

SENATE FILE NO. SF0073

Lottery revisions.

Sponsored by: Joint Revenue Interim Committee

A BILL

for

1 AN ACT relating to the Wyoming lottery; clarifying the  
2 calculation and disposition of expenses and proceeds of the  
3 lottery; revising terminology; specifying benefits for  
4 employees of the lottery; specifying requirements for  
5 procurement contracts; specifying use of the fidelity fund;  
6 revising requirements related to unclaimed prize money;  
7 making conforming changes; specifying applicability; and  
8 providing for an effective date.

9

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

11

12 **Section 1.** W.S. 9-17-103(a)(vii), (ix) and by creating  
13 a new paragraph (xv), 9-17-108(a)(i), 9-17-110 by creating a  
14 new subsection (h), 9-17-111(a) and (b)(intro), 9-17-113(d),  
15 9-17-116(a), 9-17-119(g), 9-17-120(a) and 9-17-128(a)(i) are  
16 amended to read:

1

2           **9-17-103. Definitions.**

3

4           (a) As used in this chapter:

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

15

16                       (ix) "Net proceeds" means all revenue ~~derived from~~  
17 ~~the sale of lottery tickets or shares and all other monies~~  
18 ~~derived from the lottery less operating expenses~~ less direct,  
19 indirect, operating and nonoperating expenses consistent with  
20 generally accepted accounting principles;

21

22                       (xv) "Confidential information" includes trade  
23 secrets, security measures, systems or procedures, security

1 reports, information concerning bids or other contractual  
2 data, the disclosure of which would impair the efforts of the  
3 corporation to contract for goods or services on favorable  
4 terms, employee personnel information unrelated to  
5 compensation, duties, qualifications or responsibilities,  
6 information related to agreements under multistate governing  
7 organizations and information obtained pursuant to  
8 investigations which is otherwise confidential.

9  
10 **9-17-108. Adoption by board of procedures regulating**  
11 **conduct of lottery games.**

12  
13 (a) The board may adopt regulations, policies and  
14 procedures regulating the conduct of lottery games in  
15 general, including, but not limited to, regulations, policies  
16 and procedures specifying:

17  
18 (i) The type of games to be conducted,  
19 specifically limited to a state lottery or a multi-state  
20 lottery, and shall not include ~~instant lotteries~~ instant-win  
21 tickets, scratch-off ticket games, video lottery terminals or  
22 any other electronic game involving direct physical contact  
23 between the player and a machine;

1

2           **9-17-110. Employees; compensation; restrictions;**  
3 **background investigations; bonding.**

4

5           (h) Employees of the corporation shall be covered by  
6 the Wyoming Retirement Act and the Wyoming Deferred  
7 Compensation Act.

8

9           **9-17-111. Disposition of lottery proceeds.**

10

11           (a) As nearly as practical, at least forty-five percent  
12 (45%) of the ~~net proceeds~~ total revenue from the sale of  
13 lottery tickets or shares shall be made available as prize  
14 money, provided, however, that this subsection shall be  
15 deemed not to create any lien, entitlement, cause of action  
16 or other private right and any rights of holders of tickets  
17 or shares shall be determined by the corporation in setting  
18 the terms of its lottery or lotteries.

19

20           (b) On or before the fifteenth day of each quarter, the  
21 corporation shall transfer to the treasurer's office, for  
22 credit to the lottery account which is hereby created, ~~the~~  
23 ~~amount of all~~ at least seventy-five percent (75%) of the net

1 proceeds ~~minus prizes and amounts earned pursuant to~~  
2 ~~subsection (a) of this section during~~ from the preceding  
3 quarter. Final reconciliation of the transfer to the state  
4 under this subsection shall be determined at the end of each  
5 fiscal year based on the audited annual financial statements.

6 Upon their deposit into the account, any monies representing  
7 a deposit of net proceeds shall then become the unencumbered  
8 property of the state of Wyoming and the corporation shall  
9 have no power to agree or undertake otherwise. At least once  
10 per fiscal year, these monies shall be paid by the treasurer  
11 to the treasurers of the counties, cities and towns for  
12 payment into their respective general funds. The percentage  
13 of the balance that will be distributed to each county and  
14 its cities and towns will be determined by computing the  
15 percentage that sales of lottery tickets collected by  
16 retailers in each county including its cities and towns bear  
17 to total sales of lottery tickets collected by retailers in  
18 all counties including their cities and towns. This  
19 percentage of the monies shall be distributed within each  
20 county as follows:

21

22 **9-17-113. Bonding requirements for vendors;**  
23 **qualifications of vendors; competitive bid requirement.**

1

2 (d) All major procurement contracts shall be  
3 competitively bid pursuant to policies and procedures  
4 approved by the board unless:

5

6 (i) There is only one (1) qualified vendor and  
7 that vendor has an exclusive right to offer the service or  
8 product; ~~or~~ or

9

10 (ii) The major procurement contract is an  
11 amendment, extension or renewal of an existing contract with  
12 terms that are not materially different than the terms of the  
13 existing contract.

14

15 **9-17-116. Fidelity fund for retailers; assessments.**

16

17 (a) The corporation may establish a fidelity fund  
18 separate from all other funds and shall assess each retailer  
19 a one (1) time fee not to exceed one hundred dollars (\$100.00)  
20 per sales location. The corporation is authorized to invest  
21 the funds or place the funds in one (1) or more interest  
22 bearing accounts. Monies deposited to the fund may be used  
23 to cover losses the corporation experiences due to

1 nonfeasance, misfeasance or malfeasance of a lottery  
2 retailer. In addition, the funds may be used to purchase  
3 blanket bonds covering the Wyoming lottery corporation  
4 against losses from all retailers. At the end of each fiscal  
5 year, the corporation shall pay to the general lottery fund  
6 any amount in the fidelity fund which exceeds ~~five hundred~~  
7 ~~thousand dollars (\$500,000.00)~~ two hundred fifty thousand  
8 dollars (\$250,000.00) and the funds shall be commingled with  
9 and treated as net proceeds from the lottery.

10

11 **9-17-119. Prize proceeds subject to attachments,**  
12 **garnishments or executions; validation of winning tickets;**  
13 **prohibited purchases; money dispensing machines; unclaimed**  
14 **prize money.**

15

16 (g) Unclaimed prize money shall ~~not constitute net~~  
17 ~~proceeds~~ be used to offset prize expenses. A portion of  
18 unclaimed prize money, not to exceed two hundred thousand  
19 dollars (\$200,000.00) annually, shall be used by the  
20 corporation to develop, in consultation with the department  
21 of health programs for the treatment of compulsive gambling  
22 disorder and educational programs related to the disorder.  
23 ~~In addition, unclaimed prize money may be added to the pool~~

1 ~~from which future prizes are to be awarded or used for special~~  
2 ~~prize promotions.~~

3

4           **9-17-120. Confidentiality of information;**  
5 **investigations; supervision and inspections; reports of**  
6 **suspected violations; assistance in investigation of**  
7 **violations.**

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9           (a) Except as authorized in this chapter, the  
10 corporation is subject to the provisions of W.S. 16-4-201  
11 through 16-4-205 and 16-4-401 through 16-4-408. ~~The~~  
12 ~~corporation is specifically authorized to determine which~~  
13 ~~information relating to the operation of the lottery is~~  
14 ~~confidential. Confidential information includes trade~~  
15 ~~secrets, security measures, systems or procedures, security~~  
16 ~~reports, information concerning bids or other contractual~~  
17 ~~data, the disclosure of which would impair the efforts of the~~  
18 ~~corporation to contract for goods or services on favorable~~  
19 ~~terms, employee personnel information unrelated to~~  
20 ~~compensation, duties, qualifications or responsibilities and~~  
21 ~~information obtained pursuant to investigations which is~~  
22 ~~otherwise confidential. Information deemed confidential~~  
23 ~~pursuant to this subsection~~ Confidential information is



1 exempt from the provisions of W.S. 16-4-201 through 16-4-205  
2 and may be discussed during executive session pursuant to  
3 W.S. 16-4-405(a). Meetings or portions of meetings devoted  
4 to discussing information deemed confidential pursuant to  
5 this subsection are exempt from W.S. ~~16-4-201 through~~  
6 ~~16-4-205~~ 16-4-401 through 16-4-408.

7

8 **9-17-128. Reports by corporation; audits; budget;**  
9 **fiscal year.**

10

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

13

14 (i) Submit quarterly and annual reports to the  
15 governor, department of audit, the joint revenue interim  
16 committee and the joint travel, recreation, wildlife and  
17 cultural resources interim committee disclosing the total  
18 lottery revenues, prize disbursements, ~~operating expenses~~ and  
19 ~~administrative~~ expenses of the corporation during the  
20 reporting period. The annual report shall additionally  
21 describe the organizational structure of the corporation and  
22 summarize the functions performed by each organizational  
23 division within the corporation;

1

2           **Section 2.** W.S. 9-17-103(a)(i) and (x) is repealed.

3

4           **Section 3.** The benefits specified for employees of the  
5 lottery corporation as provided in W.S. 9-17-110(h) created  
6 in section 1 of this act shall be effective beginning on the  
7 effective date of this act.

8

9           **Section 4.** The change in the accounting of revenue and  
10 proceeds of the lottery under sections 1 and 2 of this act  
11 shall be reflected through reclassification journal entries  
12 on the balance sheet of the lottery corporation effective on  
13 the effective date of this act.

14

15           **Section 5.** This act is effective July 1, 2019.

16

17

(END)