

HOUSE BILL NO. HB0181

Online sports wagering-amendments.

Sponsored by: Joint Appropriations Committee

A BILL

for

1 AN ACT relating to gaming; requiring permitting and
2 licensure for online sports wagering as specified;
3 specifying fees; specifying persons subject to criminal
4 background checks for online sports wagering; specifying
5 limitations and procedures on revenue calculation for
6 purposes of remitting online sports wagering revenue to the
7 gaming commission; amending requirements for application
8 review for online sports wagering permits and licenses;
9 making conforming amendments; and providing for an
10 effective date.

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

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14 **Section 1.** W.S. 9-24-101(a)(vii), (xv) and by
15 creating new paragraphs (xvi) and (xvii), 9-24-103(b)(iv),
16 (f), (h)(intro), (i), (j)(iii) through (vii), (n)(intro),

1 (iii), (o) and by creating new subsections (p) and (q),
2 9-24-104 and 9-24-106(a)(intro) and (c)(ii) are amended to
3 read:

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5 **9-24-101. Definitions.**

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7 (a) As used in this chapter:

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

16

17 (xv) "Sports wagering vendor" means a vendor
18 that provides services to a sports wagering operator that
19 the sports wagering operator uses to accept online sports
20 wagers, including geolocation services, know your customer
21 services, payment processors, server host providers,
22 integrity monitoring services, cyber security services and
23 data providers.

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(xvi) "Critical component" means any part or component of a mobile application or digital platform that:

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(A) Records, stores, processes, shares, transmits or receives sensitive information, including validation numbers and personal identification numbers; or

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(B) Stores the results or the current status of a patron's wager with an online sports wagering operator.

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(xvii) "Key personnel" means any person employed in an executive or supervisory capacity by a license holder, permit holder or applicant and who is authorized to make discretionary decisions that exhibit influence or control over gaming operations.

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

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(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

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1 an initial application and renewal application shall be two
2 thousand five hundred dollars (\$2,500.00). The application
3 shall require an applicant, at a minimum, to provide:

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5 (iv) ~~Consent to permit~~ Allowance for the
6 commission to obtain fingerprints and to conduct a national
7 criminal history record check of the applicant, ~~and~~ each
8 individual disclosed under subsection (g) of this section
9 and each person required to be licensed under subsections
10 (p) and (q) of this section in accordance with procedures
11 established by the commission. This subsection shall not
12 require an applicant or individual who has submitted to a
13 criminal background check in this or any other state within
14 the twelve (12) months before submitting the application to
15 resubmit to another criminal background check provided that
16 the applicant or individual submits the results of the
17 previous criminal background check and affirms that there
18 has been no material change in the criminal history since
19 the time of the criminal background check. The cost of the
20 criminal history record background check shall be paid
21 using a portion of the applicant's application fee;

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1 (f) Sports wagering operator ~~and—~~fees, sports
2 wagering vendor permit fees and license fees charged
3 pursuant to subsections (c), ~~and—~~(e), (p) and (q) of this
4 section shall be deposited in the sports wagering account,
5 which is hereby created. Subject to legislative
6 appropriation, amounts within the account may be used by
7 the commission for all expenses incurred in administering
8 this chapter. On a quarterly basis, the commission shall
9 transfer amounts within the account in excess of five
10 hundred thousand dollars (\$500,000.00) to the state
11 treasurer for credit to the general fund.

12

13 (h) The commission shall, not more than ~~sixty—(60)~~
14 ninety (90) days after the date of receipt of an
15 application for a permit or license or application for
16 renewal of a permit ~~under W.S. 9-24-103—~~or license under
17 this section, either:

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19 (i) Issue the permit or license; or

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

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

5

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

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

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

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21 (vii) The applicant, license holder or permit
22 holder has not met the requirements of this section, any

1 other provision of this chapter, commission rules or any
2 applicable federal laws.

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

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9 (iii) Any civil action brought against the
10 permit holder or license holder; and

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

1 or a revocation or suspension of a permit or license under
2 this article shall be subject to the contested case
3 procedures of the Wyoming Administrative Procedure Act.

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5 (p) Key personnel of an applicant, license holder or
6 permit holder who may exercise ultimate decision making
7 authority over the applicant's, permit holder's or license
8 holder's online sports wagering operations in this state
9 shall be licensed by the commission. The commission shall
10 charge a fee of two hundred fifty dollars (\$250.00) for an
11 initial license and renewal application under this
12 subsection. An initial license and any renewal license
13 issued under this subsection shall each be valid for five
14 (5) years.

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16 (q) Any employee of an applicant, license holder or
17 permit holder who is not subject to licensure under
18 subsection (p) of this section and who is authorized to
19 change and is capable of changing play or outcome of wagers
20 through the deployment of code to production for any
21 critical component of the applicant's, permit holder's or
22 license holder's mobile application or digital platform in
23 this state shall be licensed by the commission. The

1 commission shall charge a fee of two hundred fifty dollars
2 (\$250.00) for an initial license and renewal application
3 under this subsection. An initial license and any renewal
4 license issued under this subsection shall each be valid
5 for five (5) years.

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7 **9-24-104. Distribution of revenue.**

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9 (a) Not later than the fifteenth day of each month,
10 in accordance with commission rules, a sports wagering
11 operator shall remit ten percent (10%) of online sports
12 wagering revenue from the prior month to the commission,
13 except as provided in subsection (b) of this section. Each
14 fiscal year, the first three hundred thousand dollars
15 (\$300,000.00) of revenue generated under this section is
16 continuously appropriated to the department of health to be
17 distributed to the counties for the purpose of funding
18 county health programs to prevent and treat problematic
19 gambling behavior and the remainder of monies remitted to
20 the commission shall be deposited by the state treasurer
21 into the general fund.

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1 (b) If the amount of online sports wagering revenue
2 for any month is a negative figure, the sports wagering
3 operator shall not remit a sports wagering payment under
4 subsection (a) of this section for that month. The sports
5 wagering operator may carry over and calculate the online
6 sports wagering loss for that month in accordance with the
7 following:

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9 (i) The loss for that month may be carried over
10 and calculated as a deduction against online sports
11 wagering revenue for the immediately succeeding two (2)
12 months, provided that no operator shall carry over more
13 than the total amount of loss for that month;

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15 (ii) The loss for that month may be carried over
16 and deducted until the negative figure has been brought to
17 a balance of zero dollars (\$0.00);

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19 (iii) After the negative figure is brought to a
20 balance of zero dollars (\$0.00) or after the immediately
21 succeeding two (2) months, whichever is earlier, no amount
22 of that month's loss shall be carried over or deducted
23 under this subsection.

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2 **9-24-106. Penalties; compliance.**

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4 (a) Any person who knowingly accepts online sports
5 wagers or otherwise operates a business of sports wagering
6 and does not possess a valid permit or license issued by
7 the commission under this chapter shall be subject to the
8 following, in addition to any penalty imposed under W.S.
9 6-7-102:

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

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

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1 **Section 2.** This act is effective immediately upon
2 completion of all acts necessary for a bill to become law
3 as provided by Article 4, Section 8 of the Wyoming
4 Constitution.

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(END)