

## HOUSE BILL NO. HB0170

Wyoming lottery for education.

Sponsored by: Representative(s) Wallis, Bagby, Blake,  
Byrd, Craft, Illoway and Pedersen and  
Senator(s) Decaria and Ross

A BILL

for

1 AN ACT relating to lotteries; creating the Wyoming lottery  
2 corporation; providing for membership of the board;  
3 providing legislative declarations; providing definitions;  
4 providing powers and duties; providing for an advisory  
5 board; providing for rules and regulations; providing for  
6 use of proceeds for educational and other purposes;  
7 providing limitations on retailers; providing for  
8 collection of monies owed state agencies from lottery  
9 winnings; providing for criminal offenses and penalties;  
10 providing for background checks; and providing for an  
11 effective date.

12

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

14

15 **Section 1.** W.S. 21-24-101 through 21-24-131 and  
16 21-24-201 through 21-24-206 are created to read:

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CHAPTER 24

LOTTERY

ARTICLE 1

WYOMING LOTTERY FOR EDUCATION

**21-24-101. Short title.**

This chapter shall be known and may be cited as the "Wyoming Lottery for Education Act."

**21-24-102. Legislative findings and declarations.**

(a) It is found and declared by the legislature:

(i) That net proceeds of lottery games conducted pursuant to this chapter shall be used to support improvements and enhancements for educational purposes and programs and that such net proceeds shall be used to supplement, not supplant, existing resources for educational purposes and programs;

1           (ii) That lottery games are an entrepreneurial  
2 enterprise and that the state shall create a public body,  
3 corporate and politic, known as the Wyoming lottery  
4 corporation, with comprehensive and extensive powers as  
5 generally exercised by corporations engaged in  
6 entrepreneurial pursuits;

7

8           (iii) That lottery games shall be operated and  
9 managed in a manner which provides continuing entertainment  
10 to the public, maximizes revenues and ensures that the  
11 lottery is operated with integrity and dignity and free of  
12 political influence; and

13

14           (iv) That the Wyoming lottery corporation shall  
15 be accountable to the legislature and to the public through  
16 a system of audits and reports.

17

18           **21-24-103. Definitions.**

19

20           (a) As used in this chapter:

21

22           (i) "Administrative expenses" means operating  
23 expenses, excluding amounts set aside for prizes,

1 regardless of whether such prizes are claimed and excluding  
2 amounts held as a fidelity fund pursuant to W.S. 21-24-117;

3

4 (ii) "Board" means the board of directors of the  
5 Wyoming lottery corporation;

6

7 (iii) "Central control computer" means a central  
8 site computer controlled by the corporation to which all  
9 lottery terminals in the state including video lottery  
10 terminals communicate for purposes established by the  
11 corporation;

12

13 (iv) "Chief executive officer" means the chief  
14 executive officer of the Wyoming lottery corporation;

15

16 (v) "Corporation" means the Wyoming lottery  
17 corporation;

18

19 (vi) "Lottery," "lotteries," "lottery game" or  
20 "lottery games" means any game of chance approved by the  
21 board and operated pursuant to this article, including, but  
22 not limited to, instant tickets, multi-state games,  
23 scratch-off tickets and video lottery terminals, but

1 excluding pari-mutuel wagering and Class III or casino  
2 gambling;

3

4 (vii) "Major procurement contract" means any  
5 gaming product or service costing in excess of seventy-five  
6 thousand dollars (\$75,000.00) including, but not limited  
7 to, major advertising contracts, annuity contracts, prize  
8 payment agreements, consulting services, equipment, tickets  
9 and other products and services unique to the Wyoming  
10 lottery, but not including materials, supplies, equipment  
11 and services common to the ordinary operation of a  
12 corporate entity;

13

14 (viii) "Member" or "members" means a director or  
15 directors of the board of directors of the Wyoming lottery  
16 corporation;

17

18 (ix) "Net proceeds" means all revenue derived  
19 from the sale of lottery tickets or shares and all other  
20 monies derived from the lottery less operating expenses;

21

22 (x) "Operating expenses" means all costs of  
23 doing business, including, but not limited to commissions  
24 and other compensation paid to retailers, advertising and

1 marketing costs, personnel costs, capital costs,  
2 depreciation of property and equipment and other operating  
3 costs but does not include prizes, payments to the state  
4 under W.S. 21-24-112(d), unclaimed prize monies set aside  
5 under W.S. 21-24-122(g) or amounts set aside for the pari-  
6 mutuel commission under W.S. 21-24-112(c);

7

8 (xi) "Pari-mutuel wagering" means as defined in  
9 W.S. 11-25-102;

10

11 (xii) "Retailer" means a person who sells  
12 lottery tickets or shares on behalf of the corporation  
13 pursuant to a contract;

14

15 (xiii) "Share" means any intangible evidence of  
16 participation in a lottery game;

17

18 (xiv) "Ticket" means any tangible evidence  
19 issued by the lottery to provide participation in a lottery  
20 game;

21

22 (xv) "Video lottery terminal" or "terminal"  
23 means an electronic machine or other device which, upon  
24 insertion of coin, currency, voucher or electronic ticket

1 plays or simulates the play of lottery games as authorized  
2 by the corporation and interfaces to a central control  
3 computer and by chance, delivers or entitles the player to  
4 receive cash, premiums, free games, merchandise, tokens or  
5 anything of value whether the payout is made automatically  
6 from the device or in any other manner approved by the  
7 corporation.

8

9 **21-24-104. Wyoming lottery corporation created;**  
10 **membership of board of directors; appointment; terms;**  
11 **filling of vacancies; conflict of interests; reimbursement**  
12 **for expenses; officers; quorum.**

13

14 (a) There is created a body corporate and politic to  
15 be known as the Wyoming lottery corporation which shall be  
16 deemed to be an instrumentality of the state, and not a  
17 state agency, and a public corporation.

18

19 (b) The corporation shall be governed by a board of  
20 directors composed of nine (9) members as follows:

21

22 (i) Four (4) members appointed by the governor;

23

1           (ii) The president of the pari-mutuel commission  
2 or his designee;

3

4           (iii) Two (2) members appointed by the president  
5 of the senate; and

6

7           (iv) Two (2) members appointed by the speaker of  
8 the house of representatives.

9

10          (c) Members shall be residents of the state of  
11 Wyoming, shall be prominent persons in their businesses or  
12 professions, and shall not have been convicted of any  
13 felony offense.

14

15          (d) Members shall serve terms of five (5) years,  
16 except that of the initial members appointed, the three (3)  
17 members specified in paragraphs (b)(i) through (iii) shall  
18 be appointed for initial terms of two (2) years, the two  
19 (2) members appointed by the president of the senate shall  
20 be appointed for initial terms of four (4) years and the  
21 two (2) members appointed by the speaker of the house of  
22 representatives shall be appointed for initial terms of  
23 five (5) years.

24



1           (e) Members of the board shall not have any direct or  
2 indirect interest in an undertaking that puts their  
3 personal interest in conflict with that of the corporation,  
4 including, but not limited to, an interest in a major  
5 procurement contract or a participating retailer.

6  
7           (f) Each member shall only receive compensation from  
8 the corporation for each day or part of a day in which  
9 engaged in the performance of their official duties at the  
10 same salary and per diem provided members of the state  
11 legislature under W.S. 28-5-101 and shall be reimbursed for  
12 actual and necessary expenses incurred in the performance  
13 of their official duties. Members shall receive no other  
14 compensation from the corporation.

15  
16           (g) The members shall elect from their membership a  
17 chairman and vice chairman. The members shall also elect a  
18 secretary and treasurer who may be the chief executive  
19 officer of the corporation. Such officers shall serve for  
20 such terms as shall be prescribed by the bylaws of the  
21 corporation or until their respective successors are  
22 elected and qualified. No member of the board shall hold  
23 more than any one (1) office of the corporation, except  
24 that the same person may serve as secretary and treasurer.

1

2 (h) The board of directors may delegate to any one  
3 (1) or more of its members, to the chief executive officer  
4 or to any agent or employee of the corporation such powers  
5 and duties as it may deem proper.

6

7 (j) A majority of members in office shall constitute  
8 a quorum for the transaction of any business and for the  
9 exercise of any power or function of the corporation.

10

11 (k) Action may be taken and motions and resolutions  
12 adopted by the board at any meeting thereof by the  
13 affirmative vote of a majority of present and voting board  
14 members.

15

16 (m) No vacancy in the membership of the board shall  
17 impair the right of the members to exercise all the powers  
18 and perform all the duties of the board.

19

20 **21-24-105. Lottery retailer advisory board.**

21

22 (a) The chairman of the board of directors shall  
23 appoint a lottery retailer advisory board to be composed of  
24 ten (10) lottery retailers representing the broadest

1 possible spectrum of geographical and business  
2 characteristics of lottery retailers. The function of the  
3 advisory board shall be to advise the board of directors on  
4 retail aspects of the lottery and to present the concerns  
5 of lottery retailers throughout the state.

6

7 (b) Members appointed to the lottery retailer  
8 advisory board shall serve terms of two (2) years,  
9 provided, however, that five (5) of the initial appointees  
10 shall serve initial terms of one (1) year.

11

12 (c) The advisory board shall establish its own rules  
13 and internal operating procedures. Members of the advisory  
14 board shall serve without compensation or reimbursement of  
15 expenses. The advisory board may report to the board of  
16 directors in writing at any time. The board of directors  
17 may invite the advisory board to make an oral presentation  
18 to the board of directors at regular meetings of the board.

19

20 **21-24-106. General duties of board of directors.**

21

22 (a) The board of directors shall provide the chief  
23 executive officer with private sector perspectives of a  
24 large marketing enterprise. The board shall:

1

2 (i) Approve, disapprove, amend or modify the  
3 budget recommended by the chief executive officer for the  
4 operation of the corporation;

5

6 (ii) Approve, disapprove, amend or modify the  
7 terms of major lottery procurements recommended by the  
8 chief executive officer;

9

10 (iii) Hear appeals of hearings required by this  
11 chapter;

12

13 (iv) Adopt regulations, policies and procedures  
14 relating to the conduct of lottery games and as specified  
15 in W.S. 21-24-109; and

16

17 (v) Perform such other functions as specified by  
18 this chapter.

19

20 **21-24-107. Appointment of chief executive officer;**  
21 **compensation.**

22

23 The board of directors shall appoint and shall provide for  
24 the compensation of a chief executive officer who shall be

1 an employee of the corporation and who shall direct the  
2 day-to-day operations and management of the corporation and  
3 shall be vested with such powers and duties as specified by  
4 the board and by law. The chief executive officer shall  
5 serve at the pleasure of the board.

6

7 **21-24-108. General powers of corporation.**

8

9 (a) The corporation shall have any and all powers  
10 necessary or convenient to its usefulness in carrying out  
11 and effectuating the purposes and provisions of this  
12 chapter which are not in conflict with the constitution of  
13 this state and which are generally exercised by  
14 corporations engaged in entrepreneurial pursuits,  
15 including, but without limiting the generality of the  
16 foregoing, the following powers:

17

18 (i) To sue and be sued in contract and in tort  
19 and to complain and defend in all courts;

20

21 (ii) To adopt and alter a seal;

22

23 (iii) To adopt, amend and repeal bylaws,  
24 regulations and policies and procedures for the regulation

1 of its affairs and the conduct of its business, to elect  
2 and prescribe the duties of officers and employees of the  
3 corporation and to perform such other matters as the  
4 corporation may determine. In the adoption of bylaws,  
5 regulations, policies and procedures or in the exercise of  
6 any regulatory power, the corporation shall be exempt from  
7 the requirements of W.S. 16-3-101 through 16-3-115;

8

9 (iv) To procure or to provide insurance;

10

11 (v) To hold copyrights, trademarks and service  
12 marks and enforce its rights with respect thereto;

13

14 (vi) To initiate, supervise and administer the  
15 operation of the lottery in accordance with the provisions  
16 of this chapter and regulations, policies and procedures  
17 adopted pursuant thereto;

18

19 (vii) To enter into written agreements with one  
20 (1) or more other states or sovereigns for the operation,  
21 participation in marketing and promotion of a joint lottery  
22 or joint lottery games;

23

1           (viii) To conduct such market research as is  
2 necessary or appropriate, which may include an analysis of  
3 the demographic characteristics of the players of each  
4 lottery game and an analysis of advertising, promotion,  
5 public relations, incentives and other aspects of  
6 communication;

7

8           (ix) To acquire or lease real property and make  
9 improvements thereon and acquire by lease or by purchase  
10 personal property, including, but not limited to,  
11 computers, mechanical, electronic and on-line equipment and  
12 terminals and intangible property, including, but not  
13 limited to, computer programs, systems and software;

14

15           (x) To enter into contracts to incur debt in its  
16 own name and enter into financing agreements with the  
17 state, agencies or instrumentalities of the state or with  
18 any commercial bank or credit provider;

19

20           (xi) To be authorized to administer oaths, take  
21 depositions, issue subpoenas and compel the attendance of  
22 witnesses and the production of books, papers, documents  
23 and other evidence relative to any investigation or  
24 proceeding conducted by the corporation;

1

2           (xii) To appoint and select officers, agents and  
3 employees, including professional and administrative staff  
4 and personnel, including hearing officers to conduct  
5 hearings required by this article, and to fix their  
6 compensation, pay their expenses and provide a benefit  
7 program, including, but not limited to, a retirement plan  
8 and a group insurance plan;

9

10           (xiii) To select and contract with vendors and  
11 retailers;

12

13           (xiv) To enter into contracts or agreements with  
14 state or local law enforcement agencies for the performance  
15 of law enforcement, background investigations and security  
16 checks;

17

18           (xv) To enter into contracts of any and all  
19 types on such terms and conditions as the corporation may  
20 determine;

21

22           (xvi) To establish and maintain banking  
23 relationships, including, but not limited to, establishment  
24 of checking and savings accounts and lines of credit;



1

2           (xvii) To advertise and promote the lottery and  
3 lottery games;

4

5           (xviii) To act as a retailer, to conduct  
6 promotions which involve the dispensing of lottery tickets  
7 or shares and to establish and operate a sales facility to  
8 sell lottery tickets or shares and any related merchandise;  
9 and

10

11           (xix) To adopt and amend such regulations,  
12 policies and procedures as necessary to carry out and  
13 implement its powers and duties, organize and operate the  
14 corporation, regulate the conduct of lottery games in  
15 general and any other matters necessary or desirable for  
16 the efficient and effective operation of the lottery or the  
17 convenience of the public. The promulgation of any such  
18 regulations, policies and procedures shall be exempt from  
19 the requirements of W.S. 16-3-101 through 16-3-115.

20

21           (b) The powers enumerated in subsection (a) of this  
22 section are cumulative of and in addition to those powers  
23 enumerated elsewhere in this chapter and no such powers  
24 limit or restrict any other powers of the corporation.

1

2           **21-24-109. Adoption by board of procedures regulating**  
3 **conduct of lottery games.**

4

5           (a) The board may adopt regulations, policies and  
6 procedures regulating the conduct of lottery games in  
7 general, including, but not limited to, regulations,  
8 policies and procedures specifying:

9

10                   (i) The type of games to be conducted,  
11 including, but not limited to, instant lotteries, scratch  
12 off ticket games, multi-state, video lottery terminals and  
13 other games traditional to the lottery. The conduct of  
14 lotteries using video lottery terminals shall be limited as  
15 provided in W.S. 21-24-115;

16

17                   (ii) The sale price of tickets or shares and the  
18 manner of sale, provided, however, that all sales shall be  
19 for cash only and payment by checks, credit cards, charge  
20 cards or any form of deferred payment is prohibited;

21

22                   (iii) The number and amount of prizes;

23

1           (iv) The method and location of selecting or  
2 validating winning tickets or shares;

3

4           (v) The manner and time of payment of prizes,  
5 which may include lump sum payments or installments over a  
6 period of years;

7

8           (vi) The manner of payment of prizes to the  
9 holders of winning tickets or shares, including without  
10 limitation provision for payment of prizes not exceeding  
11 six hundred dollars (\$600.00) after deducting the price of  
12 the ticket or share and after performing validation  
13 procedures appropriate to the game and as specified by the  
14 board. The board may provide for a limited number of  
15 retailers who can pay prizes of up to five thousand dollars  
16 (\$5,000.00) after performing validation procedures  
17 appropriate to the game and as specified by the board  
18 without regard to where such ticket or share was purchased;

19

20           (vii) The frequency of games and drawings or  
21 selection of winning tickets or shares;

22

23           (viii) The means of conducting drawings;

24

1           (ix) The method to be used in selling tickets or  
2 shares, which may include the use of video lottery  
3 terminals as provided in W.S. 22-24-115, but such devices  
4 may be placed only in locations on the premises of the  
5 lottery retailer which are within the view of such retailer  
6 or an employee of such retailer. All video lottery  
7 terminals shall bear a conspicuous label prohibiting the  
8 use of such device by persons less than eighteen (18) years  
9 of age. A lottery retailer who knowingly allows a person  
10 less than eighteen (18) years of age to purchase a lottery  
11 ticket or share from a video lottery terminal shall be  
12 subject to the penalties provided in W.S. 21-24-124;

13

14           (x) The manner and amount of compensation to  
15 lottery retailers; and

16

17           (xi) Any and all other matters necessary,  
18 desirable or convenient toward ensuring the efficient and  
19 effective operation of lottery games, the continued  
20 entertainment and convenience of the public and the  
21 integrity of the lottery.

22

23           **21-24-110. Duties of chief executive officer.**

24

1           (a) The chief executive officer of the corporation  
2 shall direct and supervise all administrative and technical  
3 activities in accordance with the provisions of this  
4 chapter and with the regulations, policies and procedures  
5 adopted by the board. It shall be the duty of the chief  
6 executive officer to:

7

8           (i) Facilitate the initiation and supervise and  
9 administer the operation of the lottery games;

10

11           (ii) Employ and direct such personnel as deemed  
12 necessary;

13

14           (iii) Employ by contract and compensate such  
15 persons and firms as deemed necessary;

16

17           (iv) Promote or provide for promotion of the  
18 lottery and any functions related to the corporation;

19

20           (v) Prepare a budget for the approval of the  
21 board;

22

23           (vi) Require bond from retailers and vendors in  
24 amounts as required by the board;

1

2 (vii) Report quarterly to the state auditor, the  
3 joint revenue interim committee and the board a full and  
4 complete statement of lottery revenues and expenses for the  
5 preceding quarter; and

6

7 (viii) Perform other duties generally associated  
8 with a chief executive officer of a corporation of an  
9 entrepreneurial nature.

10

11 (b) The chief executive officer may for good cause  
12 suspend, revoke or refuse to renew any contract entered  
13 into in accordance with the provisions of this chapter or  
14 the regulations, policies and procedures of the board.

15

16 (c) The chief executive officer or his designee may  
17 conduct hearings and administer oaths to persons for the  
18 purpose of assuring the security or integrity of lottery  
19 operations or to determine the qualifications of or  
20 compliance by vendors and retailers.

21

22 **21-24-111. Employees; compensation; restrictions;**  
23 **background investigations; bonding.**

24

1           (a) The corporation shall establish and maintain a  
2 personnel program for its employees and fix the  
3 compensation and terms of compensation of its employees,  
4 including, but not limited to, production incentive  
5 payments.

6

7           (b) No employee of the corporation shall have a  
8 financial interest in any vendor doing business or  
9 proposing to do business with the corporation.

10

11           (c) No employee of the corporation with decision  
12 making authority shall participate in any decision  
13 involving a retailer with whom the employee has a financial  
14 interest.

15

16           (d) No employee of the corporation who leaves the  
17 employment of the corporation may represent any vendor or  
18 lottery retailer before the corporation for a period of two  
19 (2) years following termination of employment with the  
20 corporation.

21

22           (e) Background investigation shall be conducted on  
23 each applicant who has reached the final selection process  
24 prior to employment by the corporation at the level of

1 division director and above and at any level within any  
2 division of security and as otherwise required by the  
3 board. The corporation shall be authorized to pay for the  
4 actual cost of such investigations and may contract with  
5 the division of criminal investigation for the performance  
6 of such investigations.

7

8 (f) No person who has been convicted of a felony or  
9 bookmaking or other forms of illegal gambling or of a crime  
10 involving moral turpitude shall be employed by the  
11 corporation.

12

13 (g) The corporation shall bond corporation employees  
14 with access to corporation funds or lottery revenue in such  
15 an amount as provided by the board and may bond other  
16 employees as deemed necessary.

17

18 **21-24-112. Disposition of lottery proceeds; budget**  
19 **report by governor; appropriations by legislature.**

20

21 (a) As nearly as practical, at least forty-five  
22 percent (45%) of the net proceeds from the sale of lottery  
23 tickets or shares but not including sales from video  
24 lottery terminals shall be made available as prize money,



1 provided, however, that this subsection shall be deemed not  
2 to create any lien, entitlement, cause of action or other  
3 private right and any rights of holders of tickets or  
4 shares shall be determined by the corporation in setting  
5 the terms of its lottery or lotteries.

6

7 (b) Of the annual net proceeds from lottery games  
8 attributable to retailers located at facilities where pari-  
9 mutuel events, as defined in W.S. 11-25-102, occur in  
10 Wyoming:

11

12 (i) One and one-half percent (1 1/2%) shall be  
13 paid to the Wyoming pari-mutuel commission to enhance  
14 breeder awards as provided in W.S. 11-25-102(a)(i); and

15

16 (ii) One percent (1%) shall be paid to the  
17 Wyoming pari-mutuel commission for general operations;

18

19 (iii) One percent (1%) shall be paid to the  
20 Wyoming pari-mutuel commission for purposes of funding  
21 annual grants exclusively for use in hosting and marketing  
22 equestrian events at state and county fairgrounds and  
23 licensed pari-mutuel facilities in Wyoming.

24

1           (c) On or before the fifteenth day of each quarter,  
2 the corporation shall transfer to the general fund of the  
3 state treasury, for credit to the lottery for education  
4 account, the amount of all net proceeds minus prizes and  
5 amounts paid pursuant to subsections (b) and (c) of this  
6 section during the preceding quarter. Upon their deposit  
7 into the state treasury, any monies representing a deposit  
8 of net proceeds shall then become the unencumbered property  
9 of the state of Wyoming and the corporation shall have no  
10 power to agree or undertake otherwise. Such monies shall  
11 be invested by the state treasurer in accordance with state  
12 investment practices. All earnings attributable to such  
13 investments shall likewise be the unencumbered property of  
14 the state and shall accrue to the credit of the lottery for  
15 education account.

16

17           (d) Monies in the lottery for education account shall  
18 only be appropriated to the Hathaway scholarship endowment  
19 fund created under W.S. 9-4-204(u)(vii).

20

21           (e) No deficiency in the lottery for education  
22 account shall be replenished by book entries reducing any  
23 nonlottery reserve of general funds, nor shall any program  
24 or project started specifically from lottery proceeds be

1 continued from the general fund. Such programs shall be  
2 adjusted or discontinued according to available lottery  
3 proceeds unless the legislature by general law establishes  
4 eligibility requirements and appropriates specific funds  
5 within the budget. Nor shall any nonlottery surplus in the  
6 general fund be reduced. No surplus in the lottery for  
7 education account shall be reduced to correct any  
8 nonlottery deficiencies in sums available for general  
9 appropriations.

10

11 **21-24-113. Investigation of vendors; disclosure**  
12 **requirements; restrictions on entry into major procurement**  
13 **contracts.**

14

15 (a) The corporation shall investigate the financial  
16 responsibility, security and integrity of any lottery  
17 system vendor who is a finalist in submitting a bid,  
18 proposal or offer. At the time of submitting such bid,  
19 proposal or offer to the corporation, the corporation may  
20 require the following items:

21

22 (i) A disclosure of the vendor's name and  
23 address and, as applicable, the names and addresses of the  
24 following:

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(A) If the vendor is a corporation, the officers, directors and each stockholder in such corporation, provided, however, that in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of such securities need be disclosed;

(B) If the vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust;

(C) If the vendor is an association, the members, officers and directors; and

(D) If the vendor is a partnership or joint venture, all of the general partners, limited partners or joint venturers.

(ii) A disclosure of all the states and jurisdictions in which the vendor does business and the nature of the business for each such state or jurisdiction;

1           (iii) A disclosure of all the states and  
2 jurisdictions in which the vendor has contracts to supply  
3 gaming goods or services, including, but not limited to,  
4 lottery goods and services and the nature of the goods or  
5 services involved for each such state or jurisdiction;

6  
7           (iv) A disclosure of all the states and  
8 jurisdictions in which the vendor has applied for, has  
9 sought renewal of, has received, has been denied, has  
10 pending or has had revoked a lottery or gaming license of  
11 any kind or had fines or penalties assessed to his license,  
12 contract or operation and the disposition in each such  
13 state or jurisdiction. If any lottery or gaming license or  
14 contract has been revoked or has not been renewed or any  
15 lottery or gaming license or application has been either  
16 denied or is pending and has remained pending for more than  
17 six (6) months, all of the facts and circumstances  
18 underlying the failure to receive the license shall be  
19 disclosed;

20  
21           (v) A disclosure of the details of any finding  
22 or plea, conviction or adjudication of guilt in a state or  
23 federal court of the vendor for any felony or any other  
24 criminal offense other than a traffic violation;

1

2 (vi) A disclosure of the details of any  
3 bankruptcy, insolvency, reorganization or corporate or  
4 individual purchase or takeover of another corporation,  
5 including bonded indebtedness, or any pending litigation of  
6 the vendor; and

7

8 (vii) Such additional disclosures and  
9 information as the corporation may determine to be  
10 appropriate for the procurement involved. If at least  
11 twenty-five percent (25%) of the cost of a vendor's  
12 contract is subcontracted, the vendor shall disclose all of  
13 the information required by this section for the  
14 subcontractor as if the subcontractor were itself a vendor.

15

16 (b) A lottery major procurement contract shall not be  
17 entered into with any lottery system vendor who has not  
18 complied with the disclosure requirements described in  
19 subsection (a) of this section and any contract with such a  
20 vendor is voidable at the option of the corporation. Any  
21 contract with a vendor who does not comply with such  
22 requirements for periodically updating such disclosures  
23 during the tenure of contract as may be specified in the  
24 contract may be terminated by the corporation. The

1 provisions of this section shall be construed broadly and  
2 liberally to achieve the ends of full disclosure of all  
3 information necessary to allow for a full and complete  
4 evaluation by the corporation of the competence, integrity,  
5 background and character of vendors for procurements.

6

7 (c) A major procurement contract shall not be entered  
8 into with any vendor who has been found guilty of a felony  
9 related to the security or integrity of the lottery in this  
10 or any other jurisdiction.

11

12 (d) A major procurement contract shall not be entered  
13 into with any vendor if such vendor has an ownership  
14 interest in an entity that had supplied consultation  
15 services under contract to the corporation regarding the  
16 request for proposals pertaining to those particular goods  
17 or services.

18

19 (e) No lottery system vendor nor any applicant for a  
20 major procurement contract may pay, give or make any  
21 economic opportunity, gift, loan, gratuity, special  
22 discount, favor, hospitality or service, excluding food and  
23 beverages having an aggregate value not exceeding one  
24 hundred dollars (\$100.00) in any calendar year, to the

1 chief executive officer, any board member or any employee  
2 of the corporation or to a member of the immediate family  
3 residing in the same household as any such person.

4

5 **21-24-114. Bonding requirements for vendors;**  
6 **qualifications of vendors; competitive bid requirement.**

7

8 (a) Each vendor shall, at the execution of the  
9 contract with the corporation, post a performance bond or  
10 letter of credit from a bank or credit provider acceptable  
11 to the corporation in an amount as deemed necessary by the  
12 corporation for that particular bid or contract. In lieu  
13 of the bond, a vendor may, to assure the faithful  
14 performance of its obligations, deposit and maintain with  
15 the corporation securities that are interest bearing or  
16 accruing and that are rated in one (1) of the three (3)  
17 highest classifications by an established nationally  
18 recognized investment rating service. Securities eligible  
19 under this section are limited to:

20

21 (i) Certificates of deposit issued by solvent  
22 banks or savings associations approved by the corporation  
23 and which are organized and existing under the laws of this  
24 state or under the laws of the United States;



1

2           (ii) United States bonds, notes and bills for  
3 which the full faith and credit of the government of the  
4 United States is pledged for the payment of principal and  
5 interest; and

6

7           (iii) Corporate bonds approved by the  
8 corporation. The corporation which issued the bonds shall  
9 not be an affiliate or subsidiary of the depositor. Such  
10 securities shall be held in trust and shall have at all  
11 times a market value at least equal to the full amount  
12 estimated to be paid annually to the lottery vendor under  
13 contract.

14

15           (b) Each vendor shall be qualified to do business in  
16 this state. All contracts under this chapter shall be  
17 governed by the laws of this state.

18

19           (c) No contract shall be let with any vendor in which  
20 a public official has an ownership interest of ten percent  
21 (10%) or more.

22

23           (d) All major procurement contracts shall be  
24 competitively bid pursuant to policies and procedures

1 approved by the board unless there is only one (1)  
2 qualified vendor and that vendor has an exclusive right to  
3 offer the service or product.

4

5 **21-24-115. Statewide network of retailers;**  
6 **commissions; certificate of authority; qualifications of**  
7 **retailers; fees for outlets; review of activities; gifts or**  
8 **gratuities; rules regarding placement of video lottery**  
9 **terminals and video lottery terminal retailers.**

10

11 (a) The legislature recognizes that to conduct a  
12 successful lottery, the corporation needs to develop and  
13 maintain a statewide network of lottery retailers that will  
14 serve the public convenience and promote the sale of  
15 tickets or shares and the playing of lottery games while  
16 ensuring the integrity of the lottery operations, games and  
17 activities.

18

19 (b) The corporation shall make every effort to  
20 provide small retailers a chance to participate in the  
21 sales of lottery tickets or shares.

22

23 (c) Except as provided in subsection (g) of this  
24 section, the corporation shall provide for compensation to

1 lottery retailers in the form of commissions in an amount  
2 of not less than five percent (5%) of gross sales and may  
3 provide for other forms of compensation for services  
4 rendered in the sale or cashing of lottery tickets or  
5 shares.

6

7 (d) The corporation shall issue a certificate of  
8 authority to each person with whom it contracts as a  
9 retailer for purposes of display. Every lottery retailer  
10 shall post and keep conspicuously displayed in a location  
11 on the premises accessible to the public its certificate of  
12 authority. No certificate shall be assignable or  
13 transferable.

14

15 (e) The board shall develop a list of objective  
16 criteria upon which the qualification of lottery retailers  
17 shall be based. Additional criteria governing the  
18 selection of retailers using video lottery terminals shall  
19 be as provided in subsection (g) of this section. In  
20 developing these criteria, the board shall consider such  
21 factors as the applicant's financial responsibility,  
22 security of the applicant's place of business or activity,  
23 accessibility to the public, integrity and reputation. The  
24 board shall not consider political affiliation, activities

1 or monetary contributions to political organizations or  
2 candidates for any public office. The criteria shall  
3 include but not be limited to the following:

4

5 (i) The applicant shall be current in filing all  
6 applicable tax returns to the state of Wyoming and in  
7 payment of all taxes, interest and penalties owed to the  
8 state of Wyoming, excluding items under formal appeal  
9 pursuant to applicable statutes. The department of revenue  
10 is authorized and directed to provide this information to  
11 the corporation;

12

13 (ii) No person, partnership, unincorporated  
14 association, corporation or other business entity shall be  
15 selected as a lottery retailer who:

16

17 (A) Has been convicted of a criminal  
18 offense related to the security or integrity of the lottery  
19 in this or any other jurisdiction;

20

21 (B) Has been convicted of any illegal  
22 gambling activity, false statement, false swearing or  
23 perjury in this or any other jurisdiction or convicted of  
24 any crime punishable by more than one (1) year imprisonment

1 or a fine of more than one thousand dollars (\$1,000.00) or  
2 both unless the person's civil rights have been restored  
3 and at least five (5) years have elapsed from the date of  
4 the completion of the sentence without a subsequent  
5 conviction of a crime described in this subparagraph;

6

7 (C) Has been found to have violated the  
8 provisions of this chapter or any regulation, policy or  
9 procedure of the corporation unless either ten (10) years  
10 have passed since the violation or the board finds the  
11 violation both minor and unintentional in nature;

12

13 (D) Is a vendor or any employee or agent of  
14 any vendor doing business with the corporation;

15

16 (E) Resides in the same household as an  
17 officer of the corporation;

18

19 (F) Has made a statement of material fact  
20 to the corporation knowing such statement to be false; or

21

22 (G) Is engaged exclusively in the business  
23 of selling lottery tickets or shares, provided, however,  
24 that this subsection shall not preclude the corporation

1 from selling or giving away lottery tickets or shares for  
2 promotional purposes.

3

4 (iii) Persons applying to become lottery  
5 retailers shall be charged a uniform application fee for  
6 each lottery outlet. Retailers who participate in on-line  
7 games shall be charged a uniform application fee for each  
8 on-line outlet;

9

10 (iv) Any lottery retailer contract executed  
11 pursuant to this section may, for good cause, be suspended,  
12 revoked or terminated by the chief executive officer or his  
13 designee if the retailer is found to have violated any  
14 provision of this chapter or objective criteria established  
15 by the board. Review of such activities shall be in  
16 accordance with the procedures outlined in this chapter and  
17 shall not be subject to W.S. 16-3-101 through 16-3-115; and

18

19 (v) All lottery retailer contracts may be  
20 renewable annually in the discretion of the corporation  
21 unless sooner cancelled or terminated.

22

23 (f) No lottery retailer or applicant to be a lottery  
24 retailer shall pay, give or make any economic opportunity,

1 gift, loan, gratuity, special discount, favor, hospitality  
2 or service, excluding food and beverages having an  
3 aggregate value not exceeding one hundred dollars (\$100.00)  
4 in any calendar year, to the chief executive officer, any  
5 board member or any employee of the corporation or to a  
6 member of the immediate family residing in the same  
7 household as any such person.

8

9 (g) Certificates of authority shall only be issued  
10 for video lottery terminals located at pari-mutuel  
11 racetracks in the state, where the retailer is licensed by  
12 the Wyoming pari-mutuel commission and where live races are  
13 conducted. Video lottery terminals shall only be placed on  
14 the premises where live races are conducted. The board  
15 shall develop objective criteria, in addition to the  
16 criteria provided in subsection (e) of this section,  
17 applying to the conduct, fees and bonding requirements of  
18 retailers authorized to place video lottery terminals. The  
19 following provisions apply exclusively to video lottery  
20 terminal retailers:

21

22 (i) Video lottery terminal retailers shall pay  
23 an initial application fee of not less than one million  
24 dollars (\$1,000,000.00) for each pari-mutuel race track

1 wherein video lottery terminals will be located. The  
2 amount of the initial application fee shall be commensurate  
3 with the scale of the operation, and on a schedule which  
4 shall be established by the corporation;

5

6 (ii) Video lottery terminal retailers may  
7 purchase, lease or otherwise provide under service  
8 agreement their own video lottery terminals which shall be  
9 connected with the corporation's central control computer  
10 in a manner that ensures the integrity of the corporation's  
11 system;

12

13 (iii) The corporation shall provide for the  
14 compensation to lottery retailers in the form of commission  
15 in an amount of not more than sixty-eight percent (68%) of  
16 gross sales and may provide for other forms of compensation  
17 for services rendered in the sale or cashing of lottery  
18 tickets or shares. Video lottery terminal retailers shall  
19 provide four percent (4%) of their commission on gross  
20 sales to a segregated purse account to be used to  
21 supplement purses at the pari-mutuel race track facility  
22 wherein the video lottery terminals are located.

23



1           **21-24-116. Retailer contracts not transferable or**  
2 **assignable; restriction on contracts and sales.**

3

4           (a) No lottery retailer contract shall be  
5 transferable or assignable. No lottery retailer shall  
6 contract with any person for lottery goods or services  
7 except with the approval of the board.

8

9           (b) Lottery tickets and shares shall only be sold by  
10 the retailer stated on the lottery retailer certificate.

11

12           **21-24-117. Fidelity fund for retailers; assessments.**

13

14           (a) The corporation may establish a fidelity fund  
15 separate from all other funds and shall assess each  
16 retailer a one (1) time fee not to exceed one hundred  
17 dollars (\$100.00) per sales location. The corporation is  
18 authorized to invest the funds or place such funds in one  
19 (1) or more interest bearing accounts. Monies deposited to  
20 the fund may be used to cover losses the corporation  
21 experiences due to nonfeasance, misfeasance or malfeasance  
22 of a lottery retailer. In addition, the funds may be used  
23 to purchase blanket bonds covering the Wyoming lottery  
24 corporation against losses from all retailers. At the end

1 of each fiscal year, the corporation shall pay to the  
2 general lottery fund any amount in the fidelity fund which  
3 exceeds five hundred thousand dollars (\$500,000.00) and  
4 such funds shall be commingled with and treated as net  
5 proceeds from the lottery.

6

7 (b) A reserve account may be established as a general  
8 operating expense to cover amounts deemed uncollectible.  
9 The corporation shall establish procedures for minimizing  
10 any losses that may be experienced for the foregoing  
11 reasons and shall exercise and exhaust all available  
12 options in such procedures prior to amounts being written  
13 off to this account.

14

15 (c) The corporation may require any retailer to post  
16 an appropriate bond, as determined by the corporation,  
17 using an insurance company acceptable to the corporation.  
18 The amount shall not exceed the applicable district sales  
19 average of lottery tickets for two (2) billing periods.

20

21 (d) In its discretion, the corporation may allow a  
22 retailer to deposit and maintain with the corporation  
23 securities, held in trust in the name of the Wyoming  
24 lottery corporation, that are interest bearing or accruing.

1 Securities eligible under this subsection shall be limited  
2 to:

3

4 (i) Certificates of deposit issued by solvent  
5 banks or savings associations organized and existing under  
6 the laws of this state or under the laws of the United  
7 States;

8

9 (ii) United States bonds, notes and bills for  
10 which the full faith and credit of the United States is  
11 pledged for the payment of principal and interest;

12

13 (iii) Federal agency securities by an agency or  
14 instrumentality of the United States government.

15

16 **21-24-118. Cancellation, suspension, revocation or**  
17 **termination of retail contracts.**

18

19 (a) Any retail contract executed by the corporation  
20 pursuant to this chapter shall specify the reasons for  
21 which a contract may be cancelled, suspended, revoked or  
22 terminated by the corporation, which reasons shall include  
23 but not be limited to:

24

1           (i) Commission of a violation of this chapter, a  
2 regulation or a policy or procedure of the corporation;

3

4           (ii) Failure to accurately or timely account for  
5 lottery tickets, lottery games, revenues or prizes as  
6 required by the corporation;

7

8           (iii) Commission of any fraud, deceit or  
9 misrepresentation;

10

11           (iv) Insufficient sales;

12

13           (v) Conduct prejudicial to public confidence in  
14 the lottery;

15

16           (vi) The retailer filing for or being placed in  
17 bankruptcy or receivership;

18

19           (vii) Any material change as determined in the  
20 sole discretion of the corporation in any matter considered  
21 by the corporation in executing the contract with the  
22 retailer; or

23

1           (viii) Failure to meet any of the objective  
2 criteria established by the corporation pursuant to this  
3 chapter.

4  
5           (b) If, in the discretion of the chief executive  
6 officer or his designee, cancellation, denial, revocation,  
7 suspension or rejection of renewal of a lottery retailer  
8 contract is in the best interest of the lottery, the public  
9 welfare or the state of Wyoming, the chief executive  
10 officer or his designee may cancel, suspend, revoke or  
11 terminate, after notice and a right to a hearing, any  
12 contract issued pursuant to this chapter. The contract  
13 may, however, be temporarily suspended by the chief  
14 executive officer or his designee without prior notice  
15 pending any prosecution, hearing or investigation, whether  
16 by a third party or by the chief executive officer. A  
17 contract may be suspended, revoked or terminated by the  
18 chief executive officer or his designee for any one (1) or  
19 more of the reasons enumerated in this section. Any  
20 hearing held shall be conducted by the chief executive  
21 officer or his designee. A party to the contract aggrieved  
22 by the decision of the chief executive officer or his  
23 designee may appeal the adverse decision to the board.  
24 Such appeal shall be pursuant to the regulations, policies,

1 and procedures set by the board and is not subject to W.S.  
2 16-6-101 through 16-3-115.

3

4 **21-24-119. Preservation of lottery proceeds by**  
5 **retailers; accounting procedures; preference accorded**  
6 **proceeds of insolvent retailers.**

7

8 (a) All proceeds from the sale of the lottery tickets  
9 or shares shall constitute a trust fund until paid to the  
10 corporation either directly or through the corporation's  
11 authorized collection representative. A lottery retailer  
12 and officers of a lottery retailer's business shall have a  
13 fiduciary duty to preserve and account for lottery proceeds  
14 and lottery retailers shall be personally liable for all  
15 proceeds. Proceeds shall include unsold instant tickets  
16 received by a lottery retailer and cash proceeds of the  
17 sale of any lottery products, net of allowable sales  
18 commissions and credit for lottery prizes sold to or paid  
19 to winners by lottery retailers. Sales proceeds and unused  
20 instant tickets shall be delivered to the corporation or  
21 its authorized collection representative upon demand.

22

23 (b) The corporation shall require retailers to place  
24 all lottery proceeds due the corporation in accounts in

1 institutions insured by the federal deposit insurance  
2 corporation not later than the close of the next banking  
3 day after the date of their collection by the retailer  
4 until the date they are paid over to the corporation. At  
5 the time of such deposit, lottery proceeds shall be deemed  
6 to be the property of the corporation. The corporation may  
7 require a retailer to establish a single separate  
8 electronic funds transfer account where available for the  
9 purpose of receiving monies from ticket or share sales,  
10 making payments to the corporation and receiving payments  
11 for the corporation. Unless otherwise authorized in  
12 writing by the corporation, each lottery retailer shall  
13 establish a separate bank account for lottery proceeds  
14 which shall be kept separate and apart from all other funds  
15 and assets and shall not be commingled with any other funds  
16 or assets.

17

18 (c) Whenever any person who receives proceeds from  
19 the sale of lottery tickets or shares in the capacity of a  
20 lottery retailer becomes insolvent or dies insolvent, the  
21 proceeds due the corporation from such person or his estate  
22 shall have preference over all debts or demands.

23

1           **21-24-120. Computation of rental payments of**  
2 **retailers.**

3

4 If a lottery retailer's rental payments for the business  
5 premises are contractually computed, in whole or in part,  
6 on the basis of a percentage of retail sales and such  
7 computation of retail sales is not explicitly defined to  
8 include sales of tickets or shares in a state operated or  
9 state managed lottery, only the compensation received by  
10 the lottery retailer from the corporation may be considered  
11 the amount of the lottery retail sale for purposes of  
12 computing the rental payment.

13

14           **21-24-121. Restrictions on sale of tickets or shares;**  
15 **price; gifts and promotions.**

16

17           (a) No person shall sell a ticket or share at a price  
18 other than established by the corporation unless authorized  
19 in writing by the chief executive officer. No person other  
20 than a duly certified lottery retailer shall sell lottery  
21 tickets, but this subsection shall not be construed to  
22 prevent a person who may lawfully purchase tickets or  
23 shares from making a gift of lottery tickets or shares to  
24 another. Nothing in this chapter shall be construed to



1 prohibit the corporation from designating certain of its  
2 agents and employees to sell or give lottery tickets or  
3 shares directly to the public.

4

5 (b) Lottery tickets or shares may be given by  
6 merchants as a means of promoting goods or services to  
7 customers or prospective customers subject to prior  
8 approval by the corporation.

9

10 (c) No lottery retailer shall sell a lottery ticket  
11 or share except from the locations listed in his contract  
12 and as evidenced by his certificate of authorization unless  
13 the corporation authorizes in writing any temporary  
14 location not listed in his contract.

15

16 (d) No lottery tickets or shares shall be sold to  
17 persons under eighteen (18) years of age, but this  
18 subsection does not prohibit the purchase of a lottery  
19 ticket or share by a person eighteen (18) years of age or  
20 older for the purpose of making a gift to any person of any  
21 age. In such case, the corporation shall direct payment of  
22 proceeds of any lottery prize to an adult member of the  
23 person's family or a legal representative of the person on  
24 behalf of the underage person.

1

2           **21-24-122. Prize proceeds subject to attachments,**  
3 **garnishments or executions; validation of winning tickets;**  
4 **prohibited purchases; money dispensing machines; unclaimed**  
5 **prize money.**

6

7           (a) Except as otherwise provided in this chapter,  
8 attachments, garnishments or executions authorized and  
9 issued pursuant to law shall be withheld if timely served  
10 upon the corporation. This subsection shall not apply to a  
11 retailer.

12

13           (b) The corporation shall adopt regulations, policies  
14 and procedures to establish a system of verifying the  
15 validity of tickets or shares claimed to win prizes and to  
16 effect payment of such prizes, except that:

17

18           (i) No prize, any portion of a prize or any  
19 right of any person to a prize awarded shall be assignable.  
20 Any prize or any portion of a prize remaining unpaid at the  
21 death of a prize winner shall be paid to the estate of the  
22 deceased prize winner or to the trustee of a trust  
23 established by the deceased prize winner as settlor if a  
24 copy of the trust document or instrument has been filed

1 with the corporation along with a notarized letter of  
2 direction from the settlor and no written notice of  
3 revocation has been received by the corporation prior to  
4 the settlor's death. Following a settlor's death and prior  
5 to any payment to such a successor trustee, the corporation  
6 shall obtain from the trustee a written agreement to  
7 indemnify and hold the corporation harmless with respect to  
8 any claims that may be asserted against the corporation  
9 arising from payment to or through the trust.  
10 Notwithstanding any other provisions of this section, any  
11 person, pursuant to an appropriate judicial order, shall be  
12 paid the prize to which a winner is entitled;

13

14 (ii) No prize shall be paid arising from claimed  
15 tickets that are:

16

17 (A) Stolen, counterfeit, altered,  
18 fraudulent, unissued, produced or issued in error,  
19 unreadable, not received or not recorded by the corporation  
20 within applicable deadlines;

21

22 (B) Lacking in captions that conform and  
23 agree with the play symbols as appropriate to the  
24 particular lottery game involved; or

1

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24

(C) Not in compliance with such additional specific regulations and public or confidential validation and security tests of the corporation appropriate to the particular lottery game involved.

(iii) No particular prize in any lottery game shall be paid more than once, and in the event of a determination that more than one (1) claimant is entitled to a particular prize, the sole remedy of such claimants is the award to each of them of an equal share in the prize; and

(iv) A holder of a winning cash ticket or share from a lottery game shall claim a cash prize within one hundred eighty (180) days, or for a multi-state or multi-sovereign lottery game within one hundred eighty (180) days, after the drawing in which the cash prize was won. In any Wyoming lottery game in which the player may determine instantly if he has won or lost, he shall claim a cash prize within ninety (90) days, or for a multi-state lottery game within one hundred eighty (180) days, after the end of the lottery game. If a valid claim is not made for a cash prize within the applicable period, the cash

1 prize shall constitute an unclaimed prize for purposes of  
2 this section.

3

4 (c) No prize shall be paid upon a ticket or share  
5 purchased or sold in violation of this chapter. Any such  
6 prize shall constitute an unclaimed prize for purposes of  
7 this section.

8

9 (d) The corporation is discharged of all liability  
10 upon payment of a prize.

11

12 (e) No ticket or share shall be purchased by and no  
13 prize shall be paid to any member of the board of  
14 directors, any officer or employee of the corporation or to  
15 any spouse, child, brother, sister or parent residing as a  
16 member of the same household in the principal place of  
17 residence of any such person. No ticket or share shall be  
18 purchased by and no prize shall be paid to any officer,  
19 employee, agent or subcontractor of any vendor or to any  
20 spouse, child, brother, sister or parent residing as a  
21 member of the same household in the principal place of  
22 residence of any such person if such officer, employee,  
23 agent or subcontractor has access to confidential

1 information which may compromise the integrity of the  
2 lottery.

3

4 (f) No lottery game utilizing an electronic or  
5 mechanical machine may use a machine which dispenses coins  
6 or currency.

7

8 (g) Unclaimed prize money shall not constitute net  
9 lottery proceeds. A portion of unclaimed prize money, not  
10 to exceed two hundred thousand dollars (\$200,000.00)  
11 annually, shall be paid from the corporation to the  
12 department of health for the treatment of compulsive  
13 gambling disorder and educational programs related to such  
14 disorder. In addition, unclaimed prize money may be added  
15 to the pool from which future prizes are to be awarded or  
16 used for special prize promotions.

17

18 **21-24-123. Confidentiality of information;**  
19 **investigations; supervision and inspections; reports of**  
20 **suspected violations; assistance in investigation of**  
21 **violations.**

22

23 (a) Except as authorized in this chapter, the  
24 corporation is subject to the provisions of W.S. 16-4-201

1 through 16-4-205. The corporation is specifically  
2 authorized to determine which information relating to the  
3 operation of the lottery is confidential. Such information  
4 includes trade secrets, security measures, systems or  
5 procedures, security reports, information concerning bids  
6 or other contractual data, the disclosure of which would  
7 impair the efforts of the corporation to contract for goods  
8 or services on favorable terms, employee personnel  
9 information unrelated to compensation, duties,  
10 qualifications or responsibilities and information obtained  
11 pursuant to investigations which is otherwise confidential.  
12 Information deemed confidential pursuant to this subsection  
13 is exempt from the provisions of W.S. 16-4-201 through  
14 16-4-205. Meetings or portions of meetings devoted to  
15 discussing information deemed confidential pursuant to this  
16 subsection are exempt from W.S. 16-4-201 through 16-4-205.

17

18 (b) The corporation shall perform full criminal  
19 background investigations prior to the execution of any  
20 vendor contract.

21

22 (c) The corporation or its authorized agent shall:

23

1           (i) Conduct criminal background investigations  
2 and credit investigations on all potential retailers;

3

4           (ii) Supervise ticket or share validation and  
5 lottery drawings;

6

7           (iii) Inspect at times, determined solely by the  
8 corporation, the facilities of any vendor or lottery  
9 retailer in order to determine the integrity of the  
10 vendor's product or the operations of the retailer in order  
11 to determine whether the vendor or the retailer is in  
12 compliance with its contract;

13

14           (iv) Report any suspected violations of this  
15 chapter to the appropriate district attorney or the  
16 attorney general and to any law enforcement agencies having  
17 jurisdiction over the violation; and

18

19           (v) Upon request, provide assistance to any  
20 district attorney, the attorney general or a law  
21 enforcement agency investigating a violation of this  
22 chapter.

23



1           **21-24-124. Sales to minors; penalty; affirmative**  
2 **defense.**

3  
4 Any person who knowingly sells a lottery ticket or share to  
5 a person under eighteen (18) years of age or permits a  
6 person under eighteen (18) years of age to play any lottery  
7 game shall be guilty of a misdemeanor and shall be fined  
8 not less than one hundred dollars (\$100.00) nor more than  
9 five hundred dollars (\$500.00) for the first offense and  
10 for each subsequent offense not less than two hundred  
11 dollars (\$200.00) nor more than one thousand dollars  
12 (\$1,000.00). It shall be an affirmative defense to a  
13 charge of a violation under this section that the retailer  
14 reasonably and in good faith relied upon representation of  
15 proof of age in making the sale.

16

17           **21-24-125. Penalty for falsely making, altering,**  
18 **forging, uttering, passing or counterfeiting ticket;**  
19 **penalty for attempting to influence winning of prize.**

20

21           (a) Any person who, with intent to defraud, falsely  
22 makes, alters, forges, utters, passes or counterfeits a  
23 state lottery ticket shall be punished by a fine not to

1 exceed fifty thousand dollars (\$50,000.00), imprisonment  
2 for not more than five (5) years, or both.

3

4 (b) Any person who influences or attempts to  
5 influence the winning of a prize through the use of  
6 coercion, fraud, deception or tampering with lottery  
7 equipment or materials shall be punished by a fine not to  
8 exceed fifty thousand dollars (\$50,000.00), imprisonment  
9 for not more than five (5) years, or both.

10

11 **21-24-126. Penalty for making false statements or**  
12 **false entries in books or records.**

13

14 No person shall knowingly or intentionally make a material  
15 false statement in any application for a license or  
16 proposal to conduct lottery activities or make a material  
17 false entry in any book or record which is compiled or  
18 maintained or submitted to the board pursuant to the  
19 provisions of this chapter. Any person who violates the  
20 provisions of this section shall be punished by a fine not  
21 to exceed twenty-five thousand dollars (\$25,000.00) or the  
22 dollar amount of the false entry or statement, whichever is  
23 greater, by imprisonment for not more than five (5) years,  
24 or both.

1

2           **21-24-127. Agreements with agencies of other**  
3 **jurisdictions; restriction on release of records, documents**  
4 **and information.**

5

6           (a) The corporation may enter into intelligence  
7 sharing, reciprocal use or restricted use agreements with  
8 the federal government, law enforcement agencies, lottery  
9 regulation agencies and gaming enforcement agencies of  
10 other jurisdictions which provide for and regulate the use  
11 of information provided and received pursuant to the  
12 agreement.

13

14           (b) Records, documents and information in the  
15 possession of the corporation received pursuant to an  
16 intelligence sharing, reciprocal use or restricted use  
17 agreement entered into by the corporation with a federal  
18 department or agency, any law enforcement agency or the  
19 lottery regulation or gaming enforcement agency of any  
20 jurisdiction shall be considered investigative records of a  
21 law enforcement agency and are not subject to W.S. 16-4-201  
22 through 16-4-205 and shall not be released under any  
23 condition without the permission of the person or agency  
24 providing the record or information.

1

2           **21-24-128. Bidding requirements and procedures for**  
3 **contracts.**

4

5           (a) The corporation shall enter into its contracts  
6 for procurements after competitive bidding. The requirement  
7 for competitive bidding does not apply in the case of a  
8 single vendor having exclusive rights to offer a particular  
9 service or product. Procedures adopted by the board shall  
10 be designed to allow the selection of proposals that  
11 provide the greatest long-term benefit to the state, the  
12 greatest integrity for the corporation and the best service  
13 and products for the public.

14

15           (b) In any bidding process, the corporation may  
16 administer its own bidding and procurement or may utilize  
17 the services of the department of administration and  
18 information or other state agency or subdivision thereof.

19

20           **21-24-129. Appeals from actions of board.**

21

22           (a) Any retailer, vendor or applicant for a retailer  
23 or vendor contract aggrieved by an action of the board may  
24 appeal that decision to the first judicial district court.

1

2 (b) The first judicial district court shall hear  
3 appeals from decisions of the board and based upon the  
4 record of the proceedings before the board may reverse the  
5 decision of the board only if the appellant proves the  
6 decision to be:

7

8 (i) Clearly erroneous;

9

10 (ii) Arbitrary and capricious;

11

12 (iii) Procured by fraud;

13

14 (iv) A result of substantial misconduct by the  
15 board; or

16

17 (v) Contrary to the United States constitution  
18 or the constitution of Wyoming or the provisions of this  
19 chapter.

20

21 (c) The district court may remand an appeal to the  
22 board to conduct further hearings.

23

1           (d) Any person who appeals the award of a major  
2 procurement contract for the supply of a lottery ticket  
3 system, share system or an on-line or other mechanical or  
4 electronic system shall be liable for all costs of appeal  
5 and defense in the event the appeal is denied or the  
6 contract award upheld.

7

8           **21-24-130. Corporation authorized to borrow money;**  
9 **validation of debt; restriction on use of money in state**  
10 **general fund; purchase or release of goods and services.**

11

12           (a) The corporation may borrow, or accept and expend,  
13 in accordance with the provisions of this chapter, such  
14 monies as may be received from any source, including income  
15 from the corporation's operations, for effectuating its  
16 corporate purposes, including the payment of the initial  
17 expenses of initiation, administration and operation of the  
18 corporation and the lottery.

19

20           (b) The corporation shall be self sustaining and self  
21 funded. Monies in the state general fund shall not be used  
22 or obligated to pay the expenses of the corporation or  
23 prizes of the lottery and no claim for the payment of an  
24 expense of the lottery or prizes of the lottery may be made

1 against any monies other than monies credited to the  
2 corporation operating account.

3

4 (c) The corporation may purchase, lease or lease  
5 purchase such goods or services as are necessary for  
6 effectuating the purposes of this chapter. The corporation  
7 may make procurements which integrate functions such as  
8 lottery game design, lottery ticket distribution to  
9 retailers, supply of goods and services and advertising.

10 In all procurement decisions, the corporation shall take  
11 into account the particularly sensitive nature of the state  
12 lottery and shall act to promote and ensure security,  
13 honesty, fairness and integrity in the operation and  
14 administration of the lottery and the objectives of raising  
15 net proceeds for the benefit of educational programs and  
16 purposes.

17

18 **21-24-131. Reports by corporation; audits; budget;**  
19 **fiscal year.**

20

21 (a) To ensure the financial integrity of the lottery,  
22 the corporation through its board of directors shall:

23

1           (i) Submit quarterly and annual reports to the  
2 governor, state auditor and the joint revenue interim  
3 committee disclosing the total lottery revenues, prize  
4 disbursements, operating expenses and administrative  
5 expenses of the corporation during the reporting period.  
6 The annual report shall additionally describe the  
7 organizational structure of the corporation and summarize  
8 the functions performed by each organizational division  
9 within the corporation;

10

11           (ii) Adopt a system of internal audits;

12

13           (iii) Maintain weekly or more frequent records  
14 of lottery transactions, including the distribution of  
15 tickets or shares to retailers, revenues received, claims  
16 for prizes, prizes paid, prizes forfeited and other  
17 financial transactions of the corporation;

18

19           (iv) Contract with a certified public accountant  
20 or firm for an annual financial audit of the corporation.  
21 The certified public accountant or firm shall have no  
22 financial interest in any vendor with whom the corporation  
23 is under contract. The certified public accountant or firm  
24 shall present an audit report not later than four (4)



1 months after the end of the fiscal year. The certified  
2 public accountant or firm shall evaluate the internal  
3 auditing controls in effect during the audit period. The  
4 cost of this annual financial audit shall be an operating  
5 expense of the corporation. The state auditor may at any  
6 time conduct an audit of any phase of the operations of the  
7 Wyoming lottery corporation at the expense of the state and  
8 shall receive a copy of the annual independent financial  
9 audit. A copy of any audit performed by the certified  
10 public accountant or firm or the state auditor shall be  
11 transmitted to the governor, the state auditor and the  
12 joint revenue interim committee;

13

14 (v) Submit to the governor, the state auditor,  
15 and the joint revenue interim committee by June 30 of each  
16 year a copy of the annual operating budget for the  
17 corporation for the next fiscal year. This annual  
18 operating budget shall be approved by the board and be on  
19 such forms as prescribed by the department of  
20 administration and information;

21

22 (vi) For informational purposes only, submit to  
23 the governor on September 1 of each year a proposed  
24 operating budget for the corporation for the succeeding

1 fiscal year. This budget proposal shall also be  
2 accompanied by an estimate of the net proceeds to be  
3 deposited into the lottery for education account during the  
4 succeeding fiscal year; and

5

6 (vii) Adopt the same fiscal year as that used by  
7 state government.

8

9

## ARTICLE 2

10 SETOFF OF DEBT COLLECTION AGAINST LOTTERY PRIZES

11

12 **21-24-201. Purpose.**

13

14 The purpose of this article is to establish a policy and to  
15 provide a system whereby all claimant agencies of this  
16 state in conjunction with the corporation shall cooperate  
17 in identifying debtors who owe money to the state through  
18 its various claimant agencies or to persons on whose behalf  
19 the state and its claimant agencies act and who qualify for  
20 prizes under article 1 of this chapter from the  
21 corporation. It is also the purpose of this article to  
22 establish procedures for setting off against any such prize  
23 the sum of any debt owed to the state or to persons on  
24 whose behalf the state and its claimant agencies act. It

1 is the intent of the legislature that this article be  
2 liberally construed to effectuate these purposes.

3

4 **21-24-202. Definitions.**

5

6 (a) As used in this article:

7

8 (i) "Claimant agency" means any state agency,  
9 department, board, bureau, commission or authority to which  
10 an individual owes a debt or which acts on behalf of an  
11 individual to collect a debt;

12

13 (ii) "Debt" means any liquidated sum due and  
14 owing any claimant agency, which sum has accrued through  
15 contract, subrogation, tort or operation of law regardless  
16 of whether there is an outstanding judgment for the sum, or  
17 any sum which is due and owing any person and is  
18 enforceable by the state or any of its agencies or  
19 departments;

20

21 (iii) "Debtor" means any individual owing money  
22 to or having a delinquent account with any claimant agency,  
23 which obligation has not been adjudicated as satisfied by

1 court order, set aside by court order or discharged in  
2 bankruptcy;

3

4 (iv) "Prize" means the proceeds of any lottery  
5 prize awarded under article 1 of this chapter.

6

7 **21-24-203. Collection remedy in addition to other**  
8 **remedies.**

9

10 The collection remedy authorized by this article is in  
11 addition to and not in substitution for any other remedy  
12 available by law.

13

14 **21-24-204. Debts owed to state agencies; lien against**  
15 **lottery winnings; prizes paid out by retailers or**  
16 **noncorporate entities; time period involved; rules and**  
17 **regulations; immunity; costs.**

18

19 (a) Any claimant agency may submit to the corporation  
20 a list of the names of all persons owing debts in excess of  
21 one hundred dollars (\$100.00) to the claimant agency or to  
22 persons on whose behalf the claimant agency is acting. The  
23 full amount of the debt shall be collectable from any  
24 lottery winnings without regard to limitations on the

1 amounts that may be collectable in increments through  
2 garnishment or other proceedings. The list shall constitute  
3 a valid lien upon and claim of lien against the lottery  
4 winnings of any debtor named in the list. The list shall  
5 contain the names of the debtors, their social security  
6 numbers if available and any other information which would  
7 assist the corporation in identifying the debtors named in  
8 the list.

9

10 (b) The corporation is authorized and directed to  
11 withhold any winnings subject to the lien created by this  
12 section and send notice to the winner by certified mail or  
13 statutory overnight delivery, return receipt requested, of  
14 the action and the reason the winnings were withheld.  
15 However, if the winner appears and claims winnings in  
16 person, the corporation shall notify the winner at that  
17 time by hand delivery of the action. If the debtor does  
18 not protest the withholding of the funds in writing within  
19 thirty (30) days of the notice, the corporation shall pay  
20 the funds over to the claimant agency. If the debtor  
21 protests the withholding of the funds within thirty (30)  
22 days of the notice, the corporation shall file an action in  
23 interpleader in the district court of the county in which  
24 the debtor resides, pay the disputed sum into the court and

1 give notice to the claimant agency and debtor of the  
2 initiation of such action.

3

4 (c) The liens created by this section shall rank  
5 among themselves as follows:

6

7 (i) Taxes due the state;

8

9 (ii) Delinquent child support; and

10

11 (iii) All other judgments and liens in order of  
12 the date entered or perfected.

13

14 (d) The corporation shall not be required to deduct  
15 claimed debts from prizes paid out by retailers or entities  
16 other than the corporation.

17

18 (e) Any list of debt provided pursuant to this  
19 article shall be provided periodically as the corporation  
20 shall provide by rules and regulations and the corporation  
21 shall not be obligated to retain the lists or deduct debts  
22 appearing on the lists beyond the period determined by such  
23 rules and regulations.

24

1           (f) The corporation is authorized to prescribe forms  
2 and promulgate rules and regulations which it deems  
3 necessary to carry out the provisions of this article.

4

5           (g) The corporation and any claimant agency shall  
6 incur no civil or criminal liability for good faith  
7 adherence to the provisions of this section.

8

9           (h) The claimant agency shall pay the corporation for  
10 all costs incurred by the corporation in setting off debts  
11 in the manner provided in this article.

12

13           **21-24-205. Information provided to claimant agency;**  
14 **confidentiality.**

15

16           (a) Notwithstanding W.S. 21-24-123, which prohibits  
17 disclosure by the corporation of the contents of prize  
18 winner records or information and notwithstanding any other  
19 confidentiality statute, the corporation may provide to a  
20 claimant agency all information necessary to accomplish and  
21 effectuate the intent of this article.

22

23           (b) The information obtained by a claimant agency  
24 from the corporation in accordance with this article shall

1 retain its confidentiality and shall only be used by a  
2 claimant agency in the pursuit of its debt collection  
3 duties and practices. Any employee or prior employee of  
4 any claimant agency who unlawfully discloses any such  
5 information for any other purpose, except as otherwise  
6 specifically authorized by law, shall be subject to the  
7 same penalties specified by law for unauthorized disclosure  
8 of confidential information by an agent or employee of the  
9 corporation.

10

11 **21-24-206. Article applicable to prizes of \$5,000.00**  
12 **or more.**

13

14 The provisions of this article shall only apply to prizes  
15 of five thousand dollars (\$5,000.00) or more and shall not  
16 apply to any retailers authorized by the board to pay  
17 prizes of up to five thousand dollars (\$5,000.00) after  
18 deducting the price of the ticket or share, excepting that  
19 a claim for delinquent child support filed by the  
20 department of family services shall apply to all prizes of  
21 two thousand five hundred dollars (\$2,500.00), or more.

22

23 **Section 2.** W.S. 6-7-101(a)(iii) by creating a new  
24 subparagraph (J), 7-19-201(a) by creating a new paragraph



1 (xiii), 39-15-105(a)(viii) by creating a new subparagraph  
2 (S) and 39-16-105(a)(viii) by creating a new subparagraph  
3 (H) are amended to read:

4

5 **6-7-101. Definitions.**

6

7 (a) As used in this article:

8

9 (iii) "Gambling" means risking any property for  
10 gain contingent in whole or in part upon lot, chance, the  
11 operation of a gambling device or the happening or outcome  
12 of an event, including a sporting event, over which the  
13 person taking a risk has no control, but does not include:

14

15 (J) Any lottery game authorized and run by  
16 the Wyoming lottery corporation pursuant to W.S. 21-24-101  
17 through 21-24-131.

18

19 **7-19-201. State or national criminal history record**  
20 **information.**

21

22 (a) The following persons shall be required to submit  
23 to fingerprinting in order to obtain state and national  
24 criminal history record information:

1

2

3

4

5

6

**39-15-105. Exemptions.**

7

8

9

10

11

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13

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19

**39-16-105. Exemptions.**

20

21

22

23

(xiii) Persons required to receive a background investigation as provided in W.S. 21-24-101 through 21-24-131.

(a) The following sales or leases are exempt from the excise tax imposed by this article:

(viii) For the purpose of exempting sales of services and tangible personal property as an economic incentive, the following are exempt:

(S) Sales of and retail commissions on lottery tickets or shares and equipment necessary to operate a lottery under W.S. 21-24-101 through 21-24-131.

1           (viii) For the purpose of exempting sales of  
2 services and tangible personal property as an economic  
3 incentive, the following are exempt:

4

5                   (H) Purchase of and retail commissions on  
6 lottery tickets or shares and equipment necessary to  
7 operate a lottery under W.S. 21-24-101 through 21-24-131.

8

9           **Section 3.** This act is effective July 1, 2009.

10

11

(END)