## HOUSE BILL NO. HB0120

Interactive gaming.

Sponsored by: Representative(s) Davis, Conrad, Newsome and Walters

## A BILL

for

1 AN ACT relating to gaming; authorizing interactive gaming;

2 providing for regulation by the Wyoming gaming commission;

3 imposing fees; providing for the collection and

4 distribution of revenues from interactive gaming; providing

5 for a continuous appropriation; requiring rulemaking;

6 providing penalties; and providing for effective dates.

7

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

9

10 **Section 1.** W.S. 9-24-201 through 9-24-207 are created

1

11 to read:

12

13 ARTICLE 2

14 INTERACTIVE GAMING

15

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1 9-24-201. Definitions.

2

3 (a) As used in this article:

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- 5 (i) "Interactive game" means an internet-based
- 6 version or variation of poker, blackjack or any other card,
- 7 slot or gambling game typically offered in a casino,
- 8 including any internet based gambling game approved by the
- 9 commission, in which:

10

- 11 (A) A person wagers money or something of
- 12 monetary value for the opportunity to win money or a thing
- 13 of monetary value;

14

- 15 (B) The outcome of the game is determined
- 16 by a random number generator, excluding any skill element
- 17 of the game; and

18

- 19 (C) The game is accessed by the player
- 20 using a computer, digital platform or mobile application on

2

21 a mobile device that is connected to the internet.

1	(ii) "Interactive gaming" means engaging in									
2	interactive games conducted by an interactive gaming									
3	operator over the internet by use of a computer, digital									
4	platform or mobile application on a mobile device, that									
5	uses communications technology to accept wagers or any									
6	system or method of electronic wagering approved by									
7	commission rules. Interactive gaming shall not include any									
8	of the following:									
9										
10	(A) Activities other than interactive									
11	gaming that are exempted from criminal penalties under W.S.									
12	6-7-101 through 6-7-104;									
13										
14	(B) Activities outside of this article									
15	authorized or regulated by the commission;									
16										
17	(C) Lotteries authorized by law;									
18										
19	(D) Fantasy sports contests;									
20										
21	(E) Interactive games offered exclusively									
22	on Indian lands by an Indian tribe operating in accordance									
23	with a Tribal-State gaming compact and authorized to									

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- 1 conduct class III gaming pursuant to federal law. For
- 2 purposes of this article, an interactive game is conducted
- 3 exclusively on Indian lands only if the patron
- 4 participating in interactive gaming is physically present
- 5 on Indian lands when the interactive game is initiated and
- 6 the game is offered by an Indian tribe operating on the
- 7 same Indian lands as an intratribal transaction under 31
- 8 U.S.C. § 5362(10)(c).

- 10 (iii) "Interactive gaming operator" means any
- 11 qualified gaming entity authorized by the commission to
- 12 accept interactive gaming wagers;

13

- 14 (iv) "Interactive gaming revenue" means the
- 15 total amount of all wagers placed by patrons with an
- 16 interactive gaming operator using cash or cash equivalents,
- 17 excluding free wagers and promotional play, minus all
- 18 payments to patrons and minus any applicable federal excise
- 19 taxes. Payments to patrons include all payments of cash,
- 20 cash equivalents, merchandise and any other thing of value;

- 22 (v) "Interactive gaming vendor" means a vendor
- 23 that provides services to an interactive gaming operator

- 1 which directly affect wagering, play or results of
- 2 interactive gaming including geolocation services, know
- 3 your customer services, payment processors and game
- 4 providers;

- 6 (vi) "Live game simulcast" means an interactive
- 7 live feed of an interactive game that is conducted by a
- 8 live interactive game studio and in which participants have
- 9 the ability to wager in real time;

10

- 11 (vii) "Live interactive game studio" means a
- 12 physical location that utilizes live video and audio
- 13 streaming technology to provide an interactive gaming
- 14 licensee with a live game simulcast;

15

- 16 (viii) "Patron" means a person who places an
- 17 interactive gaming wager;

18

- 19 (ix) "Permissible jurisdiction" means a
- 20 jurisdiction other than Wyoming where wagers on interactive
- 21 gaming may be accepted pursuant to an interactive gaming
- 22 reciprocal agreement;

1 (x) "Qualified gaming entity" means a gaming

2 entity that offers interactive gaming through computers,

3 digital platforms or mobile applications on a mobile

4 devices in not less than three (3) states in the United

5 States pursuant to a state regulatory structure.

6

7 9-24-202. Interactive gaming regulation; rulemaking.

8

9 (a) The commission shall regulate interactive gaming

10 and interactive gaming operators and vendors.

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12 (b) The commission shall promulgate rules to

13 implement this article. The rules the commission

14 promulgates shall establish standards and procedures for

15 interactive gaming and associated interactive gaming

16 systems. The rules shall include:

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18 (i) Governance of the conduct of interactive

19 gaming and the system of wagering associated with

20 interactive gaming, including all of the following:

21

22 (A) Terms and conditions for interactive

23 gaming that are compliant with all applicable federal laws;

1 2 (B) Identification of the of types 3 interactive games upon which wagers may be accepted; 4 5 (C) The manner in which interactive gaming wagers are received and payoffs are remitted; 6 7 8 (D) Procedures for managing and resolving suspected cheating, irregularities and complaints; 9 10 11 (E) A requirement that a patron shall be physically present in Wyoming when making a wager unless 12 13 otherwise authorized by the commission pursuant to a reciprocal agreement; 14 15 16 (F) A requirement for each interactive 17 gaming operator to use a geolocation system to ensure that a patron making an interactive gaming wager is physically 18 19 present in the state when making the wager unless otherwise 20 authorized by the commission pursuant to a reciprocal

22

21

agreement;

1 (G) Internal controls for all aspects of 2 interactive gaming, including procedures for system 3 integrity, system security, operations and accounting; 4 5 Operational controls for interactive (H) gaming accounts; 6 7 8 (J) Procedures to ensure that interactive gaming operators do not offer prohibited interactive games; 9 10 11 (K) Requirements for the offering of live 12 game simulcasting, which shall be permitted to be conducted from live interactive game studio premises in any location 13 and shall not be required to be located in Wyoming. 14 15 16 (ii) Methods for calculating interactive gaming 17 revenue and standards for the counting and recording of cash and cash equivalents received in the conduct of 18 19 interactive gaming, including requirements for internal 20 controls, financial records and audits; 21 22 (iii) Reasonable minimum qualifications for 23 interactive gaming operators;

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2 (iv) Any other matters necessary for overseeing

3 interactive gaming and interactive gaming operators and

4 vendors.

5

6 (c) In promulgating rules pursuant to this section,

7 the commission shall examine the regulations implemented in

8 Wyoming for online sports wagering and regulations

9 promulgated in other states where interactive gaming is

10 conducted and shall, as far as practicable, adopt a similar

11 regulatory framework to maximize revenue generated to the

12 state.

13

14 (d) Interactive gaming shall not be conducted from

15 any physical location designed for a patron to physically

16 visit to place a wager. Interactive gaming shall be deemed

17 to take place at the location of the patron participating

18 in an interactive game and not the location of the server

19 of an interactive gaming licensee or any other location.

20

21 9-24-203. Permits; fees; application.

1 (a) An interactive gaming operator shall possess a

2 permit issued by the commission to accept interactive

3 gaming wagers. No person shall accept interactive gaming

4 wagers without holding a valid permit issued by the

5 commission.

6

7 (b) A qualified gaming entity applying for an

8 interactive gaming operator permit shall do so on an

9 application furnished by the commission. The commission

10 shall offer an abbreviated application for a qualified

11 gaming entity that holds an online sports wagering operator

12 permit pursuant to W.S. 9-24-103, and the commission may

13 consider an online sports wagering operator permitholder

14 fully qualified to hold an interactive gaming operator

15 permit under this section without additional investigation.

16 The fee for both an initial application and renewal

17 application shall be two thousand five hundred dollars

18 (\$2,500.00). The application shall require an applicant, at

19 a minimum, to provide:

20

21 (i) The full name, current address and contact

22 information of the applicant;

1 (ii) Disclosure of each person identified in

2 subsection (g) of this section;

4 (iii) If not already on file with the

5 commission, the applicant's fingerprints and the

6 fingerprints of each person identified in subsection (g) of

7 this section;

8

9 (iv) Consent to permit the commission to conduct a criminal history record check of the applicant and each 10 person identified in subsection (g) of this section in 11 accordance with procedures established by the commission. 12 13 This paragraph shall not require an applicant or person who 14 has been subject to a criminal background check pursuant to 15 W.S. 9-24-103, or who has otherwise submitted to a criminal 16 background check in this or any other state within the 17 twelve (12) months before submitting the application, to resubmit to another criminal background check provided that 18 19 the applicant or person submits the results of the previous 20 criminal background check and affirms that there has been 21 no material change in the criminal history since the time of the criminal background check. The cost of the criminal 22

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4 (v) For the applicant and each person identified

portion of the applicant's application fee;

history record background check shall be paid using a

5 in subsection (g) of this section, if not already on file

6 with the commission, a record of previous issuances and

7 denials of any gaming or gambling related license or

8 application under Wyoming statutes or in any other

9 jurisdiction in the United States;

10

11 (vi) Any additional information required by 12 commission rules.

13

14 (c) The commission shall charge a permit fee of one

15 hundred thousand dollars (\$100,000.00) for an initial

16 interactive gaming operator permit. An initial permit and

17 any renewal permit shall each be valid for five (5) years.

18 The commission shall charge a fee of fifty thousand dollars

19 (\$50,000.00) for renewal of an interactive gaming operator

20 permit.

21

22 (d) An interactive gaming vendor shall possess a

23 permit issued by the commission to conduct business in the

1 state. No person shall provide vendor services to an

2 interactive gaming operator without holding a valid permit

3 issued by the commission.

4

5 (e) The commission shall charge a fee of ten thousand

6 dollars (\$10,000.00) for an initial interactive gaming

7 vendor permit. An initial permit and any renewal permit

8 shall each be valid for five (5) years. The commission

9 shall charge a fee of five thousand dollars (\$5,000.00) for

10 renewal of an interactive gaming vendor permit.

11

12 (f) Interactive gaming operator and interactive

13 gaming vendor permit fees charged pursuant to subsections

14 (c) and (e) of this section shall be deposited in the

15 interactive gaming account, which is hereby created.

16 Subject to legislative appropriation, amounts within the

17 account may be used by the commission for all expenses

18 incurred in administering this article. On a quarterly

19 basis, the commission shall transfer amounts within the

20 account in excess of five hundred thousand dollars

21 (\$500,000.00) to the state treasurer for credit to the

22 general fund.

1 (g) The following persons are considered to have 2 control of an interactive gaming operator permit applicant 3 or permit holder: 4 5 (i) Each holding company, parent company or subsidiary company of the applicant or permit holder; 6 7 8 (ii) Each person, except for a bank or other licensed lending institution that holds a mortgage or other 9 10 lien acquired in the ordinary course of business, who owns 11 fifteen percent (15%) or more of an applicant or permit 12 holder and has the ability to: 13 14 (A) Control the activities of the applicant 15 or permit holder; or 16 17 (B) Elect a majority of the board of the 18 applicant or permit holder. 19 20 (iii) Any person the commission otherwise 21 determines has the ability to control the noncorporate

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applicant or permit holder;

1 (iv) Key personnel of an applicant or permit 2 holder, including any executive, employee or agent having 3 the power to exercise ultimate decision making authority 4 over the applicant's or permit holder's interactive gaming operations in this state. 5 6 7 (h) The commission shall, not more than ninety (90) days after the date of receipt of an application for a 8 9 permit or renewal of a permit, either: 10 11 (i) Issue the permit; or 12 (ii) Deny the application based on the grounds 13 that the applicant failed to qualify as provided by 14 subsection (j) of this section. 15 16 17 (j) The commission shall deny an application under this section upon finding any of the following: 18 19 20 (i) The applicant or permit holder has been

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21

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contendere to:

convicted of, forfeited bail on or pleaded guilty or nolo

1 (A) A crime involving theft, dishonesty or 2 fraud; 3 4 (B) Bribery or unlawfully influencing a 5 public official; 6 7 (C) A felony crime involving physical harm 8 to a person; or 9 10 (D) Any other crime identified by rule of 11 the commission that negatively impacts the applicant's credibility or the security, integrity or fairness of 12 interactive gaming. 13 14 (ii) The applicant intentionally tampered with 15 16 submitted documentation or concealed, failed to disclose or 17 otherwise attempted to mislead the commission with respect to any material fact contained in the application or 18 19 contained in any other information required of or submitted 20 by an applicant to the commission; 21 (iii) The applicant or permit holder failed or 22 23 refused to cooperate in the investigation of a crime

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- 1 related to gambling, corruption of a public official or any
- 2 organized criminal activity;

- 4 (iv) The applicant or permit holder
- 5 intentionally failed to disclose the existence or identity
- 6 of other persons who have control of the applicant or
- 7 permit holder as required by this section;

8

- 9 (v) The applicant or permit holder does not
- 10 demonstrate financial responsibility sufficient to
- 11 adequately meet the requirements of this article, as
- 12 specified by rule of the commission; or

13

- 14 (vi) The applicant or permit holder has not met
- 15 the requirements of this section, any other provision of
- 16 this article, or commission rules.

- 18 (k) Given a sufficient number of qualified
- 19 applicants, at any one (1) time the commission shall issue
- 20 not less than five (5) interactive gaming operator permits
- 21 to applicants that satisfy the requirements under this
- 22 article. If an insufficient number of applicants apply for
- 23 an interactive gaming operator permit, this provision shall

1 not be interpreted to direct the commission to issue a

2 permit to an unqualified applicant.

3

4 (m) Subject to the requirements of this article, the

5 commission shall issue a permit to an interactive gaming

6 vendor that is currently operating in good standing in a

7 similar role in at least three (3) states in the United

8 States under a state regulatory structure and that has paid

9 all required fees under subsection (e) of this section.

10

11 (n) Permit holders under this article shall have an

12 ongoing obligation to disclose in writing any material

13 change in the information provided in the application to

14 the commission, including:

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16 (i) Changes to names and contact information;

17

18 (ii) Arrests, convictions, guilty or nolo

19 contendere pleas, disciplinary actions or license denials

20 in Wyoming or any other jurisdiction;

21

22 (iii) Any civil action brought against the

23 permit holder; and

2 (iv) Any other information specified by rule of

3 the commission.

4

5 (o) If the commission denies an application or intends to revoke or suspend a permit issued under this 6 article, it shall notify the applicant or permittee in 7 8 writing, stating the grounds for denial, revocation or suspension and informing the person of a right to submit, 9 10 within not more than thirty (30) days, any additional 11 documentation relating to the grounds for denial, 12 revocation or suspension. Upon receiving any additional documentation, the commission shall reconsider its decision 13 and inform the applicant of its decision within not more 14 than twenty (20) days of the submission of information for 15 16 reconsideration. A denial of an application or a revocation 17 or suspension of a permit under this article shall be subject to the contested case procedures of the Wyoming

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9-24-204. Distribution of revenue. 21

Administrative Procedure Act.

1 (	(a)	Not	later	than	the	fifteenth	dav	of	each	month

2 in accordance with commission rules, an interactive gaming

3 operator shall remit ten percent (10%) of its interactive

4 gaming revenue from the prior month to the commission.

5

6 (b) Each fiscal year, the first three hundred

7 thousand dollars (\$300,000.00) of interactive gaming

8 revenue collected under subsection (a) of this section

9 shall be continuously appropriated to the department of

10 health to be distributed to the counties for the purpose of

11 funding county health programs to prevent and treat

12 problematic gambling behavior. The remainder of monies

13 remitted to the commission shall be deposited by the state

14 treasurer into the general fund.

15

9-24-205. Age to engage in interactive gaming.

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18 No person under the age of eighteen (18) years shall engage

19 in interactive gaming.

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21 9-24-206. Reciprocal agreements.

- 1 (a) The state may enter into reciprocal agreements
- 2 with permissible jurisdictions for the conduct of
- 3 interactive gaming, provided the agreements are not
- 4 inconsistent with federal law and the law of the
- 5 jurisdiction in which the person placing a wager is
- 6 located.

- 8 (b) An interactive gaming operator in this state may
- 9 accept interactive gaming wagers from persons physically
- 10 located in a permissible jurisdiction pursuant to a
- 11 reciprocal agreement.

12

- 13 (c) A reciprocal agreement with a permissible
- 14 jurisdiction may allow a person physically located in this
- 15 state to place a wager on an interactive game offered
- 16 pursuant to a regulatory structure in the permissible
- 17 jurisdiction.

18

19 9-24-207. Penalties; compliance.

- 21 (a) Any person who knowingly accepts interactive
- 22 gaming wagers or otherwise operates a business of
- 23 interactive gaming and does not possess a valid permit

1 issued by the commission under this article shall be

2 subject to the following, in addition to any penalty

3 imposed under W.S. 6-7-102:

4

5 (i) For a first offense, a civil penalty of

6 twenty-five thousand dollars (\$25,000.00);

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8 (ii) For a second or subsequent offense, a civil

9 penalty of fifty thousand dollars (\$50,000.00).

10

11 (b) Any person that allows a person under the age of

12 eighteen (18) years to engage in interactive gaming or that

13 provides or makes available computers or devices to enable

14 members of the public to participate in interactive gaming

15 in a specific place, or that establishes or maintains a

16 facility for the conduct of interactive gaming by members

17 of the public, shall be subject to the following, in

18 addition to any penalty imposed under W.S. 6-7-102:

19

20 (i) For a first offense, a civil penalty of ten

21 thousand dollars (\$10,000.00);

1 (ii) For a second or subsequent offense, a civil

2 penalty of twenty-five thousand dollars (\$25,000.00).

3

4 (c) If a series of similar events result in a

5 violation under this article, those events that occur

6 within the same month shall be treated as one (1) offense

7 and not separate and distinct offenses.

8

9 (d) The commission shall develop a compliance program

10 that includes establishing procedures to review interactive

11 gaming and related activities occurring in the state to

12 ensure compliance with and enforcement of this article. The

13 program shall include review and evaluation of the conduct

14 of:

15

16 (i) Interactive gaming operators, interactive

17 gaming vendors, qualified gaming entities, patrons and any

18 other person permitted or authorized to engage in

19 activities under this article; and

20

21 (ii) Persons operating without a valid permit

22 under this article, engaging in activities not authorized

or regulated under this article or pursuing or engaging in

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activities otherwise in violation of this article. 2 3 4 **Section 2.** W.S. 6-7-101(a)(iii) by creating a new 5 subparagraph (P) and 11-25-104(o) by creating a new paragraph (iii) are amended to read: 6 7 8 6-7-101. Definitions. 9 (a) As used in this article: 10 11 12 (iii) "Gambling" means risking any property for gain contingent in whole or in part upon lot, chance, the 13 operation of a gambling device or the happening or outcome 14 of an event, including a sporting event, over which the 15 16 person taking a risk has no control, but does not include 17 any of the following: 18 19 (P) Interactive gaming regulated under W.S. 20 9-24-201 through 9-24-207. 21

1 11-25-104. Gaming commission; officers; director; 2 meetings; quorum; records; licenses generally; effect of 3 financial interest in events. 4 5 (o) In addition to all other duties, the commission, 6 in the reasonable exercise of its discretion, shall: 7 8 (iii) Regulate online interactive gaming and interactive gaming operators and vendors under W.S. 9 10 9-24-201 through 9-24-207. 11 12 Section 3. Not later than December 31, 2024 the 13 commission shall promulgate rules required by this act.

1 Section 4.

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3 (a) Except as provided in subsection (b) of this

4 section, this act is effective immediately upon completion

5 of all acts necessary for a bill to become law as provided

6 by Article 4, Section 8 of the Wyoming Constitution.

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8 (b) Sections 1 and 2 of this act are effective

9 January 1, 2025.

10

11 (END)