STATE OF WYOMING

HOUSE BILL NO. HB0162

Interactive gaming.

Sponsored by: Representative(s) Davis, Brown, L, Larson, JT and Tarver and Senator(s) Barlow, Pappas and Schuler

A BILL

for

AN ACT relating to gaming; authorizing interactive gaming; 1 providing for regulation by the Wyoming gaming commission; 2 3 imposing fees; providing for the collection and distribution of revenues from interactive gaming; providing 4 for the distribution of interactive gaming revenues; 5 requiring rulemaking; creating criminal offenses б and 7 providing criminal penalties; and providing for effective 8 dates. 9 10 Be It Enacted by the Legislature of the State of Wyoming: 11 12 Section 1. W.S. 9-24-201 through 9-24-207 are created 13 to read: 14 15

ARTICLE 2

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1 INTERACTIVE GAMING 2 3 9-24-201. Definitions. 4 (a) As used in this article: 5 б 7 (i) "Commission" means the Wyoming gaming 8 commission; 9 10 (ii) "Interactive game" means an internet based 11 version or variation of poker, blackjack or any other card, 12 slot or gambling game typically offered in a casino and 13 approved by the commission, in which: 14 15 (A) A person wagers money or something of 16 monetary value for the opportunity to win money or a thing 17 of monetary value; 18 19 (B) The of the outcome game may be 20 determined by a random number generator, or a skill element may be essential to the game's outcome, depending on the 21 type of game utilized; and 22 23

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1 (C) The game is accessed by the player 2 using a computer, digital platform or mobile application on 3 a mobile device that is connected to the internet. 4 (iii) "Interactive gaming" means engaging 5 in interactive games conducted by an interactive gaming 6 operator over the internet by use of a computer, digital 7 8 platform or mobile application on a mobile device, that 9 communications technology to uses accept wagers. 10 Interactive gaming shall not include any of the following 11 gaming activities: 12 13 (A) Activities, other than interactive gaming, that are exempted from criminal penalties under 14 W.S. 6-7-101 through 6-7-104; 15 16 17 (B) Activities outside of this article 18 authorized or regulated by the commission; 19 20 (C) Lotteries authorized by law; 21 22 (D) Fantasy sports contests; 23

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1 (E) Interactive games offered exclusively 2 on Indian lands by an Indian tribe operating in accordance 3 with a Tribal-State gaming compact and authorized to 4 conduct class III gaming pursuant to federal law. For 5 purposes of this article, an interactive game is conducted 6 exclusively on Indian lands only if the person participating in interactive gaming is physically present 7 8 on Indian lands when the interactive game is initiated and 9 the game is offered by an Indian tribe operating on the 10 same Indian lands as an intratribal transaction under 31 11 U.S.C. § 5362(10)(c).

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13 (iv) "Interactive gaming operator" means any 14 qualified gaming entity permitted by the commission to 15 accept interactive gaming wagers;

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(v) "Interactive gaming revenue" means the total amount of all wagers placed by persons with an interactive gaming operator using cash or cash equivalents, 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

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1 equivalents, merchandise and any other thing of monetary
2 value;

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4 (vi) "Interactive gaming vendor" means a vendor 5 that provides services to an interactive gaming operator 6 which directly affect wagering, play or results of 7 interactive gaming including geolocation services, know 8 your customer services, payment processors and game 9 providers;

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(vii) "Live game simulcast" means an interactive live feed of an interactive game that is conducted at a live interactive game studio and in which participants have the ability to wager in real time;

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16 (viii) "Live interactive game studio" means a 17 physical location that utilizes live video and audio 18 streaming technology to provide an interactive gaming 19 operator with a live game simulcast;

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21 (ix) "Patron" means a person who places an 22 interactive gaming wager;

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1 "Permissible jurisdiction" (x) means а 2 jurisdiction other than Wyoming where wagers on interactive 3 gaming may be accepted pursuant to an interactive gaming 4 reciprocal agreement; 5 (xi) "Qualified gaming entity" means a gaming 6 entity that offers interactive gaming through computers, 7 8 digital platforms or mobile applications on a mobile device in not less than three (3) states in the United States 9 10 pursuant to a state regulatory structure. 11 12 9-24-202. Interactive gaming regulation; rulemaking. 13 (a) The commission shall regulate interactive gaming 14 15 and interactive gaming operators and vendors. 16 17 (b) The commission shall promulgate rules to 18 this article. The rules the commission implement 19 promulgates shall establish standards and procedures for 20 interactive gaming and associated interactive gaming 21 platforms. The rules shall include:

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1 (i) Governance of the conduct of interactive 2 gaming and the system of wagering associated with 3 interactive gaming, including all of the following: 4 (A) Terms and conditions for interactive 5 gaming that are compliant with all applicable federal laws; 6 7 8 (B) Identification of of the types 9 interactive games upon which wagers may be accepted; 10 11 (C) The manner in which interactive gaming 12 wagers are received and payoffs are remitted; 13 (D) Procedures for managing and resolving 14 suspected cheating, irregularities and complaints; 15 16 17 (E) A requirement that a patron shall be physically present in Wyoming when making a wager unless 18 19 the patron is physically present in a permissible 20 jurisdiction; 21 22 (F) A each interactive requirement for gaming operator to use a geolocation system to ensure that 23

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a patron making an interactive gaming wager is physically 1 present in the state when making the wager unless the 2 3 patron is physically present in a permissible jurisdiction; 4 (G) Internal controls for all aspects of 5 interactive gaming, including procedures 6 for system integrity, system security, operations and accounting; 7 8 9 (H) Operational controls for interactive 10 gaming accounts; 11 12 (J) Procedures to ensure that interactive gaming operators do not offer prohibited interactive games; 13 14 15 (K) Requirements for the offering of live 16 game simulcasting, which shall be permitted to be conducted 17 from live interactive game studio premises in any location and shall not be located in Wyoming. 18 19 20 (ii) Methods for calculating interactive gaming revenue and standards for the counting and recording of 21 money and things of monetary value received in the conduct 22

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1 of interactive gaming, including requirements for internal 2 controls, financial records and audits; 3 4 (iii) Reasonable minimum qualifications for interactive gaming operators and vendors; 5 б 7 (iv) Any other matters necessary for overseeing interactive gaming and interactive gaming operators and 8 vendors. 9 10 11 (c) In promulgating rules pursuant to this section, 12 the commission shall examine the regulations implemented in Wyoming for online sports wagering and regulations 13 promulgated in other states where interactive gaming is 14 15 conducted and shall, as far as practicable, adopt a similar 16 regulatory framework to maximize revenue generated to the 17 state. 18 Interactive gaming shall not be conducted from 19 (d) 20 any physical location designed for a patron to physically

22 to take place at the location of the patron participating

visit to place a wager. Interactive gaming shall be deemed

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1 in an interactive game and not the location of the server 2 of an interactive gaming permittee or any other location. 3

4 (e) The commission shall develop a compliance program 5 that includes establishing procedures to review interactive 6 gaming and related activities occurring in the state to 7 ensure compliance with and enforcement of this article. The 8 program shall include review and evaluation of the conduct 9 of:

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(i) Interactive gaming operators, interactive gaming vendors, qualified gaming entities, patrons and any other person permitted or authorized to engage in activities under this article; and

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

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

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1 (a) An interactive gaming operator shall possess a 2 permit issued by the commission to accept interactive 3 gaming wagers. No operator shall accept interactive gaming 4 wagers without holding a valid permit issued by the 5 commission.

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7 (b) A qualified gaming entity applying for an 8 interactive gaming operator permit shall do so on an application furnished by the commission. The commission 9 10 shall offer an abbreviated application for a qualified 11 gaming entity that holds an online sports wagering operator 12 permit in Wyoming pursuant to W.S. 9-24-103, and the 13 commission may consider an online sports wagering operator permitholder fully qualified to hold an interactive gaming 14 operator permit under this section without additional 15 16 investigation. The fee for both an initial application and 17 renewal application shall be two thousand five hundred dollars (\$2,500.00). The application shall require an 18 19 applicant, at a minimum, to provide all information 20 required by W.S. 9-24-103(b) and any additional information 21 required by commission rules.

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1 (c) The commission shall charge a permit fee of one 2 hundred thousand dollars (\$100,000.00) for an initial 3 interactive gaming operator permit. An initial permit and 4 any renewal permit shall each be valid for five (5) years. 5 The commission shall charge a fee of fifty thousand dollars 6 (\$50,000.00) for renewal of an interactive gaming operator 7 permit.

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9 (d) An interactive gaming vendor shall possess a 10 permit issued by the commission to conduct business in the 11 state. No person shall provide vendor services to an 12 interactive gaming operator without holding a valid permit 13 issued by the commission.

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(e) The commission shall charge a fee of ten thousand dollars (\$10,000.00) for an initial interactive gaming 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 renewal of an interactive gaming vendor permit.

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22 (f) Interactive gaming operator and interactive 23 gaming vendor permit fees charged pursuant to subsections

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1 (c) and (e) of this section shall be deposited in the 2 commission gaming account. Subject to legislative 3 appropriation, amounts within the account may be used by 4 the commission for all expenses incurred in administering this article. On a quarterly basis, the commission shall 5 transfer amounts within the account in excess of five 6 hundred thousand dollars (\$500,000.00) to the 7 state 8 treasurer for credit to the general fund. 9 10 (g) The following persons are considered to be interactive gaming operator permit applicants or permit 11

12 holders:

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14 (i) Each holding company, parent company or 15 subsidiary company of the applicant or permit holder; 16

(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 an applicant or permit holder and has the ability to:

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1 (A) Control the activities of the applicant 2 or permit holder; or 3 4 (B) Elect a majority of the board of the applicant or permit holder. 5 6 (iii) Any person the commission otherwise 7 8 determines has the ability to control the noncorporate applicant or permit holder; 9 10 11 (iv) Key personnel of an applicant or permit 12 holder, including any executive, employee or agent having the power to exercise ultimate decision making authority 13 over the applicant's or permit holder's interactive gaming 14 operations in this state. 15 16 17 (h) The commission shall, not more than ninety (90) days after the date of receipt of an application for a 18 19 permit or renewal of a permit, either: 20 21 (i) Issue the permit; or 22

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1 (ii) Deny the application based on the grounds 2 that the applicant failed to qualify as provided by 3 subsection (j) of this section. 4 (j) The commission shall deny an application under 5 this section to anyone, including persons listed under 6 subsection (g) of this section, upon finding any of the 7 8 following: 9 10 (i) The applicant or permit holder has been convicted of, forfeited bail on or pleaded guilty or nolo 11 12 contendere to: 13 14 (A) A crime involving theft, dishonesty or fraud; 15 16 17 (B) The crime of bribery or unlawfully influencing a public official; 18 19 20 (C) A felony crime involving physical harm 21 to a person; or 22

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1 (D) Any other crime identified by rule of 2 the commission that negatively impacts the applicant's 3 credibility or the security, integrity or fairness of 4 interactive gaming.

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6 (ii) The applicant intentionally tampered with 7 submitted documentation or concealed, failed to disclose or 8 otherwise attempted to mislead the commission with respect 9 to any material fact contained in the application or 10 contained in any other information required of or submitted 11 by an applicant to the commission;

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13 (iii) The applicant or permit holder failed or 14 refused to cooperate in the investigation of a crime 15 related to gambling, corruption of a public official or any 16 organized criminal activity;

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18 (iv) The applicant or permit holder
19 intentionally failed to disclose the existence or identity
20 of other persons who have control of the applicant or
21 permit holder as required by this section;

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1 (v) The applicant or permit holder does not 2 demonstrate financial responsibility sufficient to 3 adequately meet the requirements of this article, as 4 specified by rule of the commission; or 5

6 (vi) The applicant or permit holder has not met 7 the requirements of this section, any other provision of 8 this article or commission rules.

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10 (k) Given sufficient number of а qualified applicants, at any one (1) time the commission shall issue 11 not less than five (5) interactive gaming operator permits 12 13 to applicants that satisfy the requirements of this article. If an insufficient number of applicants apply for 14 15 an interactive gaming operator permit, this provision shall 16 not be interpreted to direct the commission to issue a 17 permit to an unqualified applicant.

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(m) Subject to subsection (k) of this section and the requirements of this article, the commission may give preference to an interactive gaming vendor that is currently operating in good standing in a similar role in at least three (3) states in the United States under a

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state regulatory structure and that has paid all required 1 2 fees under subsection (e) of this section when making 3 interactive gaming operator permit application 4 determinations. 5 (n) Permit holders under this article shall have an 6 ongoing obligation to disclose in writing any material 7 8 change in the information provided in the application to the commission, including: 9 10 11 (i) Changes to names and contact information; 12 13 (ii) Arrests, convictions, guilty or nolo contendere pleas, disciplinary actions or permit denials in 14 Wyoming or any other jurisdiction; 15 16 17 (iii) Any civil action brought against the 18 permit holder related to gaming; and 19 20 (iv) Any other information specified by rule of the commission. 21 22

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1 (o) If the commission denies an application or 2 intends to revoke or suspend a permit issued under this 3 article, it shall notify the applicant or permittee in 4 writing, stating the grounds for denial, revocation or suspension and inform the person of a right to submit, 5 within thirty (30) days, any additional documentation б relating to the grounds for denial, revocation 7 or suspension. Upon receiving any additional documentation, 8 the commission shall reconsider its decision and inform the 9 10 applicant of its decision within not more than twenty (20) 11 days of the submission of information for reconsideration. 12 If the commission finds that public safety or welfare requires emergency action, and incorporates a finding to 13 that effect in its order, summary suspension of a permit 14 may be ordered pending proceedings for revocation or other 15 16 action. A denial of an application or a revocation or 17 suspension of a permit under this article shall be subject 18 the contested case procedures of the to Wyoming 19 Administrative Procedure Act.

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21 9-24-204. Distribution of revenue.

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1 (a) Not later than the fifteenth day of each month, 2 in accordance with commission rules, an interactive gaming 3 operator shall remit sixteen percent (16%) of its 4 interactive gaming revenue from the prior month to the 5 commission. The first three hundred thousand dollars (\$300,000.00) of interactive gaming revenue collected under 6 this section shall be continuously appropriated to the 7 8 department of health to be distributed to the counties for 9 the purpose of funding county health programs to prevent 10 and treat problematic gaming behavior. Of the remaining revenue, the commission shall remit these monies to the 11 12 state treasurer for distribution as follows: 13 14 (i) Forty percent (40%) to the counties whose shares shall be based upon population; 15 16 17 (ii) Fifty percent (50%) to the school foundation program account; 18 19 20 (iii) Ten percent (10%) to the commission gaming 21 account, a portion of which shall cover administrative 22 costs and expenses. 23

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1 9-24-205. Age to engage in interactive gaming. 2 3 No person under the age of twenty-one (21) years shall 4 engage in interactive gaming. 5 9-24-206. Reciprocal agreements. б 7 8 (a) The state may enter into reciprocal agreements 9 with permissible jurisdictions for the conduct of 10 interactive gaming, provided the agreements are not inconsistent with federal law and the law of 11 the jurisdiction in which the person placing a wager is 12 13 located. 14 15 (b) An interactive gaming operator in this state may 16 accept interactive gaming wagers from persons physically 17 located in a permissible jurisdiction pursuant to a 18 reciprocal agreement. 19 20 (c) A reciprocal agreement with a permissible 21 jurisdiction may allow a person physically located in this state to place a wager on an interactive game offered 22

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pursuant to a regulatory structure in the permissible 1 2 jurisdiction. 3 4 9-24-207. Penalties; compliance. 5 (a) Any person who knowingly accepts an interactive б gaming wager or otherwise operates a business 7 of 8 interactive gaming and does not possess a valid permit issued by the commission under this article shall be 9 10 subject to the following, in addition to any penalty 11 imposed under W.S. 6-7-102: 12 (i) For a first offense, a civil penalty of 13 fifty thousand dollars (\$50,000.00); 14 15 16 (ii) For a second or subsequent offense, a civil 17 penalty of one hundred thousand dollars (\$100,000.00). 18 19 (b) Any person that allows a person under the age of 20 twenty-one (21) years to engage in interactive gaming or who 21 does not possess a valid permit issued by the commission 22 under this article and that provides or makes available computers or devices to enable members of the public to 23

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participate in interactive gaming in a specific place, or 1 2 that establishes or maintains a facility for the conduct of 3 interactive gaming by members of the public, shall be 4 subject to the following, in addition to any penalty imposed under W.S. 6-7-102: 5 б 7 (i) For a first offense, a civil penalty of 8 twenty-five thousand dollars (\$25,000.00); 9 10 (ii) For a second or subsequent offense, a civil 11 penalty of fifty thousand dollars (\$50,000.00). 12 (c) If a series of similar events result 13 in a violation under this article, those events that occur 14 within the same month shall be treated as one (1) offense 15 16 and not separate and distinct offenses. 17 18 Section 2. W.S. 6-7-101(a)(iii) by creating a new 19 subparagraph (P) and 11-25-104(o) by creating а new 20 paragraph (iii) are amended to read: 21 6-7-101. Definitions. 22 23

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1 (a) As used in this article: 2 3 (iii) "Gambling" means risking any property for 4 gain contingent in whole or in part upon lot, chance, the 5 operation of a gambling device or the happening or outcome of an event, including a sporting event, over which the б person taking a risk has no control, but does not include 7 8 any of the following: 9 10 (P) Interactive gaming regulated under W.S. 11 9-24-201 through 9-24-207. 12 13 11-25-104. Gaming commission; officers; director; meetings; quorum; records; licenses generally; effect of 14 financial interest in events. 15 16 17 (o) In addition to all other duties, the commission, in the reasonable exercise of its discretion, shall: 18 19 20 (iii) Regulate online interactive gaming and 21 interactive gaming operators and vendors under W.S. 9-24-201 through 9-24-207. 22 23

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1 Section 3. Not later than December 31, 2025 the 2 gaming commission shall promulgate rules required by this 3 act. 4 5 Section 4. б (a) Except as provided in subsection (b) of this 7 8 section, this act is effective immediately upon completion 9 of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution. 10 11 12 (b) Sections 1 and 2 of this act are effective 13 January 1, 2026. 14 15 (END)

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