

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.

11

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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13

(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:

4

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

21

22 (f) Sports wagering operator ~~and~~ fees, sports
23 wagering vendor permit fees and license fees charged

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

10

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

16

17 (i) Issue the permit or license; or

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

21

22 (iii) The applicant, license holder or permit
23 holder failed or refused to cooperate in the investigation

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

3

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

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

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

18

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

23

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

5

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

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

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

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13 (q) Any employee of an applicant, license holder or
14 permit holder who is not subject to licensure under
15 subsection (p) of this section and who is authorized to
16 change and is capable of changing play or outcome of wagers
17 through the deployment of code to production for any
18 critical component of the applicant's, permit holder's or
19 license holder's mobile application or digital platform in
20 this state shall be licensed by the commission. The
21 commission shall charge a fee of two hundred fifty dollars
22 (\$250.00) for an initial license and renewal application
23 under this subsection. An initial license and any renewal

1 license issued under this subsection shall each be valid
2 for five (5) years.

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4 **9-24-104. Distribution of revenue.**

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

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20 (b) If the amount of online sports wagering revenue
21 for any month is a negative figure, the sports wagering
22 operator shall not remit a sports wagering payment under
23 subsection (a) of this section for that month. The sports

1 wagering operator may carry over and calculate the online
2 sports wagering loss for that month in accordance with the
3 following:

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

10
11 (ii) The loss for that month may be carried over
12 and deducted until the negative figure has been brought to
13 a balance of zero dollars (\$0.00);

14
15 (iii) After the negative figure is brought to a
16 balance of zero dollars (\$0.00) or after the immediately
17 succeeding two (2) months, whichever is earlier, no amount
18 of that month's loss shall be carried over or deducted
19 under this subsection.

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21 **9-24-106. Penalties; compliance.**

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

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

14

15 (ii) Persons operating without a valid permit or
16 license under this chapter, engaging in activities not
17 authorized or regulated under this chapter or pursuing or
18 engaging in activities otherwise in violation of this
19 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)