

HOUSE BILL NO. HB0133

Online sports wagering.

Sponsored by: Representative(s) Walters, Brown, Burkhart,
Harshman, Henderson and Zwonitzer and
Senator(s) Gierau and Wasserburger

A BILL

for

1 AN ACT relating to online sports wagering; authorizing
2 online sports wagering; providing for regulation by the
3 Wyoming gaming commission; imposing fees; requiring
4 rulemaking; creating an account; providing for the
5 collection and distribution of revenues from online sports
6 wagering to the state; creating penalties; specifying that
7 fantasy sports contests are not gambling; and providing for
8 effective dates.

9

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

11

12 **Section 1.** W.S. 9-24-101 through 9-24-106 is created
13 to read:

14

15

CHAPTER 24

1 GAMING COMMISSION REGULATED ACTIVITIES

2

3 ARTICLE 1

4 ONLINE SPORTS WAGERING

5

6 **9-24-101. Definitions.**

7

8 (a) As used in this chapter:

9

10 (i) "Cash equivalent" means an asset that is
11 convertible to cash and approved for use in connection with
12 online sports wagering. Approved cash equivalents include:

13

14 (A) Travelers checks;

15

16 (B) Foreign currency and coin;

17

18 (C) Certified checks, cashier's checks and
19 money orders;

20

21 (D) Personal checks and drafts;

22

23 (E) Digital, crypto and virtual currencies;

1

2 (F) Online and mobile payment systems that
3 support online money transfers;

4

5 (G) Credit cards and debit cards;

6

7 (H) Prepaid access instruments;

8

9 (J) Any other form of asset that is
10 convertible to cash approved by commission rules.

11

12 (ii) "Commission" means the Wyoming gaming
13 commission;

14

15 (iii) "Director" means the executive director of
16 the commission;

17

18 (iv) "Fantasy sports contest" means a simulated
19 game or contest with an entry fee that meets all of the
20 following conditions:

21

1 (A) No fantasy sports contest team is
2 composed entirely of individual contestants who are members
3 of the same real world sports team;

4

5 (B) Each prize and award or the value of
6 all prizes and awards offered to winning fantasy sports
7 contest players is made known to the fantasy sports contest
8 players in advance of the fantasy sports contest;

9

10 (C) Each winning outcome reflects the
11 relative knowledge and skill of the fantasy sports contest
12 players and is determined by the aggregated statistical
13 results of the performance of multiple individual
14 contestants who each fantasy sports contest player has
15 selected to form that player's fantasy sports contest team.
16 The individual performances of the individual contestants
17 in the fantasy sports contest directly correspond with the
18 actual performances of those contestants in a real world
19 sporting event in which those individuals participated;

20

21 (D) A winning outcome is not based on the
22 performance of a single real world sports team, any
23 combination of real world sports teams or a single

1 contestant in a real world sporting event, nor is it based
2 on the score or point spread of one (1) or more real world
3 sporting events;

4

5 (E) The fantasy sports contest does not
6 constitute or involve a slot machine or a fixed, commercial
7 electrical gaming device.

8

9 (v) "Fantasy sports contest player" means a
10 person who engages in selecting individual contestants to
11 comprise a team for a fantasy sports contest;

12

13 (vi) "Online sports wagering" means engaging in
14 sports wagering conducted by a sports wagering operator
15 through a sports wagering account over the internet by use
16 of a computer, digital platform or mobile application on a
17 mobile device, any of which uses communications technology
18 to accept sports wagers or any system or method of
19 electronic sports wagering approved by commission rules;

20

21 (vii) "Online sports wagering revenue" means the
22 total of all wagers placed by patrons with an online sports
23 wagering operator, excluding free wagers and promotional

1 play, minus all payments to patrons and minus any
2 applicable federal excise taxes. Payments to patrons
3 include all payments of cash, cash equivalents, merchandise
4 and any other thing of value;

5

6 (viii) "Prohibited sports wager" means:

7

8 (A) A wager involving any sporting event or
9 other event where the majority of contestants or athletes
10 in the sporting event are under the age of eighteen (18)
11 years;

12

13 (B) Any wagering category not authorized by
14 law or commission rules adopted in compliance with law.

15

16 (ix) "Qualified gaming entity" means a gaming
17 entity that offers online sports wagering through
18 computers, digital platforms or mobile applications in not
19 less than (5) jurisdictions in the United States pursuant
20 to a state regulatory structure;

21

22 (x) "Sporting event" means any professional
23 sports event or athletic event, any Olympic or

1 international sports event or athletic event, any amateur
2 sports event or athletic event, any collegiate sports event
3 or athletic event, electronic sports, or any portion
4 thereof, including the individual performance statistics of
5 contestants or athletes in sports events, athletic events
6 or a combination of sports and athletic events, or any
7 other event approved by commission rules;

8

9 (xi) "Sports wagering" means the business of
10 placing and accepting wagers on sporting events through
11 online sports wagering. "Sports wagering" wagers include
12 single game bets, teaser bets, parlays, over-under,
13 moneyline, pools, exchange wagering, in-game wagering,
14 in-play bets, proposition bets and straight bets. "Sports
15 wagering" shall not include any of the following:

16

17 (A) Activities other than online sports
18 wagering that are exempted from criminal penalties under
19 W.S. 6-7-101 through 6-7-104;

20

21 (B) Activities outside of this chapter
22 authorized or regulated by the commission;

23

1 (C) Lotteries authorized by law;

2

3 (D) Fantasy sports contests;

4

5 (E) Prohibited sports wagers.

6

7 (xii) "Sports wagering account" means a
8 financial record established by a sports wagering operator
9 for an individual patron into which the patron may deposit
10 and from which the patron may withdraw funds for sports
11 wagering and other purchases, and into which the sports
12 wagering operator may credit winnings or other amounts due
13 to that patron or authorized by that patron. In compliance
14 with any other applicable law, a sports wagering account
15 may be established electronically through an approved
16 mobile application or digital platform;

17

18 (xiii) "Sports wagering operator" means any
19 qualified gaming entity authorized by the commission to
20 accept online sports wagers;

21

22 (xiv) "Sports wagering vendor" means a vendor
23 that provides services to a sports wagering operator that

1 the sports wagering operator uses to accept online sports
2 wagers, including geolocation services, know your customer
3 services, payment processors and data providers.

4

5 **9-24-102. Online sports wagering regulation;**
6 **rulemaking.**

7

8 (a) The commission shall regulate online sports
9 wagering and sports wagering operators and vendors.

10

11 (b) The commission shall promulgate rules to
12 implement this chapter. The rules the commission
13 promulgates shall establish standards and procedures for
14 online sports wagering and associated sports wagering
15 systems. The rules shall include:

16

17 (i) Governance of the conduct of online sports
18 wagering and the system of wagering associated with online
19 sports wagering, including all of the following:

20

21 (A) Terms and conditions for online sports
22 wagering that are compliant with all applicable federal
23 laws;

1

2 (B) Identification of the sporting events
3 upon which online sports wagers may be accepted and methods
4 of play;

5

6 (C) The manner in which online sports
7 wagers are received and payoffs are remitted;

8

9 (D) Procedures for managing and resolving
10 suspected cheating, sports wagering irregularities and
11 complaints;

12

13 (E) A requirement that for a player to make
14 a lawful wager the player must be physically present in the
15 state when making the wager unless otherwise authorized by
16 the commission;

17

18 (F) A requirement for each sports wagering
19 operator to use a geolocation system to ensure that a
20 player making an online sports wager is physically present
21 in the state when making the wager unless otherwise
22 authorized by the commission;

23

1 (G) Internal controls for all aspects of
2 online sports wagering, including procedures for system
3 integrity, system security, operations and accounting;

4

5 (H) Operational controls for online gaming
6 accounts;

7

8 (J) Procedures to ensure that sports
9 wagering operators do not offer prohibited sports wagers.

10

11 (ii) Establishing the method for calculating
12 online sports wagering revenue and standards for the
13 counting and recording of cash and cash equivalents
14 received in the conduct of online sports wagering, to
15 include methods for ensuring that internal controls are
16 followed, financial records are maintained and audits are
17 conducted;

18

19 (iii) Reasonable minimum qualifications for
20 sports wagering operators;

21

1 (iv) Any other matters necessary for overseeing
2 online sports wagering and sports wagering operators and
3 vendors.

4

5 (c) In promulgating rules pursuant to this section,
6 the commission shall examine the regulations implemented in
7 other states where online sports wagering is conducted and
8 shall, as far as practicable, adopt a similar regulatory
9 framework to maximize revenue generated for the state.

10

11 **9-24-103. Permits; fees; application.**

12

13 (a) A sports wagering operator shall possess a permit
14 issued by the commission to accept online sports wagers. No
15 person shall accept online sports wagers without holding a
16 valid permit issued by the commission.

17

18 (b) A qualified gaming entity applying for a sports
19 wagering operator permit shall do so on a uniform
20 application furnished by the commission. The fee for both
21 an initial application and renewal application shall be two
22 thousand five hundred dollars (\$2,500.00). The application
23 shall require an applicant, at a minimum, to provide:

1

2 (i) The full name, current address and contact
3 information of the applicant;

4

5 (ii) Disclosure of each person who has control
6 of the applicant as described in subsection (g) of this
7 section;

8

9 (iii) The applicant's fingerprints and the
10 fingerprints of individuals identified in subsection (g) of
11 this section considered to have control of an applicant or
12 permit holder;

13

14 (iv) Consent to permit the commission to conduct
15 a criminal history record check of the applicant and each
16 individual disclosed under subsection (g) of this section
17 in accordance with procedures established by the
18 commission. This subsection shall not require an applicant
19 or individual who has submitted to a criminal background
20 check in this or any other state within the twelve (12)
21 months before submitting the application to resubmit to
22 another criminal background check provided that the
23 applicant or individual submits the results of the previous

1 criminal background check and affirms that there has been
2 no material change in the criminal history since the time
3 of the criminal background check. The cost of the criminal
4 history record background check shall be paid using a
5 portion of the applicant's application fee;

6

7 (v) Other information and permissions as
8 requested by the commission;

9

10 (vi) For the applicant and each person disclosed
11 under subsection (g) of this section, a record of previous
12 issuances and denials of any gambling related license or
13 application under Wyoming statutes or in any other
14 jurisdiction in the United States;

15

16 (vii) Any additional information required by
17 commission rules.

18

19 (c) The commission shall charge a permit fee of one
20 hundred thousand dollars (\$100,000.00) for an initial
21 sports wagering operator permit. An initial permit and any
22 renewal permit shall each be valid for five (5) years. The

1 commission shall charge a fee of fifty thousand dollars
2 (\$50,000.00) for a sports wagering operator permit renewal.

3

4 (d) A sports wagering vendor shall possess a permit
5 issued by the commission to conduct business in the state.
6 No person shall provide vendor services to a sports
7 wagering operator without holding a valid permit issued by
8 the commission.

9

10 (e) The commission shall charge a fee of ten thousand
11 dollars (\$10,000.00) for an initial sports wagering vendor
12 permit. An initial permit and any renewal permit shall each
13 be valid for five (5) years. The commission shall charge a
14 fee of five thousand dollars (\$5,000.00) for a sports
15 wagering vendor permit renewal.

16

17 (f) Sports wagering operator and sports wagering
18 vendor permit fees charged pursuant to subsections (c) and
19 (e) of this section shall be deposited in the sports
20 wagering account, which is hereby created. Subject to
21 legislative appropriation, amounts within the account may
22 be used by the commission for all expenses incurred in
23 administering this chapter. On a quarterly basis, the

1 commission shall transfer amounts within the account in
2 excess of one million dollars (\$1,000,000.00) to the state
3 treasurer for credit to the general fund.

4

5 (g) The following persons are considered to have
6 control of a sports wagering operator permit applicant or
7 permit holder:

8

9 (i) Each holding company, parent company or
10 subsidiary company of the applicant or permit holder;

11

12 (ii) Each person, except for a bank or other
13 licensed lending institution that holds a mortgage or other
14 lien acquired in the ordinary course of business, who owns
15 fifteen percent (15%) or more of a corporate applicant or
16 permit holder and has the ability to:

17

18 (A) Control the activities of the corporate
19 applicant or permit holder; or

20

21 (B) Elect a majority of the board of
22 directors of that corporate applicant or permit holder.

23

1 (iii) Each person associated with a noncorporate
2 applicant or permit holder who directly or indirectly holds
3 a beneficial or proprietary interest in the noncorporate
4 applicant's or permit holder's business operations or who
5 the commission otherwise determines has the ability to
6 control the noncorporate applicant or permit holder;

7

8 (iv) Key personnel of an applicant or permit
9 holder, including any executive, employee or agent having
10 the power to exercise ultimate decision making authority
11 over the applicant's or permit holder's sports wagering
12 operations in this state.

13

14 (h) The commission shall not issue a sports wagering
15 operator permit to a qualified gaming entity if:

16

17 (i) The applicant or permit holder has knowingly
18 made a false statement of material fact to the commission;

19

20 (ii) The applicant or permit holder has
21 intentionally not disclosed the existence or identity of
22 other persons who have control of the applicant or permit
23 holder as required by this section;

1

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

5

6 (iv) The applicant or permit holder or a person
7 who has control of an applicant or permit holder has been
8 convicted of a crime of moral turpitude, a gambling related
9 offense, a theft or fraud offense, or has otherwise
10 demonstrated, either by a police record or other evidence
11 satisfactory to the commission, a lack of respect for law
12 and order;

13

14 (v) The applicant or permit holder has not
15 demonstrated to the satisfaction of the commission
16 financial responsibility sufficient to adequately meet the
17 requirements of this chapter; or

18

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

23

1 (j) Given a sufficient number of applicants, at any
2 one (1) time the commission shall issue not less than five
3 (5) sports wagering operator permits to applicants that
4 satisfy the requirements under this chapter. If an
5 insufficient number of applicants apply for a sports
6 wagering operator permit, this provision shall not be
7 interpreted to direct the commission to issue a permit to
8 an unqualified applicant.

9

10 (k) The commission may issue a temporary sports
11 wagering operator permit for the conduct of sports wagering
12 as specified by rule and may, in lieu of confirming that a
13 sports wagering operator permit applicant qualifies under
14 this chapter, issue a permit to a sports wagering operator
15 that has paid all required fees under subsection (c) of
16 this section and that is currently operating in good
17 standing under a regulatory framework in a United States
18 jurisdiction that the commission deems comparable to that
19 of the state of Wyoming.

20

21 (m) The commission shall issue a permit to a sports
22 wagering vendor that is currently operating in good
23 standing in a similar role in at least five (5)

1 jurisdictions in the United States under a state regulatory
2 structure and that has paid all required fees under
3 subsection (e) of this section.

4

5 **9-24-104. Distribution of revenue.**

6

7 Not later than the fifteenth day of each month, in
8 accordance with commission rules, a sports wagering
9 operator shall remit ten percent (10%) of online sports
10 wagering revenue from the prior month to the commission.
11 Monies remitted to the commission shall be deposited by the
12 state treasurer into the general fund. The sports wagering
13 operator shall be permitted to carry over negative sports
14 wagering revenues and apply those amounts to returns filed
15 for subsequent months, provided that the amount may not be
16 carried over and deducted against tax liability in any
17 month that is more than six (6) months after the month in
18 which the negative sports wagering revenues were accrued.

19

20 **9-24-105. Age to engage in online sports wagering.**

21

22 No person under the age of eighteen (18) years shall engage
23 in online sports wagering.

1

2 **9-24-106. Penalties.**

3

4 (a) Any person who knowingly accepts online sports
5 wagers or otherwise operates a business of sports wagering
6 and does not possess a valid permit issued by the
7 commission under this chapter shall be subject to the
8 following, in addition to any penalty imposed under W.S.
9 6-7-102:

10

11 (i) For a first offense, a civil penalty of five
12 thousand dollars (\$5,000.00);

13

14 (ii) For a second or subsequent offense, a civil
15 penalty of ten thousand dollars (\$10,000.00).

16

17 (b) When a series of similar events result in a
18 violation under this chapter or commission rules, those
19 events that occur within the same month shall be treated as
20 one offense and not separate and distinct offenses.

21

1 **Section 2.** W.S. 6-7-101(a)(iii) by creating new
2 subparagraphs (N) and (O) and 11-25-104(d) and (o) are
3 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 any of the following:

15

16 (N) Online sports wagering regulated under
17 W.S. 9-24-101 through 9-24-106;

18

19 (O) Fantasy sports contests as defined in
20 W.S. 9-24-101(a)(iv).

21

1 11-25-104. Gaming commission; officers; director;
2 meetings; quorum; records; licenses generally; effect of
3 financial interest in events.
4

5 (d) Any member of the commission who owns or has any
6 interest, or whose spouse or member of his immediate family
7 has any interest, in any activity regulated by the
8 commission or in an animal participating in a pari-mutuel
9 event shall disclose that interest and shall not
10 participate in any commission decision involving a protest
11 regarding that activity or occurring at that pari-mutuel
12 event.
13

14 (o) In addition to all other duties, the commission,
15 in the reasonable exercise of its discretion, shall:

16
17 (i) Enforce W.S. 6-7-101 through 6-7-104;

18
19 (ii) Regulate online sports wagering and sports
20 wagering operators and vendors under W.S. 9-24-101 through
21 9-24-106.
22

1 **Section 3.** Not later than July 1, 2021, the
2 commission shall promulgate rules required by this act.
3

4 **Section 4.**

5
6 (a) Except as provided in subsection (b) of this
7 section, this act is effective July 1, 2021.
8

9 (b) Sections 3 and 4 of this act are effective
10 immediately upon completion of all acts necessary for a
11 bill to become law as provided by Article 4, Section 8 of
12 the Wyoming Constitution.
13

14 (END)