

6

HOUSE BILL 0075.

HOUSE BILL 2025

I

AN ACT to create W.S. 37-9-1101 through 37-9-1111; and to amend W.S. 6-7-101(a)(iii) by creating a new subparagraph (G), 9-1-612(a), 9-1-613 by creating a new subsection (e) and 9-1-618 by creating a new subsection (c) relating to public gaming; specifically authorizing public gaming on passenger trains providing regularly scheduled passenger service subject to licensing requirements; providing definitions; establishing the director of the division of criminal investigation as the state gaming authority; prescribing duties and delegating enforcement and rulemaking authority; providing for licensure; imposing license fees, excise taxes and bonding requirements; prescribing license limitations; imposing penalties; providing an appropriation; and providing for an effective date.

Introduced by:

[illegible]

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House of Intro				Second House			
To Com. No.				To Com No.			
Stand Report	Do	Amd	Not	Stand Report	Do	Amd	Not
Com Whole	Do	Amd	Not	Com Whole	Do	Amd	Not
2nd Reading	Amd			2nd Reading	Amd		
3rd Reading	Amd	Pass	Fail	3rd Reading	Amd	Pass	Fail

1991

STATE OF WYOMING

91LSO-0015.01

HOUSE BILL NO. 0075

Gaming on passenger trains.

Sponsored by: JOINT TRANSPORTATION AND HIGHWAYS INTERIM COMMITTEE

A BILL

for

1 AN ACT to create W.S. 37-9-1101 through 37-9-1111; and to
2 amend W.S. 6-7-101(a)(iii) by creating a new subparagraph
3 (G), 9-1-612(a), 9-1-613 by creating a new subsection (e)
4 and 9-1-618 by creating a new subsection (c) relating to
5 public gaming; specifically authorizing public gaming on
6 passenger trains providing regularly scheduled passenger
7 service subject to licensing requirements; providing defi-
8 nitions; establishing the director of the division of
9 criminal investigation as the state gaming authority; pre-
10 scribing duties and delegating enforcement and rulemaking
11 authority; providing for licensure; imposing license fees,
12 excise taxes and bonding requirements; prescribing license
13 limitations; imposing penalties; providing an appropria-

1 tion; and providing for an effective date.

2 Be It Enacted by the Legislature of the State of Wyoming:

3 Section 1. W.S. 37-9-1101 through 37-9-1111 are cre-
4 ated to read:

5 ARTICLE 11

6 GAMING ON PASSENGER TRAINS

7 37-9-1101. Definitions.

8 (a) As used in this article:

9 (i) "Approved gaming operations" means gaming
10 activities conducted on the premises of passenger trains
11 licensed and approved by the state gaming authority pursu-
12 ant to this article;

13 (ii) "Gaming activity" means any banking or per-
14 centage game authorized by the state gaming authority
15 which is conducted on the premises of passenger trains and
16 is played with cards, dice or any electronic, electrical
17 or mechanical device or machine for money, property or any
18 representative of value approved by the gaming authority;

19 (iii) "Gross receipts" means the total amount

1 received from the conduct of authorized gaming operations
2 less amounts paid out in winnings to gaming participants
3 or the actual cost of prizes, as appropriate;

4 (iv) "State gaming authority" means the director
5 of the Wyoming division of criminal investigation within
6 the office of the attorney general serving as the state
7 gaming authority pursuant to W.S. 9-1-612.

8 37-9-1102. Application. The general control and regu-
9 latory provisions of this article apply only to approved
10 gaming operations conducted upon the premises of passenger
11 trains licensed under this article.

12 37-9-1103. State gaming authority; duties; authority
13 to issue subpoenas; refusal to comply.

14 (a) The state gaming authority shall:

15 (i) Promulgate rules and regulations necessary
16 to implement this article and shall administer this arti-
17 cle;

18 (ii) Establish standards and operating proce-
19 dures for gaming activities and gaming machines authorized
20 by the authority;

1 (iii) Monitor the conduct or business of licen-
2 sees under this article to the extent necessary to ensure
3 compliance with this article and its rules and regula-
4 tions;

5 (iv) Enforce this article and its rules and reg-
6 ulations and conduct examinations, inspections and inves-
7 tigations as necessary for the enforcement of this arti-
8 cle, applicable state law and its rules and regulations;
9 and

10 (v) Assess and collect taxes imposed under this
11 article and to ensure payment, establish necessary
12 accounting and auditing procedures.

13 (b) In any examination, inspection or investigation
14 conducted pursuant to this article, the state gaming
15 authority may by subpoena require the production of books,
16 papers, records, files, correspondence, documents and
17 other evidence relevant to the inquiry.

18 (c) Upon refusal of any person to comply with any
19 subpoena and upon application by the state gaming author-
20 ity, the district court of the county in which the exami-
21 nation, inspection or investigation is conducted or in
22 which the person resides or may be found, may issue an

1 order requiring the person to comply with the subpoena and
2 produce evidence. Failure to obey a court order is
3 grounds for immediate license suspension and may be pun-
4 ished by the court as contempt.

5 37-9-1104. Inspections and examinations; failure to
6 permit entry.

7 (a) In enforcing this article, the state gaming
8 authority through its employees or agents may:

9 (i) Enter and inspect at any time the passenger
10 train premises upon which approved gaming operations are
11 conducted;

12 (ii) Examine the records, books of account and
13 equipment, supplies or devices of any license applicant or
14 licensee, as necessary to conduct examinations, inspec-
15 tions and investigations under this article;

16 (iii) Seize, remove and impound from the prem-
17 ises of any licensee, equipment, supplies and devices for
18 the purpose of examination and inspection;

19 (iv) Conduct detailed audits and investigations
20 when warranted.

1 (b) Entry for purposes of inspection is authorized
2 only during those hours the licensed premises are open for
3 business unless it is in the presence of the licensee or a
4 duly authorized representative of the licensee, or unless
5 the officer making entry does so under court order, under
6 search warrant issued by a court of competent jurisdiction
7 or has reasonable grounds to believe that evidence of any
8 violation of this article is within the place to be
9 entered. Refusal to permit the entry of an agent of the
10 state gaming authority to the licensed premises for the
11 purpose of inspection in accordance with this subsection
12 is grounds for immediate license suspension.

13 37-9-1105. Conflict of interests prohibited.

14 (a) The state gaming authority and any employee of
15 the authority shall not:

16 (i) Have any financial interest with or involv-
17 ing any person licensed under this article;

18 (ii) Hold a license issued under this article;

19 (iii) Conduct or operate any approved gaming
20 activity;

21 (iv) Receive any gift, gratuity or anything of

1 value from any licensee;

2 (v) Participate in any approved gaming operation
3 or be eligible to receive prizes awarded in any gaming
4 activity.

5 37-9-1106. License application; contents.

6 (a) Any passenger train providing regularly scheduled
7 passenger service within Wyoming may apply for a license
8 under this article to conduct approved gaming operations
9 by submitting a sworn application to the state gaming
10 authority on forms prescribed by the authority containing
11 the following information:

12 (i) Name and address of applicant including
13 each:

14 (A) Partner and the managing partner, if a
15 partnership; and

16 (B) Stockholder owning or controlling at
17 least ten percent (10%) of the shares of the corporation
18 and all corporate officers, if a corporation.

19 (ii) Identification of the passenger train, the
20 schedule of passenger service provided in the state, the

1 total number of passenger cars comprising the train, the
2 specific passenger cars and the routes upon which gaming
3 operations under the license are to be conducted;

4 (iii) The make, model and total number of gaming
5 machines to be made available for public use or play;

6 (iv) The number of gaming tables and the types
7 of games to be available for public play;

8 (v) If the applicant, including any partner,
9 stockholder owning or controlling at least ten percent
10 (10%) of the shares of a corporation or any corporate
11 officer, has:

12 (A) Been convicted of a felony or any
13 offense involving a violation of gaming laws;

14 (B) Owned, been employed by or had any
15 financial interest in any gaming operation in this or any
16 other state or jurisdiction and had that license revoked,
17 suspended or not renewed for cause; and

18 (C) Had an application for a license to
19 engage in gaming operations of any kind in this state or
20 any other jurisdiction denied.

1 (vi) Facts surrounding any information provided
2 pursuant to paragraph (a)(v) of this section;

3 (vii) A list of persons to be primarily respon-
4 sible for managing the gaming operations and information
5 required under paragraphs (v) and (vi) of this subsection
6 for each person enumerated on that list; and

7 (viii) Any other information necessary to imple-
8 ment this article as specified by rule and regulation of
9 the gaming authority.

10 37-9-1107. License issuance; fees; excise tax; bond;
11 renewal; suspension and revocation; disposition of revenue
12 collections.

13 (a) Upon receipt of application and payment of the
14 prescribed fee, the state gaming authority may issue a
15 license authorizing approved gaming operations on identi-
16 fied passenger cars within a passenger train. Each
17 license is valid only for the specific passenger cars
18 within the train and the route identified on the license
19 application. The annual fee for a gaming license issued
20 under this article is three thousand dollars (\$3,000.00).

21 (b) In addition to the license fee prescribed under

1 subsection (a) of this section, the gaming authority shall
2 in accordance with its rules and regulations, collect an
3 excise tax on gaming operations of twenty percent (20%) of
4 the licensee's gross receipts generated from gaming activ-
5 ities.

6 (c) Before commencing approved gaming operations
7 under any license issued under this section, the licensee
8 shall file and maintain with the gaming authority a bond
9 or other security approved by the authority guaranteeing
10 payment of winnings to participants and the excise tax
11 imposed under subsection (b) of this section. The initial
12 bond amount shall be established by the authority based
13 upon the licensee's good faith estimate of the total
14 annual amount to be wagered by participants.

15 (d) Upon application and payment of the prescribed
16 fee, the gaming authority may renew a license issued under
17 this section if the applicant is in compliance with this
18 article.

19 (e) The state gaming authority may revoke, suspend or
20 refuse to renew any license issued under this article for
21 any violation of this article, applicable state law or any
22 rule or regulation of the gaming authority.

1 (f) Revenue collected under this section shall be
2 deposited into the general fund.

3 37-9-1108. Limitations on approved gaming operations.

4 (a) No licensee shall operate more than twenty-five
5 (25) gaming machines within the premises of any one (1)
6 passenger car nor more than ten (10) gaming tables upon
7 any passenger train. The total number of gaming machines
8 on any licensed passenger train shall not exceed fifty
9 (50).

10 (b) Any gaming activity conducted within the
11 approved gaming operation shall not allow more than five
12 dollars (\$5.00) to be played on any one (1) game. Each
13 licensee shall pay in cash all winnings owed to a game
14 participant.

15 (c) The state gaming authority shall by rule and reg-
16 ulation prescribe the expected payback value for autho-
17 rized gaming machines and the required odds for other
18 approved gaming activities.

19 (d) The total number of passenger cars upon which
20 gaming operations are to be conducted on any licensed pas-
21 senger train shall not exceed the total number of regular

1 passenger cars. Approved gaming operations shall be con-
2 ducted only upon the premises of passenger cars identified
3 in the application. The identified cars shall be separate
4 from regular passenger cars and shall be located at the
5 end of the train.

6 37-9-1109. Prohibitions against license issuance.

7 (a) No person shall be issued a gaming license under
8 this article if he:

9 (i) Has been convicted of a felony or any gaming
10 related offense;

11 (ii) Owned, controlled, managed or had a direct
12 financial interest in any gaming operation in any juris-
13 diction which had a license or application that was
14 revoked, suspended, not renewed, not issued or otherwise
15 denied for cause; or

16 (iii) Has any interest in a manufacturer, dis-
17 tributor or supplier of equipment, devices and supplies
18 for use in licensed gaming operations authorized under
19 this article.

20 (b) No partnership or corporation shall be issued a
21 license under this article unless each partner, stock-

1 holder owning or controlling at least ten percent (10%) of
2 the shares of a corporation or corporate officer meets
3 requirements of subsection (a) of this section and this
4 article.

5 (c) Nothing in this section prohibits any one (1)
6 person from applying for, being issued and holding more
7 than one (1) license under this article.

8 37-9-1110. Prohibited acts.

9 (a) No licensee shall:

10 (i) Operate any gaming activity not approved by
11 the gaming authority;

12 (ii) Operate any gaming machine or gaming activ-
13 ity in excess of the number authorized by W.S.
14 37-9-1108(a);

15 (iii) Operate any gaming machine or gaming
16 activity outside the passenger car premises within the
17 passenger train as specified in the license;

18 (iv) Operate any gaming machine or gaming activ-
19 ity at any time the passenger train is not operating pur-
20 suant to regularly scheduled passenger service or other

1 special passenger service route approved by the gaming
2 authority;

3 (v) Permit persons under twenty-one (21) years
4 of age to participate in gaming activities or play gaming
5 machines licensed under this article or enter the premises
6 designated for approved gaming operations under the
7 license; or

8 (vi) Extend credit or loan money or any other
9 thing of value to any person to permit a person to partic-
10 ipate in any gaming activity or play any gaming machine
11 licensed under this article.

12 (b) No person under twenty-one (21) years of age
13 shall participate or play in any approved gaming operation
14 licensed under this article or enter any premises desig-
15 nated for gaming operations under this article.

16 37-9-1111. General penalty. Any person violating any
17 provision of this article not otherwise punishable under
18 the state law or any rule or resolution promulgated under
19 this article, is guilty of a misdemeanor punishable by a
20 fine of not more than one thousand dollars (\$1,000.00),
21 imprisonment for not more than six (6) months, or both.

1 Section 2. W.S. 6-7-101(a)(iii) by creating a new
2 subparagraph (G), 9-1-612(a), 9-1-613 by creating a new
3 subsection (e) and 9-1-618 by creating a new subsection
4 (c) are amended to read:

5 6-7-101. Definitions.

6 (a) As used in this article:

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

12 (G) ANY APPROVED GAMING OPERATION LAWFULLY
13 CONDUCTED UNDER THE AUTHORITY OF THE STATE GAMING AUTHOR-
14 ITY PURSUANT TO W.S. 37-9-1101 THROUGH 37-9-1111.

15 9-1-612. Duties of director; director to serve as
16 state gaming authority; deputy directors; appointment;
17 duties; capitol security; security personnel requirements
18 and powers.

19 (a) The director shall supervise and direct all
20 activities of the division PRESCRIBED BY THIS ACT AND W.S.
21 37-9-1101 THROUGH 37-9-1111 AND SHALL SERVE AS THE STATE

1 GAMING AUTHORITY. Subject to the written approval of the
2 attorney general, the director shall prescribe rules and
3 regulations not inconsistent with law to implement this
4 act AND W.S. 37-9-1101 THROUGH 37-9-1111. The director is
5 responsible to the attorney general for the operation of
6 the division.

7 9-1-613. Division agents; appointment; qualifica-
8 tions; continuing education; appointment of persons with
9 specific skills; employment of persons for state gaming
10 authority responsibilities.

11 (e) IN ACCORDANCE WITH W.S. 37-9-1101 THROUGH
12 37-9-1111, THE DIRECTOR SHALL EMPLOY PERSONS POSSESSING
13 NECESSARY QUALIFICATIONS DETERMINED BY THE DIRECTOR IN
14 CARRYING OUT DUTIES AND RESPONSIBILITIES OF THE STATE GAM-
15 ING AUTHORITY.

16 9-1-618. Agents to be safeguarded as peace officers;
17 general assistance to state, county or local authorities;
18 investigative duties; enforcement and investigative duties
19 as state gaming authority.

20 (c) THE DIVISION SHALL AS THE STATE GAMING AUTHORITY,
21 ENFORCE W.S. 37-9-1101 THROUGH 37-9-1111 AND PERFORM NEC-
22 ESSARY INVESTIGATIONS AND OTHER DUTIES REQUIRED UNDER W.S.

1 37-9-1101 THROUGH 37-9-1111.

2 Section 3.

3 (a) To carry out this act for the fiscal year com-
4 mencing July 1, 1991 and ending June 30, 1992, one million
5 fourteen thousand seven hundred sixty-nine dollars
6 (\$1,014,769.00) or as much thereof as is necessary, is
7 appropriated from the general fund to the division of
8 criminal investigation within the office of the attorney
9 general, for the addition of fifteen (15) full-time posi-
10 tions and necessary position support costs and the acqui-
11 sition of necessary motor vehicles.

12 (b) Revenues generated under license fees prescribed
13 under W.S. 37-9-1107(a) and the excise tax imposed under
14 W.S. 37-9-1107(b) shall be used to reimburse the general
15 fund for the amount appropriated under subsection (a) of
16 this section and shall fund the expenses incurred by the
17 division in administering and enforcing this act.

18 Section 4. This act is effective January 1, 1992.

19 (END)

FISCAL NOTE

<u>Anticipated REVENUE to:</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL ESTIMATED REVENUE	_____	_____	_____

<u>Anticipated COST to:</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
General	\$1,014,769	\$716,907	\$752,752
TOTAL ESTIMATED COST	\$1,014,769	\$716,907	\$752,752

<u>Anticipated SAVINGS to:</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL ESTIMATED SAVINGS	_____	_____	_____

<u>Anticipated Change in Personnel:</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
Full-Time	+15		
Part-Time			
Temporary			
Time-Limited, Other			
TOTAL PERSONNEL IMPACT	+15		

According to a spokesman for DCI, it is impossible to estimate revenues. It is also impossible to estimate whether personnel in addition to 15 FT would be needed in the future.