or any organized criminal activity;

(iv) The applicant or permit holder has intentionally not disclosed the existence or identity of other persons who have control of the applicant or permit holder as required by this section;

(v) The applicant or permit holder has had a permit revoked by any government authority responsible for the regulation of sports wagering;

(vi) The applicant or permit holder has not demonstrated financial responsibility sufficient to adequately meet the requirements of this chapter, as specified by rule of the commission; or

(vii) The applicant or permit holder has not met the requirements of this section, any other provision of this chapter, commission rules or any applicable federal laws.

(k) Given a sufficient number of applicants, at any one (1) time the commission shall issue not less than five (5) sports wagering operator permits to applicants that satisfy the requirements under this chapter. If an insufficient number of applicants apply for a sports wagering operator permit, this provision shall not be interpreted to direct the commission to issue a permit to an unqualified applicant.

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(m) The commission shall issue a permit to a sports wagering vendor that is currently operating in good standing in a similar role in at least three (3) jurisdictions in the United States under a state regulatory structure and that has paid all required fees under subsection (e) of this section.

(n) Permit holders under this article shall have an ongoing obligation to disclose in writing any material change in the information provided in the application to the commission, including:

(i) Changes to names and contact information;

(ii) Arrests, convictions, guilty pleas, disciplinary actions or license denials in Wyoming or any other jurisdiction;

(iii) Any civil action brought against the permit holder; and

(iv) Any other information specified by rule of the commission.

(o) If the commission denies an application or intends to revoke or suspend a permit issued under this article, it shall notify the applicant or permittee in writing, stating the grounds for denial, revocation or suspension and informing the person of a right to submit, within not more than thirty (30) days, any additional documentation relating to the grounds for denial, revocation or suspension. Upon receiving any additional documentation, the commission shall reconsider its decision and inform the applicant of its decision within not more than twenty (20) days of the submission of information for

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reconsideration. A denial of an application or a revocation or suspension of a permit under this article shall be subject to the contested case procedures of the Wyoming Administrative Procedure Act.

9-24-104. Distribution of revenue.

Not later than the fifteenth day of each month, in accordance with commission rules, a sports wagering operator shall remit ten percent (10%) of online sports wagering revenue from the prior month to the commission. Each fiscal year, the first three hundred thousand dollars (\$300,000.00) of revenue generated under this section is continuously appropriated to the department of health to be distributed to the counties for the purpose of funding county health programs to prevent and treat problematic gambling behavior and the remainder of monies remitted to the commission shall be deposited by the state treasurer into the general fund.

9-24-105. Age to engage in online sports wagering.

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

9-24-106. Penalties; compliance.

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

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(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).

(b) When a series of similar events result in a violation under this chapter or commission rules, those events that occur within the same month shall be treated as one offense and not separate and distinct offenses.

(c) The commission shall develop a compliance program that includes establishing procedures to review online sports wagering and related activities occurring in the state to ensure compliance with and enforcement of this chapter. The program shall include review and evaluation of the conduct of:

(i) Sports wagering operators, sports wagering vendors, qualified gaming entities, patrons and any other person permitted or authorized to engage in activities under this chapter; and

(ii) Persons operating without a valid permit under this chapter, engaging in activities not authorized or regulated under this chapter or pursuing or engaging in activities otherwise in violation of this chapter.

Section 2. W.S. 6-7-101(a)(iii) by creating new subparagraphs (N) and (O) and 11-25-104(d) and (o) are amended to read:

6-7-101. Definitions.

(a) As used in this article:

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(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:

(N) Online sports wagering regulated under W.S. 9-24-101 through 9-24-106;

(O) Fantasy sports contests as defined in W.S. 9-24-101(a)(iv).

11-25-104. Gaming commission; officers; director; meetings; quorum; records; licenses generally; effect of financial interest in events.

(d) Any member of the commission who owns or has any interest, or whose spouse or member of his immediate family has any interest, in any activity regulated by the commission or in an animal participating in a pari-mutuel event shall disclose that interest and shall not participate in any commission decision involving a protest regarding that activity or occurring at that pari-mutuel event.

(o) In addition to all other duties, the commission, in the reasonable exercise of its discretion, shall:

(i) Enforce W.S. 6-7-101 through 6-7-104;

(ii) Regulate online sports wagering and sports wagering operators and vendors under W.S. 9-24-101 through 9-24-106.

ORIGINAL HOUSE
BILL NO. HB0133

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Section 3. Not later than September 1, 2021, the commission shall promulgate rules required by this act.

ORIGINAL HOUSE
BILL NO. HB0133

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Section 4.

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

(b) Sections 3 and 4 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.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the House.

Chief Clerk