

Mastor

94LSO-0459

HOUSE BILL 0215

HOUSE BILL 0215

Title:

HB0215

AN ACT to create W.S. 40-19-101 through 40-19-603; and to amend W.S. 6-7-101(a)(iii) by creating a new subparagraph (H) and by creating a new paragraph (xi), 6-7-102 by creating a new subsection (c), 9-1-603 by creating a new subsection (e), 9-1-612(a), 9-1-613 by creating a new subsection (e) and 9-1-618(b) by creating a new paragraph (iv) relating to public gaming; specifically authorizing public gaming by video gaming machines subject to licensure requirements; providing definitions; establishing the director of the division of criminal investigation as the state gaming authority; imposing duties and responsibilities upon the authority, delegating enforcement and granting rulemaking authority; requiring the department of audit to assist authority as specified; granting concurrent authority to the attorney general for prosecution of gaming violations; providing for licensure of machine manufacturers, distributors and operators by the state gaming author-

Introduced by:

John Mastor *Louise Wiegand* *Louise Wiegand* *Ray Adams*

HOUSE ACTION ON HOUSE BILL

- Introduced
Aye ___ No ___ Ex ___ Ab ___
- Read First Time and Ref. to Committee No. _____
- Failed Introduction
Aye ___ No ___ Ex ___ Ab ___
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass; W/O Recomm; Re-Refer to Committee No. _____
- Re-referred to Committee No. _____
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass; W/O Recomm; Re-Refer to Committee No. _____
- Considered in Comm. of Whole
 Amended
 Recommended Do Pass
 Failed Comm. of Whole
 Indefinitely Postponed
 Other: _____
- Read Second Time
 Amended
 Do Pass
 Do Not Pass
 Accelerated to 3rd Rdg.
- Read Third Time
 Amended
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
 Held for Reconsideration
 Motion to Reconsider
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
 Third Reading Vote (On Reconsideration)
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
- Sent to Senate (No Amendments)
- Sent to LSO for Engrossing
- ENGROSSED
- Sent to Senate

SENATE ACTION ON HOUSE BILL

- Received. Read First Time.
- Referred to Committee No. _____
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass; W/O Recomm; Re-Refer to Committee No. _____
- Re-referred to Committee No. _____
- Returned from Committee No. _____ with Recommendation:
 Do Pass; Amend & Do Pass; Do Not Pass; W/O Recomm; Re-Refer to Committee No. _____
- Considered in Comm. of Whole
 Amended
 Recommended Do Pass
 Failed Comm. of Whole
 Indefinitely Postponed
 Other: _____
- Read Second Time
 Amended
 Do Pass
 Do Not Pass
 Accelerated to 3rd Rdg.
- Read Third Time
 Amended
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
 Held for Reconsideration
 Motion to Reconsider
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
 Third Reading Vote (On Reconsideration)
 Passed Failed
Aye ___ No ___ Ex ___ Ab ___
- Sent to House
- Sent for Enrolling
HEA No. _____
- Signed by Speaker
- Signed by President
- Approved by Governor
- Chapter No. _____

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

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

1994

STATE OF WYOMING

94LSO-0459.01

HOUSE BILL NO. 0215

Video gaming-2.

Sponsored by: Representative(s) MARTON, RYCKMAN, SHREVE and WILLFORD

A BILL

for

1 AN ACT to create W.S. 40-19-101 through 40-19-603; and to
 2 amend W.S. 6-7-101(a)(iii) by creating a new subparagraph
 3 (H) and by creating a new paragraph (xi), 6-7-102 by cre-
 4 ating a new subsection (c), 9-1-603 by creating a new sub-
 5 section (e), 9-1-612(a), 9-1-613 by creating a new subsec-
 6 tion (e) and 9-1-618(b) by creating a new paragraph (iv)
 7 relating to public gaming; specifically authorizing public
 8 gaming by video gaming machines subject to licensure
 9 requirements; providing definitions; establishing the
 10 director of the division of criminal investigation as the
 11 state gaming authority; imposing duties and responsibili-
 12 ties upon the authority, delegating enforcement and grant-
 13 ing rulemaking authority; requiring the department of

1 audit to assist authority as specified; granting concur-
2 rent authority to the attorney general for prosecution of
3 gaming violations; providing for licensure of machine man-
4 ufacturers, distributors and operators by the state gaming
5 authority and imposing license requirements; establishing
6 cities, towns and counties as local licensing authorities
7 and granting authority for licensure of video gaming prem-
8 ises; limiting local authority as specified and limiting
9 video gaming to premises licensed to sell alcoholic liquor
10 as specified; imposing machine specifications and requir-
11 ing inspection of and identification stamps on machines;
12 establishing and mandating enrollment in the state commu-
13 nications and control system; imposing license fees; pro-
14 viding for resolution of disputes between machine owners
15 and players; imposing a gross receipts tax upon machines;
16 prohibiting local governments from imposing taxes; provid-
17 ing for tax administration and collection by the depart-
18 ment of revenue; imposing bonding requirements; specifying
19 distribution of tax collections; imposing penalties;
20 establishing possession of professional gambling devices
21 as a felony; funding construction of necessary physical
22 facilities; conditioning video gaming in the state upon
23 approval of manufacturers operating in state as specified;
24 imposing rulemaking and public notice duties prior to

1 licensure; and providing for effective dates.

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

3 Section 1. W.S. 40-19-101 through 40-19-603 are cre-
4 ated to read:

5 CHAPTER 19

6 PUBLIC GAMING

7 ARTICLE 1

8 GENERAL PROVISIONS

9 40-19-101. Definitions.

10 (a) As used in this chapter:

11 (i) "Games of chance" means the specific kinds
12 of games of chance authorized under this chapter, includ-
13 ing video gaming machines as defined under W.S.
14 40-19-401(a)(ix);

15 (ii) "Local licensing authority" means the gov-
16 erning body of an incorporated city, town or county in
17 Wyoming with the responsibility to issue and administer a
18 particular local gaming license;

1 sees under this chapter to the extent necessary to ensure
2 compliance with this chapter and its rules and regula-
3 tions;

4 (iv) Regulate games of chance conducted under
5 any license issued under this chapter to assure the games
6 are fairly held, operated and conducted in accordance with
7 the requirements of the appropriate license and this chap-
8 ter;

9 (v) Enforce this chapter and state gaming
10 authority rules and regulations and assist local law
11 enforcement in enforcing this chapter;

12 (vi) Promulgate rules and regulations necessary
13 to carry out the provisions and responsibilities imposed
14 by this chapter;

15 (vii) Conduct necessary examinations, inspec-
16 tions and investigations for the enforcement of this chap-
17 ter, applicable state law and state gaming authority rules
18 and regulations.

19 (b) In any examination, inspection or investigation
20 conducted pursuant to this chapter, the state gaming
21 authority may by subpoena require the production of books,

1 papers, records, files, correspondence, documents and
2 other evidence relevant to the inquiry.

3 (c) Upon refusal of any person to comply with any
4 subpoena and upon application by the state gaming author-
5 ity, the district court of the county in which the exami-
6 nation, inspection or investigation is conducted or in
7 which the person resides or may be found, may issue an
8 order requiring the person to comply with the subpoena and
9 produce evidence. Failure to obey a court order is
10 grounds for immediate license suspension and may be pun-
11 ished by the court as contempt.

12 40-19-202. Investigation and review of applications
13 for local licensure; determination; submission to local
14 licensing authority; effect; conditions; investigation
15 costs; appeal.

16 (a) The state gaming authority shall upon receipt of
17 any application for any local gaming license submitted by
18 a local licensing authority under this chapter, investi-
19 gate the qualifications of the applicant and the merits of
20 the application. In its investigation, the state gaming
21 authority shall determine:

22 (i) The existence of a prior criminal record

1 showing a conviction for violation of federal or state law
2 by any of the following persons:

3 (A) If applicable, any individual or member
4 of the applicant organization designated within the appli-
5 cation to be responsible for the conduct of the authorized
6 games of chance;

7 (B) If applicable, the person under whose
8 name the games of chance will be conducted;

9 (C) Any individual to be employed or per-
10 forming services for the applicant in connection with the
11 authorized games of chance;

12 (D) Any person leasing premises upon which
13 the authorized games of chance are to be conducted.

14 (ii) If the applicant is duly qualified to hold,
15 operate and conduct games of chance under this chapter;

16 (iii) If the authorized games of chance are to
17 be held, operated and conducted in accordance with provi-
18 sions of this chapter governing the holding, operation and
19 conduct of the games of chance and if applicable, that the
20 proceeds are to be disposed of as required for the partic-
21 ular license.

1 (b) Within a reasonable period of time not to exceed
2 one hundred twenty (120) days following receipt of any
3 application for a new license under W.S. 40-19-302 or
4 within thirty (30) days following receipt of any applica-
5 tion for license renewal, the state gaming authority shall
6 submit to the appropriate local licensing authority in
7 writing its approval or denial of the application for
8 licensure under this chapter together with its findings.
9 The local licensing authority shall not issue or renew a
10 local license authorized under this chapter unless the
11 state gaming authority has approved the application.

12 (c) The state gaming authority shall not approve any
13 application submitted by a local licensing authority if
14 based upon the investigation conducted under paragraph
15 (a)(i) of this section, it determines the prior activity
16 or criminal record of the applicant and persons enumerated
17 under paragraph (a)(i) of this section:

18 (i) Poses a threat to the public interest of the
19 state or the effective regulation and control of autho-
20 rized games of chance; or

21 (ii) Creates a danger of unlawful practices,
22 methods or activities in the conduct of authorized games

1 of chance or in the conduct of business and financial
2 arrangements incidental to games of chance.

3 (d) The cost of necessary background investigation of
4 any applicant for a local license or license renewal under
5 this section shall be paid by the applicant. The state
6 gaming authority shall by rule and regulation establish
7 the conditions and procedures for payment and may require
8 payment in advance.

9 (e) Any determination by the state gaming authority
10 under this chapter is subject to appeal in accordance with
11 the Wyoming Administrative Procedure Act.

12 40-19-203. Inspections and examinations; audits;
13 failure to permit entry.

14 (a) In enforcing this chapter, the state gaming
15 authority through its employees or agents may:

16 (i) Enter and inspect at any time the premises
17 upon which games of chance are conducted or from which
18 supplies, devices and equipment for games of chance are
19 manufactured, maintained or supplied;

20 (ii) Examine the records, books of account and
21 equipment, supplies or devices of any license applicant or

1 licensee, as necessary to conduct examinations, inspec-
2 tions and investigations under this chapter;

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

6 (iv) When warranted, conduct detailed investiga-
7 tions and through the department of audit, conduct
8 detailed audits.

9 (b) Upon request of the state gaming authority, the
10 department of audit shall conduct an audit of any license
11 applicant or licensee as necessary to assist the authority
12 with enforcing this chapter.

13 (c) Entry for purposes of inspection is authorized
14 only during open business hours unless it is in the pres-
15 ence of the licensee or a duly authorized representative
16 of the licensee, or unless the officer making entry does
17 so under court order, under search warrant issued by a
18 court of competent jurisdiction or has reasonable grounds
19 to believe that evidence of any violation of this chapter
20 is within the place to be entered. Refusal to permit the
21 entry of an agent of the state gaming authority to the
22 licensed premises or place of business for the purpose of

1 inspection in accordance with this subsection is grounds
2 for immediate license suspension.

3 40-19-204. Conflict of interests prohibited.

4 (a) The state gaming authority and any employee of
5 the authority shall not:

6 (i) Have any financial interest with or involv-
7 ing any person licensed under this chapter;

8 (ii) Hold a license issued under this chapter;

9 (iii) Conduct or operate any authorized game of
10 chance;

11 (iv) Receive any gift, gratuity or anything of
12 value from any licensee;

13 (v) Participate in any authorized game of chance
14 or be eligible to receive prizes awarded in any game of
15 chance.

16 ARTICLE 3

17 LOCAL LICENSING AUTHORITY

18 40-19-301. Authority of cities, towns and counties;
19 limitations; assessment and payment of fees.

1 (a) Incorporated cities, towns and counties within
2 Wyoming may in their sole discretion license or prohibit
3 the conduct of any or all games of chance authorized under
4 this chapter. Nothing in this chapter prohibits a local
5 licensing authority of an incorporated city, town or
6 county from refusing to issue any license or to renew any
7 license authorized under this chapter.

8 (b) The state preempts the field of games of chance
9 authorized under this chapter and no city, town or county
10 shall authorize, regulate or prohibit authorized games of
11 chance except as provided by this chapter. This subsec-
12 tion shall not prohibit any city, town or county by local
13 ordinance or resolution, from regulating the general
14 health, safety and welfare within the local jurisdiction
15 or from imposing other requirements not in conflict with
16 this chapter.

17 (c) Unless otherwise provided, the licensing author-
18 ity shall uniformly assess local license fees annually for
19 each particular license. Applicants for a local license
20 shall pay the required fee in advance by cash or certified
21 check.

22 40-19-302. Application for licenses and license

1 renewals; contents; submission to state gaming authority;
2 notification of change in application information; pen-
3 alty.

4 (a) To conduct any authorized game of chance, an
5 applicant for any local license or local license renewal
6 under this chapter shall file written application with the
7 appropriate local licensing authority. The application
8 shall be made under oath upon a form prepared by the state
9 gaming authority and furnished to the local licensing
10 authority. The application shall contain information
11 required by this chapter for granting or renewing any
12 local license authorizing the conduct of a specified and
13 authorized game of chance and shall be filed in the office
14 of the clerk of the appropriate local licensing authority.

15 (b) Upon receipt of an application for any local
16 license or license renewal containing all information
17 required under this chapter, the local licensing authority
18 shall immediately transmit a copy of the completed appli-
19 cation to the state gaming authority for investigation and
20 review pursuant to W.S. 40-19-202. Any local licensing
21 authority shall not approve the application unless the
22 state gaming authority approves the application in accor-
23 dance with this chapter.

1 (c) An applicant shall during pendency of the appli-
2 cation, immediately notify the local licensing authority
3 of any change in the facts stated in the application. If
4 any substantial change occurs after local license issuance
5 or renewal, the change shall be reported to the local
6 licensing authority within ten (10) days after the date of
7 the change. The local licensing authority shall immedi-
8 ately notify the state gaming authority of any change
9 reported by an applicant or licensee. Failure to report
10 any change in fact stated in the initial application or
11 any substantial change after issuance or renewal of a
12 local license shall be grounds for denial of an applica-
13 tion or revocation of an existing license.

14 (d) Any person knowingly submitting an application
15 containing false information in violation of this chapter
16 is guilty of a felony punishable by a fine of not more
17 than ten thousand dollars (\$10,000.00), imprisonment for
18 not more than three (3) years, or both.

19 40-19-303. Combination of interests prohibited;
20 license limitation per person.

21 (a) Any local license authorized by this chapter
22 shall not be held by, issued or transferred to:

1 (i) Except for local video gaming licenses
2 issued under W.S. 40-19-407, any person or organization in
3 which any officer, director, manager, employee or agent
4 has a direct or indirect interest in any manufacturer,
5 distributor or operator of equipment, devices and supplies
6 licensed by or applying for licensure with the state gam-
7 ing authority under this chapter or serves as an officer,
8 director, proprietor or employee or is a stockholder hold-
9 ing more than two percent (2%) of the outstanding shares
10 of the manufacturer, distributor or operator;

11 (ii) Any mayor, member of a town council or
12 county commissioner within their respective jurisdiction;

13 (iii) Any person employed by the local licensing
14 authority or to any organization in which the employed
15 person has an ownership interest;

16 (iv) Any person employed by the state gaming
17 authority or to any organization in which the employed
18 person has an ownership interest;

19 (v) Any peace officer employed by the state or
20 any city, town or county.

21 (b) No licensing authority shall issue more than one

1 (1) local license to any one (1) person.

2 40-19-304. Publication of notice; grant or denial;
3 copy of application and notice to state gaming authority;
4 judicial review.

5 (a) Upon receipt of an application for any local
6 license or license renewal and following approval by the
7 state gaming authority, the clerk of the local licensing
8 authority shall promptly prepare a notice of application,
9 place the notice conspicuously upon the premises shown by
10 the application as the proposed location upon which the
11 games are to be conducted and publish the notice in a
12 newspaper of local circulation once a week for a period of
13 three (3) consecutive weeks. The notice shall state that
14 a named applicant has applied for a local license or
15 license renewal, the proposed location upon which the
16 games are to be conducted and that protests against the
17 issuance or renewal of the license will be heard at a des-
18 ignated meeting of the local licensing authority. Each
19 applicant shall at the time of filing his application, pay
20 the clerk an amount sufficient to cover the costs of pub-
21 lishing notice.

22 (b) Any local license authorized under this chapter

1 shall not be issued or renewed until on or after the date
2 set in the notice for public hearing. If a hearing for
3 license renewal, the hearing shall be held no later than
4 thirty (30) days preceding the expiration date of the
5 license and no later than thirty (30) days following
6 approval of the license renewal by the state gaming
7 authority.

8 (c) Any local license shall not be issued or renewed
9 by the local licensing authority until:

10 (i) The state gaming authority approves the
11 qualifications of the applicant and the merits of the
12 application;

13 (ii) The state gaming authority has executed and
14 transmitted the proposed license or license renewal to the
15 local gaming authority;

16 (iii) The applicant complies with the criteria,
17 standards and regulations imposed by this chapter.

18 (d) Upon approval or denial of a local license or a
19 license renewal, the local licensing authority shall
20 promptly notify the state gaming authority.

21 (e) An applicant for license renewal may appeal to

1 the district court from an adverse decision by the local
2 licensing authority. In an appeal pursuant to this sub-
3 section, the person applying for license renewal shall be
4 named as plaintiff and the local licensing authority as
5 defendant. Upon notice of an appeal, the clerk shall
6 transmit to the clerk of district court a certified copy
7 of the application, of any protests and of the minutes
8 recording the decision appealed. The appeal shall be
9 heard pursuant to the Wyoming Administrative Procedure
10 Act.

11 40-19-305. Proof of financial responsibility
12 required. Before issuing or renewing any local license and
13 in addition to payment of license fees, the local licens-
14 ing authority shall require the license applicant to fur-
15 nish the clerk of the local licensing authority a bond or
16 other form of financial responsibility approved by the
17 local licensing authority, in an amount not less than two
18 (2) times the maximum amount established by rule and regu-
19 lation of the state gaming authority for the appropriate
20 game of chance. Proof of financial responsibility shall be
21 immediately forwarded to and recorded by the state gaming
22 authority.

23 40-19-306. Disposition of license fees; refunds pro-

1 hibited. All fees for local licenses issued or renewed by
2 a local licensing authority paid under this chapter shall
3 be deposited into the general fund of the local licensing
4 authority. No refund of all or any part of a license fee
5 shall be made at any time following issuance.

6 40-19-307. Term of license and permit; exception.

7 (a) Any local license issued or renewed under this
8 chapter by a local licensing authority is considered a
9 privilege to the holder and the term of the license is for
10 one (1) year unless sooner revoked.

11 (b) The term of a local license may be less than one
12 (1) year if specified by the local licensing authority to
13 coincide with the annual date set by the authority for
14 consideration of license issuance and license renewals. A
15 local licensing authority issuing a license for a term
16 less than one (1) year shall prorate the annual fee
17 accordingly.

18 40-19-308. Transfer of license location or ownership
19 prohibited; ownership transfer specified.

20 (a) Except as provided under W.S. 40-19-407(d), any
21 local license issued under this chapter shall not be

1 transferred or sold.

2 (b) A transfer or sale of fifty percent (50%) or more
3 of the ownership of a local license is a transfer or sale
4 for purposes of this section.

5 40-19-309. Duty to prepare and furnish license forms;
6 signature and attestation; contents; display required.

7 (a) The state gaming authority shall prepare and fur-
8 nish to each city, town and county a form for local
9 licenses issued under this chapter. A license on a form
10 other than as prescribed by the state gaming authority is
11 invalid.

12 (b) Each local license issued by a city or town shall
13 be signed by the mayor and attested by the clerk. Each
14 local license issued by a county shall be signed by the
15 chairman of the board of county commissioners and attested
16 by the county clerk.

17 (c) The following shall be shown on each local
18 license:

19 (i) The name of the licensee;

20 (ii) A description of the premises on which spe-

1 cific authorized games of chance may be conducted;

2 (iii) The date of issuance;

3 (iv) The amount of the fee;

4 (v) That the fee has been paid; and

5 (vi) The written signature of the state gaming
6 authority.

7 (d) Each licensee shall display his local license in
8 a conspicuous place on the licensed premises.

9 40-19-310. Suspension and revocation; judicial
10 review.

11 (a) A local licensing authority may suspend or revoke
12 any local license issued under this chapter for any viola-
13 tion of this chapter. A licensee may appeal license sus-
14 pension or revocation by a local licensing authority to
15 the district court in the manner specified under W.S.
16 40-19-304(e) and the appeal proceedings shall be in accor-
17 dance with the Wyoming Rules of Appellate Procedure. The
18 suspension or revocation shall remain in effect pending a
19 decision by the appellate court.

20 (b) The state gaming authority may suspend or revoke

1 any local license issued under this chapter for any viola-
2 tion of this chapter or rule or regulation of the author-
3 ity. Suspension or revocation by the state gaming author-
4 ity is subject to appeal in accordance with the Wyoming
5 Administrative Procedure Act.

6 ARTICLE 4

7 VIDEO GAMING MACHINES

8 40-19-401. Definitions.

9 (a) As used in this article:

10 (i) "Associated equipment" means any proprietary
11 device, machine or parts used in the manufacture or main-
12 tenance of a video gaming machine;

13 (ii) "Certified video gaming technician" means
14 any person receiving sufficient training and possessing
15 necessary work experience to qualify for industry certifi-
16 cation, approved by the state gaming authority, for the
17 service, repair and maintenance of video gaming machines;

18 (iii) "Gaming distributor" means any person
19 selling, leasing, offering for sale or lease or repairing
20 video gaming machines or associated equipment to or for a

1 gaming operator for subsequent public use or play in this
2 state;

3 (iv) "Gaming operator" means any person purchas-
4 ing, leasing or otherwise acquiring from a gaming distrib-
5 utor and operating and controlling a video gaming machine
6 and associated equipment for public use or play in this
7 state upon premises licensed under W.S. 40-19-407;

8 (v) "Gross receipts" means the total amount
9 received by each video gaming machine and associated
10 equipment licensed under this article less credits paid
11 out in cash, as determined and verified by the state com-
12 munications and control system;

13 (vi) "Local video gaming licensee" means any
14 person holding a local video gaming license issued by a
15 local gaming authority pursuant to W.S. 40-19-407;

16 (vii) "Manufacturer" means any person manufac-
17 turing, assembling or producing video gaming machines or
18 associated equipment for subsequent sale, use or distribu-
19 tion in this state;

20 (viii) "State communications and control system"
21 means the central computerized system established and

1 maintained by the state gaming authority for control and
2 enforcement of licensed video gaming machines pursuant to
3 this article;

4 (ix) "Video gaming machine" means an electronic
5 video gaming machine that, upon insertion of cash, is
6 available to play or simulate the play of a game, utiliz-
7 ing a video display and microprocessors in which, by the
8 skill of the player or by chance, or both, the player may
9 receive free games or credits that can be redeemed for
10 cash, excluding any machine directly dispensing coins,
11 cash, tokens or anything else of value.

12 40-19-402. Video gaming machines and equipment autho-
13 rized; conditions. Video gaming machines and associated
14 equipment may be made available for public use or play
15 subject to the requirements and conditions imposed under
16 this article.

17 40-19-403. Licensing of manufacturers, distributors
18 and operators of video gaming machines and equipment by
19 state gaming authority; application; conditions and
20 restrictions; investigation costs.

21 (a) No person shall manufacture, sell, distribute,
22 lease, purchase, service or operate any video gaming

1 machine or associated equipment for public use or play in
2 this state unless licensed by the state gaming authority
3 pursuant to this section.

4 (b) The state gaming authority may grant the follow-
5 ing licenses:

6 (i) A manufacturer's license authorizing the
7 manufacture of video gaming machines and associated equip-
8 ment for subsequent distribution, sale, use or play in
9 this state;

10 (ii) A gaming distributor's license authorizing
11 the distribution, sale, lease and servicing of video gam-
12 ing machines and associated equipment to and for a
13 licensed gaming operator for use or play in this state;
14 and

15 (iii) A gaming operator's license authorizing
16 the lease or purchase and servicing of video gaming
17 machines and associated equipment for use or play in this
18 state on premises owned or leased by a local video gaming
19 licensee.

20 (c) Application for a license under this section
21 shall be verified under oath and submitted in writing to

1 the state gaming authority on forms provided by the
2 authority, which shall include:

3 (i) The applicant's name and business address;

4 (ii) If applicable, the name and home street
5 address of each owner of the applicant or if a corpora-
6 tion, of the agent for service in this state and of each
7 officer, director and each person holding two percent (2%)
8 or more of the outstanding stock in the corporation;

9 (iii) If the applicant is a subsidiary company,
10 the name and business address of the holding or parent
11 company and the name and home street address of the agent
12 for service for the company in this state and of each
13 officer, director and person holding two percent (2%) or
14 more of the outstanding stock of the holding or parent
15 company;

16 (iv) If a corporation, any state in which the
17 applicant is incorporated and the nature of business of
18 the corporation;

19 (v) Any other jurisdiction in which the appli-
20 cant manufactures, distributes, sells, leases, purchases,
21 services or operates video gaming machines or associated

1 equipment;

2 (vi) Any criminal record of the applicant or of
3 any person named under this subsection for a conviction of
4 any violation of federal or state law;

5 (vii) Any disciplinary action taken by any state
6 or the federal government against the applicant or any
7 person named under this subsection regarding any matter
8 related to manufacturing, distributing, selling, leasing,
9 purchasing, servicing or operating video gaming machines
10 and associated equipment;

11 (viii) A statement of all gross revenues gener-
12 ated in the preceding year from the manufacture, sale,
13 lease, distribution or operation of video gaming machines
14 and associated equipment, including revenues generated
15 outside this state;

16 (ix) If applicable, the name and address of any
17 source of video gaming machines or associated equipment
18 for the applicant;

19 (x) The length of time the applicant has manu-
20 factured, distributed, sold, leased or operated video gam-
21 ing machines and associated equipment, whether within or

1 outside this state;

2 (xi) If application is for a gaming
3 distributor's or gaming operator's license pursuant to
4 paragraph (b)(ii) or (iii) of this section, the name of
5 each certified video gaming technician employed by the
6 applicant together with proof of certification;

7 (xii) If application is for a manufacturer's or
8 a gaming distributor's license under paragraph (b)(i) or
9 (ii) of this section, the address of video gaming machine
10 and associated equipment storage facilities located within
11 Wyoming;

12 (xiii) Any other information and documentation
13 the state gaming authority may by rule and regulation
14 require.

15 (d) If the applicant is a subsidiary company, the
16 holding or parent company shall supply the information
17 required under subsection (c) of this section.

18 (e) In addition to the information required to be
19 furnished under subsection (c) of this section, the state
20 gaming authority shall require each corporate applicant
21 for a license under this section to provide for each offi-

1 cer and director of the applicant:

2 (i) A verified affidavit as to the ownership of
3 any direct or indirect interest in any casino, racetrack
4 or other gambling establishment;

5 (ii) A current personal financial statement; and

6 (iii) Copies of individual federal and state
7 income tax returns for the previous three (3) years.

8 (f) The state gaming authority shall by rule and reg-
9 ulation establish the applicability of subsection (e) of
10 this section to officers and directors of any parent or
11 holding company affiliated with the applicant.

12 (g) An applicant for a license under this section
13 shall not directly or indirectly have any financial
14 arrangement or connection with or be employed by the state
15 gaming authority or by any mayor, member of a town or city
16 council, county commissioner or by any local licensing
17 authority. This subsection applies only to the applicant,
18 his spouse and immediate family members.

19 (h) The state gaming authority shall not issue a
20 license under this section if based upon information sub-
21 mitted and necessary investigation conducted under this

1 section, it determines any prior activity or criminal
2 record of any person named under subsection (c) of this
3 section:

4 (i) Poses a threat to the public interest of the
5 state or the effective regulation and control of video
6 gaming and other authorized games of chance in this state;
7 or

8 (ii) Creates a danger of illegal practices,
9 methods or activities in the public use or play of video
10 gaming machines and associated equipment or other autho-
11 rized games of chance, or in the conduct of business and
12 financial arrangements incidental to video gaming and
13 other authorized games of chance.

14 (j) The cost of necessary background investigation of
15 any applicant conducted by the state gaming authority
16 shall be paid by the applicant. Payment shall be in
17 accordance with rules and regulations of the state gaming
18 authority promulgated pursuant to W.S. 40-19-202(d).

19 40-19-404. Manufacturer's, distributor's and
20 operator's license fees; disposition of fees; term; non-
21 transferable; bonding; suspension and revocation; appeal.

1 (a) The state gaming authority shall assess the fol-
2 lowing annual license fees payable in advance:

3 (i) Manufacturer's license.....\$25,000.00;

4 (ii) Gaming distributor's license.....5,000.00;

5 (iii) Gaming operator's license.....5,000.00.

6 (b) The state gaming authority shall transfer revenue
7 from fees collected under this section and W.S. 40-19-405
8 to the state treasurer for deposit in the general fund.

9 (c) A manufacturer's, gaming distributor's or gaming
10 operator's license issued under W.S. 40-19-403 is effec-
11 tive for one (1) year unless sooner revoked and is not
12 transferable.

13 (d) In addition to the annual license fee imposed
14 under this section, an applicant for a license under W.S.
15 40-19-403 shall furnish the state gaming authority a per-
16 formance bond guaranteeing compliance with this chapter
17 and rules and regulations of the state gaming authority.
18 The state gaming authority shall establish the amount of
19 the bond in each case provided the total bond amount does
20 not exceed ten thousand dollars (\$10,000.00).

1 (e) The state gaming authority may suspend or revoke
2 any license issued under W.S. 40-19-403 for violation of
3 any provision of this chapter or rule or regulation of the
4 authority. Suspension or revocation is subject to appeal
5 in accordance with the Wyoming Administrative Procedure
6 Act.

7 40-19-405. Inspection of video gaming machines and
8 equipment; declaration of machine ownership; state identi-
9 fication stamps to be affixed to machines; fee; expiration
10 and renewal; transfer; enrollment in state communication
11 and control system required; failure to permit entry.

12 (a) The state gaming authority shall inspect, approve
13 and issue a state identification stamp for any video gam-
14 ing machine or associated equipment manufactured, distrib-
15 uted, sold, leased or operated in this state before the
16 machine or associated equipment may be placed in any
17 licensed premises for public use or play.

18 (b) Any video gaming machine or associated equipment
19 shall not be examined by the state gaming authority until
20 the manufacturer, gaming distributor or gaming operator of
21 the machine or associated equipment has obtained a license
22 pursuant to W.S. 40-19-403. In addition, a licensed manu-

1 facturer or gaming distributor shall provide and maintain
2 adequate facilities within the state for the storage of
3 its video gaming machines and associated equipment prior
4 to distribution or placing machines in licensed premises
5 and prior to inspection under this section. At the time
6 of inspection, the ownership of the machine and associated
7 equipment shall be declared. A local video gaming licen-
8 see may not declare machine and associated equipment own-
9 ership under this subsection unless in addition to holding
10 a local video gaming license, the local licensee is
11 licensed by the state gaming authority under W.S.
12 40-19-403 and the local licensee employs certified video
13 gaming technicians capable of servicing the machine and
14 associated equipment. A stamp shall not be issued by the
15 state gaming authority to any licensed owner if by issu-
16 ance of the stamp, that owner is issued stamps totaling
17 twenty percent (20%) or more of the total number of stamps
18 issued statewide. The state gaming authority shall impose
19 a fee upon the licensed owner of the video gaming machine
20 and associated equipment of one hundred dollars (\$100.00)
21 for each stamp issued or renewed under this section.

22 (c) Upon inspection and approval and payment of the
23 fee imposed under this section, the state gaming authority

1 shall issue or renew a state identification stamp clearly
2 stating the issuance and expiration dates on the stamp and
3 the name of the owner of the video gaming machine and
4 associated equipment. The stamp shall be affixed to the
5 machine and associated equipment and shall be valid for
6 one (1) year. The stamp may be renewed annually.

7 (d) Any licensed owner of a video gaming machine and
8 associated equipment may transfer a stamp affixed to a
9 machine and equipment to a licensed manufacturer, distrib-
10 utor or gaming operator together with machine ownership,
11 subject to approval by the state gaming authority and the
12 requirements otherwise imposed under this chapter upon the
13 lawful operation of video gaming machines. The licensed
14 owner initially holding the stamp shall notify the state
15 gaming authority upon a form provided by the authority of
16 any proposed transfer under this subsection.

17 (e) The state gaming authority shall require stamp
18 holders to enroll licensed video gaming machines in the
19 state communications and control system. The established
20 state system shall be capable of generating information on
21 machine operations to the extent required under this arti-
22 cle.

1 (f) In addition to the inspection required under sub-
2 section (a) of this section, the state gaming authority
3 through its employees or agents, shall examine video gam-
4 ing machines and associated equipment placed in licensed
5 premises and shall through the state communications and
6 control system, maintain records reflecting income and
7 payout of the machines and other pertinent information as
8 necessary. Any licensee refusing access to video gaming
9 machines and equipment for examination by the state gaming
10 authority or any agent is subject to license revocation as
11 provided by law. Entry for purposes of examination is
12 subject to limitations imposed under W.S. 40-19-203(c).

13 (g) If the person holding a gaming operator's license
14 under this article is not the holder of the local video
15 gaming license pursuant to this article, a written agree-
16 ment signed by both licensees shall be filed with the
17 state gaming authority at least ten (10) days prior to
18 placement of any video gaming machine within a licensed
19 premises for public use or play. The agreement shall
20 state the term of the agreement, verify conformance by
21 both licensees with the requirements of this chapter and
22 that not more than fifty percent (50%) of the gross
23 receipts less the gross receipts tax imposed under W.S.

1 40-19-408, accrue to either licensee.

2 40-19-406. Video gaming machine specifications;
3 required pay back; limitation on amount played; payment of
4 credits won.

5 (a) Each video gaming machine authorized under this
6 article shall:

7 (i) Be inspected in the state of Wyoming by the
8 state gaming authority and bear a nonremovable state iden-
9 tification stamp pursuant to W.S. 40-19-405;

10 (ii) Be enrolled in the state communications and
11 control system consisting of a central computer and
12 player-operated terminals;

13 (iii) Not have any switches, jumpers, wire posts
14 or any other means of manipulation that could affect the
15 operation or outcome of a game;

16 (iv) Display the means and rules by which free
17 games or credits will be awarded and the number of free
18 games or credits which will be awarded under specified
19 conditions;

20 (v) Have doors to two (2) locking areas, one (1)

1 area containing the logic board and software for the game
2 and the other housing the cash compartment and mechanical
3 meters. These areas shall be locked and separated.
4 Access to one (1) from the other shall not be allowed at
5 any time;

6 (vi) Have one (1) or two (2) mechanisms accept-
7 ing quarters or a mechanism accepting cash in the form of
8 bills;

9 (vii) Have a nonresettable mechanical meter
10 housed in a readily accessible area maintaining a perma-
11 nent record of total cash accepted by the coin or bill
12 acceptors and total credits removed;

13 (viii) Contain an electronic accounting device
14 recording total credits, total credits played, total cre-
15 dits won and the total pay back percentage credited;

16 (ix) Be capable of printing a double tape ticket
17 voucher stating the value of credits won for each game,
18 the time of day credits are won, the date, the machine
19 identification stamp number, the sequential number of
20 ticket vouchers and a validation number from which voucher
21 validity may be determined;

1 (x) Comply with additional specifications and
2 criteria imposed by rule and regulation of the state gam-
3 ing authority.

4 (b) The state gaming authority shall prescribe the
5 expected pay back value of one (1) credit played to be at
6 least eighty-five percent (85%) but not more than ninety-
7 two percent (92%) of the value of a credit, as annually
8 established by rule and regulation of the state gaming
9 authority. The pay back value shall be verified by
10 required electronic accounting devices under paragraph
11 (a)(viii) of this section and shall be posted on the
12 machine.

13 (c) A video gaming machine shall not allow more than
14 two dollars (\$2.00) to be played on any one (1) game or
15 award free games or credits in excess of the value of one
16 hundred dollars (\$100.00) per credit value of twenty-five
17 cents (\$.25) played. Each local video gaming licensee
18 shall pay in cash all credits owed to a game participant
19 as depicted on a valid ticket voucher.

20 (d) The public use or play of a video gaming machine
21 licensed under this article shall be subject to the fol-
22 lowing conditions:

1 (i) Checks or credit cards shall not be accepted
2 for the playing of video gaming machines;

3 (ii) No credit or cash advances of any kind
4 shall be extended or given for the playing of licensed
5 machines;

6 (iii) Financial inducements of any kind shall
7 not be allowed to promote or entice the playing of
8 licensed machines.

9 40-19-407. Local licensing of premises for placement
10 of machines in public use; authority of local licensing
11 authority; application; review by state gaming authority;
12 number of licenses available; transfer and sale of
13 license; number of machines and hours of operation
14 restricted; fees; license term to coincide with liquor
15 license date.

16 (a) Any person holding a valid liquor license issued
17 under W.S. 12-4-201, 12-4-301 or 12-4-401 may apply to the
18 appropriate local licensing authority for a local video
19 gaming license authorizing the placement of inspected,
20 approved and stamped video gaming machines and associated
21 equipment by a person licensed pursuant to W.S. 40-19-403
22 for public use or play only within the premises licensed

1 for the sale of alcoholic liquor and malt beverages. Res-
2 taurant liquor licenses issued under W.S. 12-4-407, malt
3 beverage permits licensed under W.S. 12-4-201 and special
4 malt beverage permits issued under W.S. 12-4-501,
5 12-4-502, 12-4-504 or 12-4-505 do not qualify as a license
6 or permit for purposes of this subsection. Application
7 for licensure under this section shall be in accordance
8 with W.S. 40-19-302 and in addition to any other informa-
9 tion required by the local licensing authority, shall
10 include:

11 (i) The applicant's current liquor license num-
12 ber;

13 (ii) Any criminal record of the applicant or of
14 any person named under this subsection for a conviction of
15 any violation of federal or state law;

16 (iii) A statement indicating the applicant's
17 financial condition and financial stability; and

18 (iv) If the applicant is a corporation, the
19 name, age and residence of each officer, director and
20 stockholder holding, either jointly or severally, two per-
21 cent (2%) or more of the outstanding and issued capital
22 stock of the corporation.

1 (b) Upon review and approval of an application for
2 licensure under this section by the state gaming authority
3 in accordance with W.S. 40-19-202, the local licensing
4 authority may approve the application subject to the
5 requirements of W.S. 40-19-302 through 40-19-307 and this
6 article.

7 (c) The total number of licenses issued by any local
8 licensing authority under this section shall not exceed
9 the total number of liquor licenses issued by that author-
10 ity under W.S. 12-4-201, 12-4-301 and 12-4-401. This sec-
11 tion does not prohibit any local licensing authority from
12 refusing to issue a license under this section or from
13 issuing less than the total number of licenses authorized
14 by this subsection.

15 (d) Notwithstanding W.S. 40-19-308, a licensee under
16 this section may transfer the location and ownership of
17 his license in the same manner as his liquor license under
18 W.S. 12-4-601 through 12-4-604.

19 (e) Not more than five (5) video gaming machines and
20 associated equipment shall be available for public use or
21 play on each premises licensed under this section. Opera-
22 tion and use of gaming machines and associated equipment

1 on the licensed premises shall be restricted to the sched-
2 ule of operating hours imposed upon the sale of alcoholic
3 liquor and malt beverages under W.S. 12-5-101.

4 (f) In addition to bonding requirements imposed under
5 W.S. 40-19-305, the local licensing authority shall uni-
6 formly assess a local video gaming license fee of not more
7 than two hundred dollars (\$200.00).

8 (g) In accordance with W.S. 40-19-307(b), the local
9 licensing authority may issue a local license for a term
10 of less than one (1) year to coincide with the annual date
11 established by the local authority for consideration of
12 liquor license issuance and renewal.

13 40-19-408. Gross receipts tax rate for video gaming
14 machines; licensed owner responsible for tax payment;
15 bimonthly payment; de-enrollment of machines upon tax
16 delinquency.

17 (a) For video gaming machines and associated equip-
18 ment licensed and operated in accordance with this arti-
19 cle, the gross receipt tax under W.S. 40-19-501 shall be
20 imposed at a rate of twenty percent (20%) on the gross
21 receipts of each video gaming machine. The tax shall be
22 based upon the total amount received by each machine less

1 credits paid out in cash, as determined and verified by
2 the state communications and control system, and shall be
3 collected by the department of revenue from the licensed
4 machine owner as indicated on the state identification
5 stamp affixed to the machine. The tax is due and payable
6 to the department within fifteen (15) days following the
7 fifteenth day of each month and within fifteen (15) days
8 after the end of each month.

9 (b) Each licensed owner of a video gaming machine and
10 associated equipment shall supply necessary information to
11 the department of revenue in accordance with W.S.
12 40-19-502. In addition, each licensed owner shall main-
13 tain a dedicated bank account capable of electronic funds
14 transfer in a federally insured financial institution for
15 exclusive use by the department of revenue in transferring
16 tax payments pursuant to this section.

17 (c) In addition to penalties imposed for delinquent
18 tax payments by the department of revenue under W.S.
19 40-19-505, the state gaming authority shall de-enroll from
20 the state communications and control system any licensed
21 video gaming machine for which a gross receipts tax pay-
22 ment remains delinquent thirty (30) days after the date
23 due.

1 40-19-409. Disputes between players and machine
2 owners; resolution.

3 (a) Any local video gaming licensee receiving a com-
4 plaint from any person playing or using a video gaming
5 machine and associated equipment placed upon his licensed
6 premises alleging that a machine has malfunctioned or
7 otherwise deprived the person of winnings due, shall
8 request the person's identification, record his name and
9 address, prevent further public use or play of the machine
10 and equipment and immediately notify the licensed owner of
11 the machine and the state gaming authority. The state
12 gaming authority shall investigate the complaint and
13 within ten (10) days following receipt of notification,
14 allow the machine and associated equipment to be placed
15 for public use or play or require the machine and equip-
16 ment to be repaired or removed from public use or play.

17 (b) Any person may file a complaint with the state
18 gaming authority alleging that a video gaming machine and
19 associated equipment has malfunctioned or otherwise
20 deprived him of winnings due. Upon receipt, the gaming
21 authority shall promptly notify the licensed owner of the
22 machine and associated equipment and provide the owner an
23 opportunity to respond to the complaint within ten (10)

1 days following receipt of notice. The gaming authority
2 shall determine the dispute within thirty (30) days fol-
3 lowing the date the complaint is filed and affected par-
4 ties shall be provided an opportunity for hearing before
5 the authority in accordance with the Wyoming Administra-
6 tive Procedure Act.

7 40-19-410. Manipulation of gaming machines prohib-
8 ited; penalty; arrest for manipulation.

9 (a) Any person tampering with a video gaming machine
10 or associated equipment licensed under this article,
11 attempting or conspiring to manipulate or manipulating the
12 outcome or the payoff of a video gaming machine by physi-
13 cal tampering or other interference with the proper func-
14 tioning of the machine is guilty of a felony punishable as
15 prescribed by W.S. 40-19-603(a).

16 (b) Any peace officer of this state may arrest any
17 person violating subsection (a) of this section.

18 40-19-411. Operation of gaming machines by minors
19 prohibited; penalties; license suspension.

20 (a) No person under the age of twenty-one (21) shall
21 operate or attempt to operate a video gaming machine

1 licensed under this article.

2 (b) No person shall knowingly allow operation of a
3 video gaming machine by any other person under the age of
4 twenty-one (21).

5 (c) A violation of subsections (a) and (b) of this
6 section is a misdemeanor punishable by a fine of not more
7 than one thousand dollars (\$1,000.00), imprisonment for
8 not more than one (1) year, or both.

9 (d) In addition to the penalty imposed under subsec-
10 tion (c) of this section, a violation of subsections (a)
11 and (b) of this section is grounds for the immediate sus-
12 pension of the local video gaming license of the licensee
13 on whose premises the violation occurred.

14 40-19-412. Possession of gaming machines not enrolled
15 in required state control system prohibited; confiscation.

16 (a) Any person possessing an operational video gaming
17 machine as defined under W.S. 40-19-401(a)(ix) which is
18 not enrolled in the state communications and control sys-
19 tem pursuant to W.S. 40-19-406(a)(ii) is guilty of posses-
20 sion of a gambling device as prohibited and penalized
21 under W.S. 6-7-102(c).

1 licensed games of chance pursuant to this chapter. Infor-
2 mation required by this chapter or by rule and regulation
3 promulgated by the state board of equalization in accor-
4 dance with W.S. 39-1-304(a)(xxvii) and (xxviii), shall be
5 supplied to the department. A person is not eligible for
6 license renewal unless all information requested pursuant
7 to this section or otherwise by this chapter is supplied
8 to the department in a timely manner.

9 40-19-503. Distribution of tax proceeds.

10 (a) Proceeds from revenues collected by the depart-
11 ment of revenue under the gross receipts tax shall be
12 transferred to the state treasurer who shall:

13 (i) Deposit fifty percent (50%) of the revenues
14 into the trust and agency fund for monthly distribution to
15 those cities, towns and counties licensing games of chance
16 based upon the proportion that the gross receipts gener-
17 ated within their respective jurisdiction bears to the
18 statewide amount of gross receipts generated during any
19 collection period;

20 (ii) Deposit fifty (50%) of the revenues into
21 the general fund.

1 40-19-504. Bonding requirements guaranteeing tax pay-
2 ment.

3 (a) Any person licensed under this chapter and
4 responsible for payment of the gross receipts tax imposed
5 under W.S. 40-19-501(a) shall furnish to the department of
6 revenue a surety or cash bond guaranteeing payment of
7 required taxes. The department shall fix the amount of
8 the bond in each case, taking into consideration the
9 amount of money that has or is expected to become due from
10 the responsible person for that tax year.

11 (b) If the person ceases to conduct or operate games
12 of chance and relinquishes his license, the department
13 shall authorize the release of all bonds and security on a
14 determination that no amount of tax remains due and pay-
15 able under this chapter.

16 40-19-505. Assessment when tax payments unsatisfac-
17 tory or not filed; interest and penalties; jeopardy
18 assessments; collection agency contracts authorized;
19 recovery.

20 (a) If the department believes any tax paid is incor-
21 rect, it shall recompute the tax based upon the best
22 information available. Interest on amounts due under this

1 subsection shall be at one percent (1%) per month or frac-
2 tion thereof from the date the payment was due until paid.
3 If any part of the deficiency is due to negligence or
4 intentional disregard of this chapter or rules and regula-
5 tions, a penalty of ten percent (10%) of the deficiency
6 shall be added in addition to interest. If any part of the
7 deficiency is due to fraud or an intent to evade this
8 chapter or rules and regulations, a penalty of twenty-five
9 percent (25%) of the deficiency shall be added in addition
10 to interest.

11 (b) If any person neglects or refuses to pay the tax
12 imposed by this chapter, the department shall compute the
13 amount due based upon the best information available, add-
14 ing a penalty of ten percent (10%) and interest at the
15 rate of one percent (1%) per month or fraction thereof
16 from the date the tax was due until paid. If neglect or
17 refusal is due to fraud or an intent to evade this chap-
18 ter, a penalty of twenty-five percent (25%) shall be added
19 in addition to interest. Payment of the tax, penalty and
20 interest imposed by this subsection relieves the licensee
21 from payment.

22 (c) If the department believes the tax imposed by
23 this chapter will be jeopardized by delay, it shall imme-

1 diately levy a jeopardy assessment which is immediately
2 due and payable. If the jeopardy assessment is not paid
3 within ten (10) days following notice, a delinquency pen-
4 alty and interest as imposed by subsection (b) of this
5 section shall be added.

6 (d) The department may enter into contract with pri-
7 vate collection agencies for required collection services
8 on delinquent taxes occurring under this section. There
9 is continuously appropriated from the general fund to the
10 department, an amount equal to fifty percent (50%) of the
11 amounts collected by contract collection agencies. The
12 department shall expend the appropriated funds solely for
13 collection agency services and may authorize within the
14 contractual agreements, that collection agency costs be
15 deducted from funds collected and remitted to the depart-
16 ment. Any contract entered into under this subsection
17 shall be for a term not to exceed two (2) years and shall
18 be awarded only under competitive bid.

19 (e) The department may through the attorney general,
20 initiate a civil action to recover any delinquent taxes,
21 penalty or interest in any appropriate court within ten
22 (10) years following delinquency. In any such civil
23 action, a certificate by the department is prima face evi-

1 devices without obtaining a license required by this chap-
2 ter or not authorized by the state gaming authority pursu-
3 ant to this chapter is guilty of professional gambling as
4 prohibited and penalized under W.S. 6-7-102(b). Any
5 equipment possessed and used in an illegal manner shall be
6 confiscated by the state gaming authority and disposed of
7 as directed by the court pursuant to W.S. 6-7-103.

8 (b) Any person conducting games of chance authorized
9 by this chapter without holding a local license authoriz-
10 ing the conduct of the games is guilty of professional
11 gambling as prohibited and penalized under W.S.
12 6-7-102(b).

13 40-19-603. Fraudulent award or receipt of prizes;
14 penalty for violating payout requirements.

15 (a) Any person participating in or receiving an award
16 of prizes in a licensed game of chance under this chapter
17 knowing the award of prizes is made in a manner disregard-
18 ing random selection is guilty of a felony punishable by a
19 fine of not more than ten thousand dollars (\$10,000.00),
20 imprisonment for not more than five (5) years, or both.
21 Each violation is a separate offense.

22 (b) Any person who fails to comply with any of the

1 prize percentage payout requirements of this chapter is
2 guilty of a felony punishable by a fine of not more than
3 ten thousand dollars (\$10,000.00), imprisonment for not
4 more than three (3) years, or both.

5 Section 2. W.S. 6-7-101(a)(iii) by creating a new
6 subparagraph (H) and by creating a new paragraph (xi),
7 6-7-102 by creating a new subsection (c), 9-1-603 by cre-
8 ating a new subsection (e), 9-1-612(a), 9-1-613 by creat-
9 ing a new subsection (e) and 9-1-618(b) by creating a new
10 paragraph (iv) are amended to read:

11 6-7-101. Definitions.

12 (a) As used in this article:

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

18 (H) GAMES OF CHANCE LICENSED UNDER W.S.
19 40-19-101 THROUGH 40-19-603.

20 (xi) "PROFESSIONAL GAMBLING DEVICE" MEANS ANY
21 SLOT MACHINE, VIDEO GAMING MACHINE AND ASSOCIATED EQUIP-

1 MENT NOT LICENSED UNDER OR OTHERWISE IN COMPLIANCE WITH
2 W.S. 40-19-101 THROUGH 40-19-603, ROULETTE WHEEL OR OTHER
3 MACHINE OR DEVICE EXCLUDING AN ANTIQUE GAMBLING DEVICE,
4 THE SOLE PURPOSE OF WHICH IS LIMITED TO PROFESSIONAL GAM-
5 BLING ACTIVITIES.

6 6-7-102. Gambling; professional gambling; possession
7 of professional gambling device; penalties.

8 (c) ANY PERSON POSSESSING A PROFESSIONAL GAMBLING
9 DEVICE AS DEFINED UNDER W.S. 6-7-101(a)(xi) COMMITS A FEL-
10 ONY PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN THREE (3)
11 YEARS, A FINE OF NOT MORE THAN THREE THOUSAND DOLLARS
12 (\$3,000.00), OR BOTH.

13 9-1-603. Duties generally; retention of qualified
14 practicing attorneys; matters in which county or state is
15 party or has interest; assistance to county and district
16 attorneys in felony trials; concurrent authority in prose-
17 cution of gambling violations.

18 (e) THE ATTORNEY GENERAL SHALL HAVE CONCURRENT
19 AUTHORITY AND POWERS WITH THE DISTRICT AND COUNTY ATTOR-
20 NEYS IN THIS STATE IN THE INVESTIGATION AND PROSECUTION OF
21 ANY CRIMINAL VIOLATION UNDER W.S. 6-7-101 THROUGH 6-7-104
22 OR 40-19-101 THROUGH 40-19-603. UPON THE FAILURE OR

1 REFUSAL OF ANY DISTRICT OR COUNTY ATTORNEY TO ACT ON ANY
2 CRIMINAL VIOLATION OF W.S. 6-7-101 THROUGH 6-7-104 OR
3 40-19-101 THROUGH 40-19-603, THE ATTORNEY GENERAL MAY
4 AFTER THOROUGH INVESTIGATION AND A DETERMINATION THAT THE
5 ACTION IS ADVISABLE, ACT ON BEHALF OF THE COUNTY, STATE OR
6 ANY AGENCY THEREOF AND THE COST OF INVESTIGATION AND ANY
7 PROSECUTION ARISING FROM THE INVESTIGATION SHALL BE PAID
8 OUT OF THE BUDGET OF THE DISTRICT OR COUNTY ATTORNEY FOR
9 WHICH THE INVESTIGATION AND PROSECUTION IS UNDERTAKEN.

10 9-1-612. Duties of director; director to serve as
11 state gaming authority; deputy directors; appointment;
12 duties; capitol security; security personnel requirements
13 and powers.

14 (a) The director shall supervise and direct all
15 activities of the division PRESCRIBED BY THIS ACT AND W.S.
16 40-19-101 THROUGH 40-19-603 AND SHALL SERVE AS THE STATE
17 GAMING AUTHORITY. Subject to the written approval of the
18 attorney general, the director shall prescribe rules and
19 regulations not inconsistent with law to implement this
20 act AND W.S. 40-19-101 THROUGH 40-19-603. The director is
21 responsible to the attorney general for the operation of
22 the division.

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

5 (e) IN ACCORDANCE WITH W.S. 40-19-101 THROUGH
6 40-19-603, THE DIRECTOR SHALL EMPLOY PERSONS POSSESSING
7 NECESSARY QUALIFICATIONS DETERMINED BY THE DIRECTOR IN
8 CARRYING OUT DUTIES AND RESPONSIBILITIES OF THE STATE GAM-
9 ING AUTHORITY.

10 9-1-618. Agents to be safeguarded as peace officers;
11 general assistance to state, county or local authorities;
12 investigative duties; enforcement and investigative duties
13 as state gaming authority.

14 (b) The division shall investigate:

15 (iv) SUSPECTED VIOLATIONS OF W.S. 6-7-101
16 THROUGH 6-7-104 AND 40-19-101 THROUGH 40-19-603 AND SHALL
17 AS THE STATE GAMING AUTHORITY, PERFORM ALL DUTIES OF A LAW
18 ENFORCEMENT OFFICER UNDER W.S. 6-7-101 THROUGH 6-7-104 AND
19 40-19-101 THROUGH 40-19-603.

20 Section 3.

21 (a) In carrying out this act, the division of crimi-

Video gaming-2.

94LSO-0459.L1

FISCAL NOTE

Fiscal impact is undeterminable due to insufficient time to complete the fiscal note process.

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