

ENROLLED ACT NO. 23, HOUSE OF REPRESENTATIVES

SIXTY-SEVENTH LEGISLATURE OF THE STATE OF WYOMING
2023 GENERAL SESSION

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

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

Section 1. W.S. 9-24-101(a)(vii), (xv) and by creating new paragraphs (xvi) and (xvii), 9-24-103(b)(iv), (f), (h)(intro), (i), (j)(iii) through (vii), (n)(intro), (iii), (o) and by creating new subsections (p) and (q), 9-24-104 and 9-24-106(a)(intro) and (c)(ii) are amended to read:

9-24-101. Definitions.

(a) As used in this chapter:

(vii) "Online sports wagering revenue" means the total of all wagers placed by patrons with an online sports wagering operator, excluding the actual dollar value of free wagers and promotional play provided, 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;

(xv) "Sports wagering vendor" means a vendor that provides services to a sports wagering operator that

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the sports wagering operator uses to accept online sports wagers, including geolocation services, know your customer services, payment processors, server host providers, integrity monitoring services, cyber security services and data providers.

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

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

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

(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.

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

(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:

(iv) ~~Consent to permit~~ Allowance for the commission to obtain fingerprints and to conduct a national criminal history record check of the applicant, ~~and each~~

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individual disclosed under subsection (g) of this section and each person required to be licensed under subsections (p) and (q) 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;

(f) Sports wagering operator ~~and—fees,~~ sports wagering vendor permit fees and license fees charged pursuant to subsections (c), ~~and—(e), (p) and (q)~~ 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.

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

(i) Issue the permit or license; or

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

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

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

(n) Permit holders and license 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:

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

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(o) If the commission denies an application or intends to revoke or suspend a permit or license issued under this article, it shall notify the applicant, licensee 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 reconsideration. A denial of an application or a revocation or suspension of a permit or license under this article shall be subject to the contested case procedures of the Wyoming Administrative Procedure Act.

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

(q) Any employee of an applicant, license holder or permit holder who is not subject to licensure under subsection (p) of this section and who is authorized to change and is capable of changing play or outcome of wagers through the deployment of code to production for any critical component of the applicant's, permit holder's or license holder's mobile application or digital platform in

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this state shall be licensed by the commission. The commission shall charge a fee of two hundred fifty dollars (\$250.00) for an initial license and renewal application under this subsection. An initial license and any renewal license issued under this subsection shall each be valid for five (5) years.

9-24-104. Distribution of revenue.

(a) 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, except as provided in subsection (b) of this section. 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.

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

(i) The loss for that month may be carried over and calculated as a deduction against online sports wagering revenue for the immediately succeeding month,

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provided that no operator shall carry over more than the total amount of loss for that month;

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

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

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 or license 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:

(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:

(ii) Persons operating without a valid permit or license 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.

ORIGINAL HOUSE
BILL NO. HB0181

ENGROSSED

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Section 2. This act is 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