

HOUSE BILL NO. HB0234

Gaming regulation.

Sponsored by: Representative(s) Walters, Blake, Hunt and
Walters and Senator(s) Coe, Driskill, Gierau
and Landen

A BILL

for

1 AN ACT relating to gaming; providing for regulation of
2 certain types of games; requiring permitting; providing for
3 fees and taxes; providing penalties; providing rulemaking
4 authority; and providing for effective dates.

5

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

7

8 **Section 1.** W.S. 9-17-201 through 9-17-204 are created
9 to read:

10

11

ARTICLE 2

12

SKILL BASED AMUSEMENT GAMES

13

14 **9-17-201. Definitions.**

15

1 (a) As used in this article:

2

3 (i) "Distributor" means a person engaged in the
4 business of leasing or selling skill based amusement games
5 to operators;

6

7 (ii) "Establishment" means a single physical
8 place of business wherein skilled based amusement games are
9 operated for profit;

10

11 (iii) "Gross income" means all revenue less
12 payment of winnings;

13

14 (iv) "Manufacturer" means a person engaged in
15 the business of initially constructing skill based
16 amusement games and selling skill based amusement games and
17 software to distributors;

18

19 (v) "Operator" means a person that owns or
20 leases skill based amusement games and operates skill based
21 amusement games for profit;

22

1 (vi) "Skill based amusement game" means a game
2 played in exchange for consideration of cash, credit or
3 other thing of value on a fixed, commercial electrical
4 gaming device in which the bona fide skill of the player,
5 determined by an individual's level of strategy and skill
6 rather than any inherent element of chance, is the primary
7 factor in determining the outcome and for which the player
8 may be awarded a prize or other thing of value for a
9 successful outcome;

10

11 (vii) "Terminal collection and control system"
12 means a programmable system, not directly connected to the
13 internet, that provides complete game information,
14 including reports, regarding the use of skill based
15 amusement games and that has the ability to authorize or
16 deauthorize game play.

17

18 **9-17-202. Permits; fees; requirements.**

19

20 (a) The board shall regulate skill based amusement
21 games, establishments with skill based amusement games and
22 manufacturers, distributor and operators of skill based
23 amusement games. An establishment shall possess a permit

1 issued by the board to allow the operation of skill based
2 amusement games. A manufacturer shall possess a permit
3 issued by the board to sell skill based amusement games in
4 Wyoming. A distributor shall possess a permit issued by the
5 board to lease or sell skill based amusement games in
6 Wyoming. An operator shall possess a permit issued by the
7 board to own or operate a skill based amusement game at the
8 operator's place of business in Wyoming.

9

10 (b) A person applying for an initial establishment,
11 manufacturer, distributor or operator permit shall do so on
12 a uniform application furnished by the corporation. The
13 applicant shall provide the board fingerprints and other
14 information and permission necessary for a criminal history
15 record background check. The corporation shall perform full
16 criminal background investigations on all permit
17 applicants. The cost of the criminal history record
18 background check shall be paid using a portion of the
19 applicant's permit fee charged pursuant to subsection (d)
20 of this section.

21

22 (c) The board shall issue permits to qualified
23 applicants. The board shall develop a list of objective

1 criteria upon which the qualification of establishments,
2 manufacturers, distributors and operators shall be based.
3 In developing these criteria, the board shall consider
4 factors including the applicant's financial responsibility,
5 security of the applicant's place of business or activity,
6 accessibility to the public, integrity and reputation. The
7 board shall not consider political affiliation, activities
8 or monetary contributions to political organizations or
9 candidates for any public office.

10

11 (d) The board shall charge a fee of five hundred
12 dollars (\$500.00) for an initial establishment fee. The
13 board shall charge a fee of five thousand dollars
14 (\$5,000.00) for an initial distributor or operator permit.
15 The board shall charge a fee of ten thousand dollars
16 (\$10,000.00) for an initial manufacturer permit. A permit
17 shall be valid for one (1) year. The board shall charge a
18 fee of two hundred fifty dollars (\$250.00) for an
19 establishment permit renewal. The board shall charge a fee
20 of two thousand five hundred dollars (\$2,500.00) for a
21 distributor or operator permit renewal. The board shall
22 charge a fee of five thousand dollars (\$5,000.00) for a
23 manufacturer permit renewal.

1

2 (e) Permit fees charged pursuant to subsection (d) of
3 this section shall be remitted to the state treasurer for
4 deposit in the lottery corporation gaming account, which is
5 hereby created. Amounts within the account may be used by
6 the corporation for operating expenses incurred in
7 administering this article.

8

9 (f) The board shall regulate skill based amusement
10 games in accordance with the following:

11

12 (i) Each manufacturer shall provide for a
13 nationally recognized, independent gaming laboratory
14 approved by the board to directly submit to the board a
15 general functional evaluation laboratory report regarding
16 the software installed on each skill based amusement game
17 indicating whether the skill based amusement game is in
18 compliance with this article;

19

20 (ii) A skill based amusement game shall allow a
21 player to exercise control over the game to the extent that
22 there are no automatic winners and no prize shall be

1 awarded without application of the player's skill and
2 strategy;

3

4 (iii) Increased game prizes shall require a
5 higher level of skill and strategy from the player;

6

7 (iv) If a skill based amusement game includes
8 any form of a puzzle game, the player shall be able to
9 preview and evaluate the puzzle prior to the payment of
10 cash, credit or other thing of value in order to play the
11 game;

12

13 (v) No skill based amusement game shall allow a
14 game play of more than three dollars (\$3.00) per play;

15

16 (vi) No skill based amusement game shall allow a
17 payout of more than three thousand dollars (\$3,000.00) per
18 play;

19

20 (vii) Each skill based amusement game shall be
21 equipped with a terminal collection and control system. A
22 terminal collection and control system shall calculate
23 gross income earned by the operator on a skill based

1 amusement game. Gross income shall be made for the operator
2 to earn in increments of ten thousand dollars (\$10,000.00).
3 Once an increment made available to earn is entirely
4 depleted, the terminal collection and control system shall
5 deauthorize play on the skill based amusement game until
6 another increment is made available to earn. The board
7 shall by rule establish an appropriate minimum payout ratio
8 for skill based amusement games;

9

10 (viii) An establishment shall have not more than
11 five (5) skill based amusement games at any one (1) time;

12

13 (ix) An establishment shall not locate a skill
14 based amusement game in an area of the establishment into
15 which a person under the age of eighteen (18) years may
16 enter. An establishment shall conspicuously mark each area
17 of the business with a skill based amusement game as an
18 "age-restricted area." The establishment shall not allow a
19 person under the age of eighteen (18) years to play a skill
20 based amusement game;

21

22 (x) Each board approved skill based amusement
23 game shall bear a board issued decal. The decal shall

1 identify the manufacturer of the skill based amusement
2 game. Decals shall not be transferred between skill based
3 amusement games. A decal shall be valid for twelve (12)
4 months. The board shall charge an annual fee of fifty
5 dollars (\$50.00) for a decal. Fees charged pursuant to this
6 paragraph shall be remitted to the state treasurer for
7 deposit in the lottery corporation gaming account;

8

9 (xi) A skill based amusement game shall only be
10 operable for play when located in an establishment that
11 possesses a valid license issued under W.S. 12-4-201,
12 12-4-301, 12-4-401, 12-4-407 or 12-4-413.

13

14 (g) The board may conduct inspections of skill based
15 amusement games and terminal collection and control systems
16 as it deems necessary to administer this article.

17

18 (h) The board shall promulgate appropriate
19 recordkeeping and reporting rules for establishments,
20 manufacturers, distributors and operators and any other
21 appropriate rules to allow for administration and
22 enforcement of this article. The promulgation of these

1 rules shall be exempt from the requirements of W.S.
2 16-3-101 through 16-3-115.

3

4 (j) Any establishment, manufacturer, distributor or
5 operator aggrieved by an action of the board may appeal
6 that decision to the first judicial district court.

7

8 **9-17-203. Distributions to state, counties, cities**
9 **and towns.**

10

11 (a) Taxes shall be calculated and paid on a daily
12 basis based on the gross income authorized by the terminal
13 collection and control system for software sales in
14 increments of ten thousand dollars (\$10,000.00).

15

16 (b) On a daily basis, a manufacturer shall remit to
17 the corporation an amount equivalent to four and one-half
18 percent (4.5%) on each gross income increment of ten
19 thousand dollars (\$10,000.00) authorized on the
20 manufacturer's skill based amusement games. The corporation
21 shall remit these monies to the state treasurer for
22 distribution to each county and its cities and towns by
23 computing the proportion of monies collected that are

1 attributable to operators in the county including its
2 cities and towns to total monies collected from all
3 operators in all counties including their cities and towns.
4 This proportion of the balance shall be distributed within
5 each county as follows:

6

7 (i) To a county in the proportion that the
8 population of the county situated outside the corporate
9 limits of its cities and towns bears to the total
10 population of the county including cities and towns;

11

12 (ii) To each city and town within the county in
13 the proportion the population of the city or town bears to
14 the total population of the county including its cities and
15 towns.

16

17 (c) On a daily basis, a manufacturer shall remit to
18 the corporation an amount equivalent to four and one-half
19 percent (4.5%) on each gross income increment of ten
20 thousand dollars (\$10,000.00) authorized on the
21 manufacturer's skill based amusement games. The corporation
22 shall remit these monies to the state treasurer for
23 distribution to the school foundation program account.

1

2 (d) On a daily basis, a manufacturer shall remit to
3 the corporation an amount equivalent to one percent (1%) on
4 each gross income increment of ten thousand dollars
5 (\$10,000.00) authorized on the manufacturer's skill based
6 amusement games. The corporation shall deposit these monies
7 in the lottery corporation gaming account to be used for
8 operating expenses of the corporation.

9

10 (e) The chief executive officer shall provide
11 annually to the department of audit, the joint revenue
12 interim committee, the joint travel, recreation, wildlife
13 and cultural resources interim committee and the board a
14 full and complete statement of revenues received by the
15 corporation pursuant to this article.

16

17 **9-17-204. Penalties.**

18

19 (a) An operator who knowingly allows the operation of
20 one (1) or more of the operator's skill based amusement
21 games and who does not possess a valid operator permit
22 issued by the board under this article shall be subject to

1 the following, in addition to any penalty imposed under
2 W.S. 6-7-102:

3

4 (i) For a first offense:

5

6 (A) A civil penalty of five thousand
7 dollars (\$5,000.00) per skill based amusement game in
8 violation; and

9

10 (B) Forfeiture of each of the operator's
11 skill based amusement games in operation.

12

13 (ii) For a second or subsequent offense:

14

15 (A) A civil penalty of ten thousand dollars
16 (\$10,000.00) per skill based amusement game in violation;
17 and

18

19 (B) Forfeiture of each of the operator's
20 skill based amusement games in operation.

21

1 (b) The board shall not issue an operator permit to a
2 person who has been subject to multiple civil penalties
3 under subsection (a) of this section.

4

5 (c) An operator or distributor who possesses a valid
6 permit issued by the board under this article who knowingly
7 allows the operation of one (1) or more of the operator's
8 skill based amusement games to be operated in a manner
9 inconsistent with the requirements of W.S. 9-17-202(f)(i)
10 through (xi) shall be subject to a civil penalty of five
11 thousand dollars (\$5,000.00) per skill based amusement game
12 operated in a manner inconsistent with W.S. 9-17-202(f)(i)
13 through (xi), in addition to any penalty imposed under W.S.
14 6-7-102.

15

16 **Section 2.** W.S. 6-7-101(a)(iii) by creating a new
17 subparagraph (M), 7-19-201(a)(xxi) and 9-17-103(a)(vi) and
18 (xiv) are amended to read:

19

20 **6-7-101. Definitions.**

21

22 (a) As used in this article:

23

1 (iii) "Gambling" means risking any property for
2 gain contingent in whole or in part upon lot, chance, the
3 operation of a gambling device or the happening or outcome
4 of an event, including a sporting event, over which the
5 person taking a risk has no control, but does not include
6 any of the following:

7
8 (M) Playing any skill based amusement game,
9 as defined in W.S. 9-17-201(a)(vi), which bears a decal
10 issued by the lottery corporation.

11
12 **7-19-201. State or national criminal history record**
13 **information.**

14
15 (a) The following persons shall be required to submit
16 to fingerprinting in order to obtain state and national
17 criminal history record information:

18
19 (xxi) Board members, applicants, vendors, and
20 retailers, establishments, manufacturers, distributors and
21 operators required to receive a background investigation as
22 provided in W.S. 9-17-104(c), 9-17-110(e), and ~~9-17-120(b)~~
23 and (c)(i) and 9-17-202(b). Fingerprint card submissions

1 under this paragraph shall be forwarded through the
2 division of criminal investigation and the division of
3 criminal investigation shall be responsible for receiving
4 and screening the results of any record check to determine
5 an applicant's suitability for employment or licensing
6 under the provisions specified in this paragraph;

7

8 **9-17-103. Definitions.**

9

10 (a) As used in this chapter:

11

12 (vi) "Lottery," "lotteries," "lottery game" or
13 "lottery games" means any game of chance approved by the
14 board and operated pursuant to this ~~chapter~~article,
15 specifically limited to a state lottery or multi-state
16 games, and shall not include instant tickets, scratch-off
17 tickets, video lottery terminals or any other electronic
18 game involving direct physical contact between the player
19 and a machine;

20

21 (xiv) "Vendor" or "retailer" means any person
22 authorized to supply lottery goods or services under this
23 ~~act~~article.

1

2 **Section 3.** The board of directors of the lottery
3 corporation shall promulgate rules required by this act not
4 later than July 1, 2020.

5

6 **Section 4.**

7

8 (a) Except as provided in subsection (b) of this
9 section, this act is effective July 1, 2020.

10

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

15

16

(END)