

Legislative Bill Drafting Commission
14923-05-8

S. -----
Senate

IN SENATE--Introduced by Sen

--read twice and ordered printed,
and when printed to be committed
to the Committee on

----- A.
Assembly

IN ASSEMBLY--Introduced by M. of A.

with M. of A. as co-sponsors

--read once and referred to the
Committee on

RACPMWLA

(Relates to regulation of sports
betting and mobile sports wagering
in New York)

RWB. sports betting; mobile wager

AN ACT

to amend the racing, pari-mutuel
wagering and breeding law, in
relation to regulation of sports
betting

The People of the State of New
York, represented in Senate and
Assembly, do enact as follows:

IN SENATE

Senate introducer's signature

The senators whose names are circled below wish to join me in the sponsorship
of this proposal:

s15 Addabbo	s03 Croci	s27 Hoylman	s37 Mayer	s10 Sanders
s52 Akshar	s50 DeFrancisco	s60 Jacobs	s25 Montgomery	s23 Savino
s31 Alcantara	s18 Dilan	s09 Kaminsky	s40 Murphy	s32 Sepulveda
s46 Amedore	s17 Felder	s26 Kavanagh	s58 O'Mara	s41 Serino
s11 Avella	s02 Flanagan	s63 Kennedy	s62 Ortt	s29 Serrano
s36 Bailey	s55 Funke	s34 Klein	s21 Parker	s51 Seward
s30 Benjamin	s59 Gullivan	s28 Krueger	s13 Peralta	s16 Stavisky
s42 Bonacic	s12 Gianaris	s24 Lanza	s19 Persaud	s35 Stewart-
s04 Boyle	s22 Golden	s39 Larkin	s07 Phillips	Cousins
s44 Breslin	s47 Griffo	s01 LaValle	s61 Ranzenhofer	s49 Tedisco
s08 Brooks	s20 Hamilton	s45 Little	s48 Ritchie	s53 Valesky
s38 Carlucci	s06 Hannon	s05 Marcellino	s33 Rivera	s57 Young
s14 Comrie	s54 Helming	s43 Marchione	s56 Robach	

IN ASSEMBLY

Assembly introducer's signature

The Members of the Assembly whose names are circled below wish to join me in the
multi-sponsorship of this proposal:

a049 Abbate	a053 Davila	a029 Hyndman	a144 Norris	a036 Simotas
a092 Abinanti	a072 De La Rosa	a097 Jaffee	a130 Oaks	a099 Skoufis
a084 Arroyo	a034 DenDekker	a011 Jean-Pierre	a069 O'Donnell	a005 Smith
a107 Ashby	a070 Dickens	a116 Jenne	a051 Ortiz	a022 Solages
a035 Aubry	a054 Dilan	a135 Johns	a091 Otis	a114 Stec
a120 Barclay	a081 Dinowitz	a115 Jones	a132 Palmesano	a110 Steck
a030 Barnwell	a147 DiPietro	a077 Joyner	a002 Palumbo	a010 Stern
a106 Barrett	a016 D'Urso	a040 Kim	a088 Paulin	a127 Stirpe
a060 Barron	a004 Englebright	a131 Kolb	a009 Pellegrino	a102 Tague
a082 Benedetto	a074 Epstein	a105 Lalor	a141 Peoples-	a071 Taylor
a042 Bichotte	a133 Errigo	a013 Lavine	Stokes	a001 Thiele
a079 Blake	a039 Espinal	a134 Lawrence	a058 Perry	a061 Titone
a117 Blankenbush	a109 Fahy	a050 Lentol	a023 Pheffer	a031 Titus
a142 Bohen	a080 Fernandez	a125 Lifton	Amato	a033 Vanel
a098 Brabenc	a126 Finch	a123 Lupardo	a086 Pichardo	a055 Walker
a026 Braunstein	a008 Fitzpatrick	a121 Magee	a089 Pretlow	a143 Wallace
a119 Brindisi	a124 Friend	a129 Magnarelli	a073 Quart	a112 Walsh
a138 Bronson	a095 Galef	a064 Malliotakis	a019 Ra	a146 Walter
a093 Buchwald	a137 Gantt	a108 McDonald	a012 Raia	a041 Weinstein
a118 Butler	a007 Garbarino	a014 McDonough	a006 Ramos	a024 Weprin
a094 Byrne	a148 Giglio	a017 Mikulin	a043 Richardson	a059 Williams
a103 Cahill	a066 Glick	a101 Miller, B.	a078 Rivera	a113 Woerner
a044 Carroll	a150 Goodell	a038 Miller, M.G.	a068 Rodriguez	a056 Wright
a062 Castorina	a075 Gottfried	a020 Miller, M.L.	a027 Rosenthal, D.	a096 Zebrowski
a047 Colton	a100 Gunther	a015 Montesano	a067 Rosenthal, L.	a046
a032 Cook	a139 Hawley	a136 Morelle	a025 Rozic	a087
a085 Crespo	a083 Heastie	a145 Morinello	a149 Ryan	a090
a122 Crouch	a028 Hevesi	a057 Mosley	a111 Santabarbara	a104
a021 Curran	a048 Hikind	a003 Murray	a140 Schimminger	
a063 Cusick	a018 Hooper	a065 Niou	a076 Seawright	
a045 Cymbrowitz	a128 Hunter	a037 Nolan	a052 Simon	

1) Single House Bill (introduced and printed separately in either or
both houses). Uni-Bill (introduced simultaneously in both houses and printed
as one bill. Senate and Assembly introducer sign the same copy of the bill).

2) Circle names of co-sponsors and return to introduction clerk with 2
signed copies of bill and 4 copies of memorandum in support (single house);
or 4 signed copies of bill and 8 copies of memorandum
in support (uni-bill).

1 Section 1. Section 1367 of the racing, pari-mutuel wagering and breed-
2 ing law, as added by chapter 174 of the laws of 2013, is amended to read
3 as follows:

4 § 1367. Sports wagering. 1. As used in this section:

5 (a) "Affiliate" means any off-track betting corporation, franchised
6 corporation, or race track licensed pursuant to this chapter, or an
7 operator of video lottery gaming at Aqueduct licensed pursuant to
8 section sixteen hundred seventeen-a of the tax law, which has a mobile
9 sports wagering agreement with a casino pursuant to section thirteen
10 hundred sixty-seven-a of this title;

11 (b) "Agent" means an entity that is party to a contract with a
12 licensed gaming facility authorized to operate a sports pool and is
13 approved by the commission to operate a sports pool on behalf of such
14 licensed gaming facility;

15 (c) "Authorized sports bettor" means an individual who is physically
16 present in this state when placing a sports wager, who is not a prohib-
17 ited sports bettor, that participates in sports wagering offered by a
18 casino. The intermediate routing of electronic data in connection with
19 mobile sports wagering shall not determine the location or locations in
20 which a wager is initiated, received or otherwise made;

21 (d) "Casino" means a licensed gaming facility at which gambling is
22 conducted pursuant to the provisions of this article or the agent of
23 such licensed gaming facility;

24 [(b)] (e) "Commission" means the commission established pursuant to
25 section one hundred two of this chapter;

26 [(c)] (f) "Collegiate sport or athletic event" means a sport or
27 athletic event offered or sponsored by or played in connection with a

1 public or private institution that offers educational services beyond
2 the secondary level;

3 [(d)] (g) "Global risk management" means the direction, management,
4 consultation and/or instruction for purposes of managing risks associ-
5 ated with sports wagering conducted pursuant to this section and
6 includes the setting and adjustment of betting lines, point spreads, or
7 odds and whether to place layoff bets as permitted by this section;

8 (h) "High school sport or athletic event" means a sport or athletic
9 event offered or sponsored by or played in connection with a public or
10 private institution that offers education services at the secondary
11 level;

12 (i) "Horse racing event" means any sport or athletic event conducted
13 in New York state subject to the provisions of articles two, three,
14 four, five, six, nine, ten and eleven of this chapter, or any sport or
15 athletic event conducted outside of New York state, which if conducted
16 in New York state would be subject to the provisions of this chapter;

17 (j) "In-play sports wager" means a sports wager placed on a sports
18 event after the sports event has begun and before it ends;

19 (k) "Layoff bet" means a sports wager placed by a casino sports pool
20 with another casino sports pool;

21 (l) "Minor" means any person under the age of twenty-one years;

22 (m) "Mobile sports wagering platform" or "platform" means the combina-
23 tion of hardware, software, and data networks used to manage, adminis-
24 ter, or control sports wagering and any associated wagers accessible by
25 any electronic means including mobile applications and internet websites
26 accessed via a mobile device or computer;

27 (n) "Official league data" means statistics, results, outcomes, and
28 other data relating to a sporting event that have been obtained from the

1 relevant sports governing body or an entity expressly authorized by the
2 sports governing body to provide such information to casinos;

3 (o) "Operator" means a casino which has elected to operate a sports
4 pool;

5 [(e)] (p) "Professional sport or athletic event" means an event at
6 which two or more persons participate in sports or athletic events and
7 receive compensation in excess of actual expenses for their partic-
8 ipation in such event;

9 [(f)] (q) "Prohibited sports bettor" means:

10 (i) any officer or employee of the commission;

11 (ii) any principal or key employee of a casino or affiliate, except as
12 may be permitted by the commission for good cause shown;

13 (iii) any casino gaming or non-gaming employee at the casino that
14 employs such person and at any affiliate that has an agreement with that
15 casino;

16 (iv) any contractor, subcontractor, or consultant, or officer or
17 employee of a contractor, subcontractor, or consultant, of a casino if
18 such person is directly involved in the operation or observation of
19 sports wagering, or the processing of sports wagering claims or
20 payments;

21 (v) Any person subject to a contract with the commission if such
22 contract contains a provision prohibiting such person from participating
23 in sports wagering;

24 (vi) Any spouse, child, brother, sister or parent residing as a member
25 of the same household in the principal place of abode of any of the
26 foregoing persons at the same casino where the foregoing person is
27 prohibited from participating in sports wagering;

1 (vii) any individual with access to non-public confidential informa-
2 tion about sports wagering;

3 (viii) any amateur or professional athlete if the sports wager is
4 based on any sport or athletic event overseen by the athlete's sports
5 governing body;

6 (ix) any sports agent, owner or employee of a team, player and umpire
7 union personnel, and employee referee, coach or official of a sports
8 governing body, if the sports wager is based on any sport or athletic
9 event overseen by the individual's sports governing body;

10 (x) any individual placing a wager as an agent or proxy for an other-
11 wise prohibited sports bettor; or

12 (xi) any minor;

13 (r) "Prohibited sports event" means any [collegiate sport or athletic
14 event that takes place in New York or a sport or athletic event in which
15 any New York college team participates regardless of where the event
16 takes place] high school sport or athletic event;

17 [(g)] (s) "Sports event" means any professional sport or athletic
18 event and any collegiate sport or athletic event, except a prohibited
19 sports event or a horse racing event;

20 [(h)] (t) "Sports governing body" means the organization that
21 prescribes final rules and enforces codes of conduct with respect to a
22 sporting event and participants therein;

23 (u) "Sports pool" means the business of accepting wagers on any sports
24 event by any system or method of wagering; [and

25 (i)] (v) "Sports wager" means cash or cash equivalent that is paid by
26 an authorized sports bettor to a casino to participate in sports wager-
27 ing offered by such casino;

1 (w) "Sports wagering" means wagering on sporting events or any portion
2 thereof, or on the individual performance statistics of athletes partic-
3 ipating in a sporting event, or combination of sporting events, by any
4 system or method of wagering, including, but not limited to, in-person
5 communication and electronic communication through internet websites
6 accessed via a mobile device or computer and mobile device applications.
7 The term "sports wagering" shall include, but is not limited to,
8 single-game bets, teaser bets, parlays, over-under bets, moneyline,
9 pools, exchange wagering, in-game wagering, in-play bets, proposition
10 bets and straight bets;

11 (x) "Sports wagering gross revenue" means: (i) the amount equal to the
12 total of all sports wagers not attributable to prohibited sports events
13 that an operator collects from all players, less the total of all sums
14 not attributable to prohibited sports events paid out as winnings to all
15 sports bettors, however, that the total of all sums paid out as winnings
16 to sports bettors shall not include the cash equivalent value of any
17 merchandise or thing of value awarded as a prize, or (ii) in the case of
18 exchange wagering pursuant to this section, the commission on winning
19 sports wagers by authorized sports bettors retained by the operator. The
20 issuance to or wagering by authorized sports bettors at a casino of any
21 promotional gaming credit shall not be taxable for the purposes of
22 determining sports wagering gross revenue;

23 (y) "Sports wagering lounge" means an area wherein a sports pool is
24 operated;

25 (z) "Tier one sports wager" means a sports wager that is determined
26 solely by the final score or final outcome of the sports event;

27 (aa) "Tier two sports wager" means an in-play sports wager that is not
28 a tier one sports wager; and

1 (bb) "Tier three sports wager" means a sports wager that is neither a
2 tier one nor a tier two sports wager.

3 2. No gaming facility may conduct sports wagering until such time as
4 there has been a change in federal law authorizing such or upon a ruling
5 of a court of competent jurisdiction that such activity is lawful.

6 3. (a) In addition to authorized gaming activities, a licensed gaming
7 facility may when authorized by subdivision two of this section operate
8 a sports pool upon the approval of the commission and in accordance with
9 the provisions of this section and applicable regulations promulgated
10 pursuant to this article. The commission shall hear and decide promptly
11 and in reasonable order all applications for a license to operate a
12 sports pool, shall have the general responsibility for the implementa-
13 tion of this section and shall have all other duties specified in this
14 section with regard to the operation of a sports pool. The license to
15 operate a sports pool shall be in addition to any other license required
16 to be issued to operate a gaming facility. No license to operate a
17 sports pool shall be issued by the commission to any entity unless it
18 has established its financial stability, integrity and responsibility
19 and its good character, honesty and integrity.

20 No later than five years after the date of the issuance of a license
21 and every five years thereafter or within such lesser periods as the
22 commission may direct, a licensee shall submit to the commission such
23 documentation or information as the commission may by regulation
24 require, to demonstrate to the satisfaction of the executive director of
25 the commission that the licensee continues to meet the requirements of
26 the law and regulations.

27 (b) A sports pool shall be operated in a sports wagering lounge
28 located at a casino. The lounge shall conform to all requirements

1 concerning square footage, design, equipment, security measures and
2 related matters which the commission shall by regulation prescribe.

3 (c) The operator of a sports pool shall establish or display the odds
4 at which wagers may be placed on sports events.

5 (d) An operator shall accept wagers on sports events only from persons
6 physically present in the sports wagering lounge, or through mobile
7 sports wagering offered pursuant to section thirteen hundred sixty-sev-
8 en-a of this title. A person placing a wager shall be at least twenty-
9 one years of age.

10 (e) An operator may also accept layoff bets as long as the authorized
11 sports pool places such wagers with another authorized sports pool or
12 pools in accordance with regulations of the commission. A sports pool
13 that places a layoff bet shall inform the sports pool accepting the
14 wager that the wager is being placed by a sports pool and shall disclose
15 its identity.

16 (f) An operator may utilize global risk management pursuant to the
17 approval of the commission.

18 (g) An operator shall not admit into the sports wagering lounge, or
19 accept wagers from, any person whose name appears on the exclusion list.

20 [(f)] (h) The holder of a license to operate a sports pool may
21 contract with [an entity] one or more agents to conduct any or all
22 aspects of that operation, or the operation of mobile sports wagering
23 offered pursuant to section thirteen hundred sixty-seven-a of this
24 title, including but not limited to brand, marketing and customer
25 service, in accordance with the regulations of the commission. [That
26 entity] Each agent shall obtain a license as a casino vendor enterprise
27 prior to the execution of any such contract, and such license shall be
28 issued pursuant to the provisions of section one thousand three hundred

1 twenty-seven of this article and in accordance with the regulations
2 promulgated by the commission.

3 [(g)] (i) If any provision of this article or its application to any
4 person or circumstance is held invalid, the invalidity shall not affect
5 other provisions or applications of this article which can be given
6 effect without the invalid provision or application, and to this end the
7 provisions of this article are severable.

8 4. (a) All persons employed directly in wagering-related activities
9 conducted within a sports wagering lounge shall be licensed as a casino
10 key employee or registered as a gaming employee, as determined by the
11 commission. All other employees who are working in the sports wagering
12 lounge may be required to be registered, if appropriate, in accordance
13 with regulations of the commission.

14 (b) Each operator of a sports pool shall designate one or more casino
15 key employees who shall be responsible for the operation of the sports
16 pool. At least one such casino key employee shall be on the premises
17 whenever sports wagering is conducted.

18 5. Except as otherwise provided by this article, the commission shall
19 have the authority to regulate sports pools and the conduct of sports
20 wagering under this article to the same extent that the commission regu-
21 lates other gaming. No casino shall be authorized to operate a sports
22 pool unless it has produced information, documentation, and assurances
23 concerning its financial background and resources, including cash
24 reserves, that are sufficient to demonstrate that it has the financial
25 stability, integrity, and responsibility to operate a sports pool. In
26 developing rules and regulations applicable to sports wagering, the
27 commission shall examine the regulations implemented in other states
28 where sports wagering is conducted and shall, as far as practicable,

1 adopt a similar regulatory framework. The commission shall promulgate
2 regulations necessary to carry out the provisions of this section,
3 including, but not limited to, regulations governing the:

4 (a) amount of cash reserves to be maintained by operators to cover
5 winning wagers;

6 (b) acceptance of wagers on a series of sports events;

7 (c) maximum wagers which may be accepted by an operator from any one
8 patron on any one sports event;

9 (d) type of wagering tickets which may be used;

10 (e) method of issuing tickets;

11 (f) method of accounting to be used by operators;

12 (g) types of records which shall be kept;

13 (h) use of credit and checks by patrons;

14 (i) the process by which a casino may place a layoff bet;

15 (j) the use of global risk management;

16 (k) type of system for wagering; and

17 [(j)] (l) protections for a person placing a wager.

18 6. Each operator shall adopt comprehensive house rules governing
19 sports wagering transactions with its [patrons] authorized sports
20 bettors. The rules shall specify the amounts to be paid on winning
21 wagers and the effect of schedule changes. The house rules, together
22 with any other information the commission deems appropriate, shall be
23 conspicuously displayed in the sports wagering lounge and included in
24 the terms and conditions of the account wagering system, and copies
25 shall be made readily available to patrons.

26 7. (a) Each casino that offers sports wagering shall annually submit a
27 report to the commission no later than the twenty-eighth of February of
28 each year, which shall include the following information:

1 (i) the total amount of sports wagers received from authorized sports
2 bettors;

3 (ii) the total amount of prizes awarded to authorized sports bettors;

4 (iii) the total amount of sports wagering gross revenue received by
5 the casino;

6 (iv) the total amount of sports wagering royalties received pursuant
7 to subdivision eight of this section;

8 (v) the total amount of wagers received on each sports governing
9 body's sporting events;

10 (vi) the total number of authorized sports bettors that requested to
11 exclude themselves from sports wagering; and

12 (vii) any additional information that the commission deems necessary
13 to carry out the provisions of this article.

14 (b) Upon the submission of such annual report, to such extent that the
15 commission deems it to be in the public interest, the commission shall
16 be authorized to conduct a financial audit of any casino, at any time,
17 to ensure compliance with this article.

18 (c) The commission shall annually publish a report based on the aggre-
19 gate information provided by all casinos pursuant to paragraph (a) of
20 this subdivision, which shall be published on the commission's website
21 no later than one hundred eighty days after the deadline for the
22 submission of individual reports as specified in such paragraph (a).

23 8. Within thirty days of the end of each calendar quarter, a casino
24 offering sports wagering shall remit to the commission a sports wagering
25 royalty of up to one-quarter of one percent of the amount wagered on
26 sports events, however, in no case shall the royalty be greater than two
27 percent of the casino's sports wagering gross revenue. The fee shall be
28 remitted on a form as the commission may require, on which the casino

1 shall identify the percentage of wagering during the reporting period
2 attributable to each sport governing body's sports events.

3 9. For the privilege of conducting sports wagering in the state, casi-
4 nos shall pay a tax equivalent to eight and one-half percent of their
5 sports wagering gross revenue.

6 10. The commission shall pay into the commercial gaming revenue fund
7 established pursuant to section ninety-seven-nnnn of the state finance
8 law eighty-five percent of the state tax imposed by this section; any
9 interest and penalties imposed by the commission relating to those
10 taxes; all penalties levied and collected by the commission; and the
11 appropriate funds, cash or prizes forfeited from sports wagering. The
12 commission shall pay into the commercial gaming fund five percent of the
13 state tax imposed by this section to be distributed for problem gambling
14 education and treatment purposes pursuant to paragraph a of subdivision
15 four of section ninety-seven-nnnn of the state finance law. The commis-
16 sion shall pay into the commercial gaming fund five percent of the state
17 tax imposed by this section to be distributed for the cost of regulation
18 pursuant to paragraph c of subdivision four of section ninety-seven-nnnn
19 of the state finance law. The commission shall pay into the commercial
20 gaming fund five percent of the state tax imposed by this section to be
21 distributed in the same formula as market origin credits pursuant to
22 section one hundred fifteen-b of this chapter. The commission shall
23 require at least monthly deposits by the casino of any payments pursuant
24 to subdivision nine of this section, at such times, under such condi-
25 tions, and in such depositories as shall be prescribed by the state
26 comptroller. The deposits shall be deposited to the credit of the state
27 commercial gaming revenue fund. The commission shall require a monthly
28 report and reconciliation statement to be filed with it on or before the

1 tenth day of each month, with respect to gross revenues and deposits
2 received and made, respectively, during the preceding month.

3 11. The commission may perform audits of the books and records of a
4 casino, at such times and intervals as it deems appropriate, for the
5 purpose of determining the sufficiency of tax payments. If a return
6 required with regard to obligations imposed is not filed, or if a return
7 when filed or is determined by the commission to be incorrect or insuf-
8 ficient with or without an audit, the amount of tax due shall be deter-
9 mined by the commission. Notice of such determination shall be given to
10 the casino liable for the payment of the tax. Such determination shall
11 finally and irrevocably fix the tax unless the casino against whom it is
12 assessed, within thirty days after receiving notice of such determi-
13 nation, shall apply to the commission for a hearing in accordance with
14 the regulations of the commission.

15 12. Nothing in this section shall apply to interactive fantasy sports
16 offered pursuant to article fourteen of this chapter. Nothing in this
17 section authorizes any entity that conducts interactive fantasy sports
18 offered pursuant to article fourteen of this chapter to conduct sports
19 wagering unless it separately qualifies for, and obtains, authorization
20 pursuant to this section.

21 13. A casino that is also licensed under article three of this chap-
22 ter, and must maintain racing pursuant to paragraph (b) of subdivision
23 one of section thirteen hundred fifty-five of this article, shall be
24 allowed to offer pari-mutuel wagering on horse racing events in accord-
25 ance with their license under article three of this chapter. Notwith-
26 standing subparagraph (ii) of paragraph c of subdivision two of section
27 one thousand eight of this chapter, a casino located in the city of
28 Schenectady shall be allowed to offer pari-mutuel wagering on horse

1 racing events, provided such wagering is conducted by the regional off-
2 track betting corporation in such region as the casino is located. Any
3 other casino shall be allowed to offer pari-mutuel wagering on horse
4 racing events, provided such wagering is conducted by the regional off-
5 track betting corporation in such region as the casino is located. Any
6 physical location where pari-mutuel wagering on horse racing events is
7 offered by a casino and conducted by a regional off-track betting corpo-
8 ration in accordance with this subdivision shall be deemed to be a
9 branch location of the regional off-track betting corporation in accord-
10 ance with section one thousand eight of this chapter. Mobile sports
11 betting kiosks located on the premises of affiliates in accordance with
12 paragraph (d) of subdivision five of section thirteen hundred sixty-sev-
13 en-a of this title shall not be allowed to offer pari-mutuel wagering on
14 horse racing events.

15 14. A sports governing body may notify the commission that it desires
16 to restrict, limit, or exclude wagering on its sporting events by
17 providing notice in the form and manner as the commission may require.
18 Upon receiving such notice, the commission shall review the request in
19 good faith, seek input from the casinos on such a request, and if the
20 commission deems it appropriate, promulgate regulations to restrict such
21 sports wagering. If the commission denies a request, the sports govern-
22 ing body shall be afforded notice and the right to be heard and offer
23 proof in opposition to such determination in accordance with the regu-
24 lations of the commission. Offering or taking wagers contrary to
25 restrictions promulgated by the commission is a violation of this
26 section. In the event that the request is in relation to an emergency
27 situation, the executive director of the commission may temporarily

1 prohibit the specific wager in question until the commission has the
2 opportunity to issue temporary regulations addressing the issue.

3 15. (a) The commission shall designate the division of the state
4 police to have primary responsibility for conducting, or assisting the
5 commission in conducting, investigations into abnormal betting activity,
6 match fixing, and other conduct that corrupts a betting outcome of a
7 sporting event or events for purposes of financial gain.

8 (b) The commission and casinos shall cooperate with investigations
9 conducted by sports governing bodies or law enforcement agencies,
10 including but not limited to providing or facilitating the provision of
11 account-level betting information and audio or video files relating to
12 persons placing wagers; provided, however, that the casino be required
13 to share any personally identifiable information of an authorized sports
14 bettor with a sports governing body only pursuant to an order to do so
15 by the commission or a law enforcement agency or court of competent
16 jurisdiction.

17 (c) Casinos shall immediately report to the commission any information
18 relating to:

19 (i) criminal or disciplinary proceedings commenced against the casino
20 in connection with its operations;

21 (ii) abnormal betting activity or patterns that may indicate a concern
22 with the integrity of a sporting event or events;

23 (iii) any potential breach of the relevant sports governing body's
24 internal rules and codes of conduct pertaining to sports wagering, as
25 they have been provided by the sports governing body to the casino;

26 (iv) any other conduct that corrupts a betting outcome of a sporting
27 event or events for purposes of financial gain, including match fixing;
28 and

1 (v) suspicious or illegal wagering activities, including use of funds
2 derived from illegal activity, wagers to conceal or launder funds
3 derived from illegal activity, using agents to place wagers, using
4 confidential non-public information, and using false identification.

5 The commission shall also immediately report information relating to
6 conduct described in subparagraphs (ii), (iii) and (iv) of this para-
7 graph to the relevant sports governing body.

8 (d) Casinos shall maintain the confidentiality of information provided
9 by a sports governing body to the casino, unless disclosure is required
10 by this section, the commission, other law, or court order.

11 (e) The commission, by regulation, may authorize and promulgate any
12 rules necessary to implement agreements with other states, or authorized
13 agencies thereof to enable the sharing of information to facilitate
14 integrity monitoring and the conduct of investigations into abnormal
15 betting activity, match fixing, and other conduct that corrupts a
16 betting outcome of a sporting event or events for purposes of financial
17 gain.

18 16. (a) Casinos shall use whatever data source they deem appropriate
19 for determining the result of sports wagering involving tier one sports
20 wagers.

21 (b) Casinos shall only use official league data in all sports wagering
22 involving tier two sports wagers, if the relevant sports governing body
23 possesses a feed of official league data, and makes such feed available
24 for purchase by the casinos on commercially reasonable terms as deter-
25 mined by the commission.

26 (c) A sports governing body may notify the commission that it desires
27 to require casinos to use official league data in sports wagering
28 involving specific tier three sports wagers by providing notice in the

1 form and manner as the commission may require. Upon receiving such
2 notice, the commission shall review the request, seek input from the
3 casinos on such a request, and if the commission deems it appropriate,
4 promulgate regulations to require casinos to use official league data on
5 sports wagering involving such tier three sports wagers if the relevant
6 sports governing body possesses a feed of official league data, and
7 makes such feed available for purchase by the casinos on commercially
8 reasonable terms as determined by the commission.

9 (d) When determining whether or not a supplier of official league data
10 is offering commercially reasonable terms, the commission shall consider
11 the amount charged by the supplier of official league data to gaming
12 operators in other jurisdictions. This information shall be provided to
13 the commission by the supplier of official league data upon request of
14 the commission. Any entity providing data to a casino for the purpose of
15 tier two sports wagers, other than a supplier of official league data,
16 shall obtain a license as a casino vendor enterprise and such license
17 shall be issued pursuant to the provisions of section one thousand three
18 hundred twenty-seven of this article and in accordance with the regu-
19 lations promulgated by the commission.

20 (e) No casino shall enter into an agreement with a sports governing
21 body or an entity expressly authorized to distribute official league
22 data to be the exclusive recipient of their official league data.

23 (f) If an error occurs in the payment of a sports wager the casino
24 shall bear the cost of any overpayment. In the event of under-payment or
25 non-payment of a wager alleged by an authorized sports bettor to be a
26 winning wager:

1 (i) the casino shall accept timely claims, pay each claim, or a part
2 thereof, which it determines to be valid; notice shall be given to any
3 claimant whose claim is rejected.

4 (ii) any authorized sports bettor whose claim is rejected by the cas-
5 ino may, within fifteen days from the date notice of rejection is
6 received, request the commission to determine the validity of the claim.
7 The failure to file such a request with the board within fifteen days
8 shall constitute a waiver of the claim, provided the claimant has
9 received notice of a right to appeal to the commission.

10 (iii) a hearing before the commission shall be held on each claim
11 timely filed, and the commission may determine a claim to be valid, in
12 whole or in part, and thereafter order the casino to make payment
13 accordingly. In determining whether a claim is valid the commission
14 shall utilize the statistics, results, outcomes, and other data relating
15 to a sporting event that have been obtained from the relevant sports
16 governing body. Any such determination shall be final and binding on
17 all parties.

18 (iv) claims not filed with the casino within thirty days inclusive of
19 the date on which the under-payment was discovered shall be deemed
20 waived, and the casino shall have no further liability therefor.

21 17. (a) Casinos shall maintain records of all bets and wagers placed,
22 including personally identifiable information of the mobile sports
23 wagering bettor, amount and type of bet, time the bet was placed,
24 location of the bet, including IP address if applicable, the outcome of
25 the bet, records of abnormal betting activity, and video camera
26 recordings in the case of in-person wagers for at least three years
27 after the sporting event occurs and make such data available for
28 inspection upon request of the commission or as required by court order.

1 (b) If a sports governing body has notified the commission that real-
2 time information sharing for wagers placed on sporting events is neces-
3 sary and desirable, casinos shall share in real time, at the account-
4 level, and in pseudonymous form, the information required to be retained
5 pursuant to paragraph (a) of this subdivision (other than video files)
6 with the commission, and the commission shall share in real time the
7 information with the sports governing body or its designee with respect
8 to wagers on its sporting events.

9 (c) The commission shall cooperate with a sports governing body and
10 casinos to ensure the timely, efficient, and accurate sharing of infor-
11 mation.

12 18. A casino shall not permit sports wagering by anyone they know, or
13 should have known, to be a prohibited sports bettor.

14 19. Sports wagering conducted pursuant to the provisions of this
15 section is hereby authorized.

16 20. The conduct of sports wagering in violation of this section is
17 prohibited.

18 21. Any person, firm, corporation, association, agent, or employee who
19 knowingly violates any procedure implemented under this section, or
20 section thirteen hundred sixty-seven-a of this title, shall be liable
21 for a civil penalty of not more than five thousand dollars for each
22 violation, not to exceed fifty thousand dollars for violations arising
23 out of the same transaction or occurrence, which shall accrue to the
24 state and may be recovered in a civil action brought by the commission.

25 § 2. The racing, pari-mutuel wagering and breeding law is amended by
26 adding a new section 1367-a to read as follows:

27 § 1367-a. Mobile sports wagering. 1. As used in this section, the
28 following terms shall have the following meanings:

1 (a) "Affiliate" means any off-track betting corporation, franchised
2 corporation, or race track licensed pursuant to the racing, pari-mutuel
3 wagering and breeding law, or an operator of video lottery gaming at
4 Aqueduct licensed pursuant to section sixteen hundred seventeen-a of the
5 tax law, which has a mobile sports wagering agreement with a casino
6 pursuant to this section;

7 (b) "Agent" means an entity that is party to a contract with a
8 licensed gaming facility authorized to operate a sports pool and is
9 approved by the commission to operate a sports pool on behalf of such
10 licensed gaming facility;

11 (c) "Authorized sports bettor" means an individual who is physically
12 present in this state when placing a sports wager, who is not a prohib-
13 ited sports bettor, that participates in sports wagering offered by a
14 casino. The intermediate routing of electronic data in connection with
15 mobile sports wagering shall not determine the location or locations in
16 which a wager is initiated, received or otherwise made;

17 (d) "Casino" means a licensed gaming facility at which gambling is
18 conducted pursuant to the provisions of this article or the agent of
19 such licensed gaming facility;

20 (e) "Collegiate sport or athletic event" means a sport or athletic
21 event offered or sponsored by or played in connection with a public or
22 private institution that offers education services beyond the secondary
23 level;

24 (f) "Commission" means the commission established pursuant to section
25 one hundred two of this chapter;

26 (g) "High school sport or athletic event" means a sport or athletic
27 event offered or sponsored by or played in connection with a public or

1 private institution that offers education services at the secondary
2 level;

3 (h) "Horse racing event" means any sport or athletic event conducted
4 in New York state subject to the provisions of articles two, three,
5 four, five, six, nine, ten and eleven of this chapter, or any sport or
6 athletic event conducted outside of New York state, which if conducted
7 in New York state would be subject to the provisions of this chapter;

8 (i) "Minor" means any person under the age of twenty-one years;

9 (j) "Mobile sports wagering platform" or "platform" means the combina-
10 tion of hardware, software, and data networks used to manage, adminis-
11 ter, or control sports wagering and any associated wagers accessible by
12 any electronic means including mobile applications and internet websites
13 accessed via a mobile device or computer;

14 (k) "Operator" means an entity offering a mobile sports wagering plat-
15 form including an agent;

16 (l) "Professional sport or athletic event" means an event at which two
17 or more persons participate in sports or athletic events and receive
18 compensation in excess of actual expenses for their participation in
19 such event;

20 (m) "Prohibited sports bettor" means:

21 (i) any officer or employee of the commission;

22 (ii) any principal or key employee of a casino or affiliate, except as
23 may be permitted by the commission for good cause shown;

24 (iii) any casino gaming or non-gaming employee at the casino that
25 employs such person and at any affiliate that has an agreement with that
26 casino;

27 (iv) any contractor, subcontractor, or consultant, or officer or
28 employee of a contractor, subcontractor, or consultant, of a casino if

1 such person is directly involved in the operation or observation of
2 sports wagering, or the processing of sports wagering claims or
3 payments;

4 (v) any person subject to a contract with the commission if such
5 contract contains a provision prohibiting such person from participating
6 in sports wagering;

7 (vi) any spouse, child, brother, sister or parent residing as a member
8 of the same household in the principal place of abode of any of the
9 foregoing persons at the same casino where the foregoing person is
10 prohibited from participating in sports wagering;

11 (vii) any individual with access to non-public confidential informa-
12 tion about sports wagering;

13 (viii) any amateur or professional athlete if the sports wager is
14 based on any sport or athletic event overseen by the athlete's sports
15 governing body;

16 (ix) any sports agent, owner or employee of a team, player and umpire
17 union personnel, and employee referee, coach or official of a sports
18 governing body, if the sports wager is based on any sport or athletic
19 event overseen by the individual's sports governing body;

20 (x) any individual placing a wager as an agent or proxy for an other-
21 wise prohibited sports bettor; or

22 (xi) any minor;

23 (n) "Prohibited sports event" means any high school sport or athletic
24 event;

25 (o) "Sports event" means any professional sport or athletic event and
26 any collegiate sport or athletic event, except a prohibited sports
27 events or a horse racing event;

1 (p) "Sports governing body" means the organization that prescribes
2 final rules and enforces codes of conduct with respect to a sporting
3 event and participants therein;

4 (q) "Sports pool" means the business of accepting wagers on any sports
5 event by any system or method of wagering;

6 (r) "Sports wager" means cash or cash equivalent that is paid by an
7 authorized sports bettor to a casino to participate in sports wagering
8 offered by such casino;

9 (s) "Sports wagering" means wagering on sporting events or any portion
10 thereof, or on the individual performance statistics of athletes partic-
11 ipating in a sporting event, or combination of sporting events, by any
12 system or method of wagering, including, but not limited to, in-person
13 communication and electronic communication through internet websites
14 accessed via a mobile device or computer and mobile device applications.
15 The term "sports wagering" shall include, but is not limited to,
16 single-game bets, teaser bets, parlays, over-under bets, moneyline,
17 pools, exchange wagering, in-game wagering, in-play bets, proposition
18 bets and straight bets; and

19 (t) "Sports wagering gross revenue" means: (i) the amount equal to the
20 total of all sports wagers not attributable to prohibited sports events
21 that an operator collects from all players, less the total of all sums
22 not attributable to prohibited sports events paid out as winnings to all
23 sports bettors, however, that the total of all sums paid out as winnings
24 to sports bettors shall not include the cash equivalent value of any
25 merchandise or thing of value awarded as a prize; or (ii) in the case of
26 exchange wagering pursuant to this section, the commission on winning
27 sports wagers by authorized sports bettors retained by the operator. The
28 issuance to or wagering by authorized sports bettors at a casino of any

1 promotional gaming credits shall not be taxable for the purposes of
2 determining sports wagering gross revenue.

3 2. (a) No casino shall administer, manage, or otherwise make available
4 a mobile sports wagering platform to persons located in New York state
5 unless registered with the commission pursuant to this section. A casino
6 may use multiple mobile sports wagering platforms provided that each
7 platform has been reviewed and approved by the commission. A casino may
8 contract with an independent operator to provide its mobile sports
9 wagering platforms.

10 (b) Registrations issued by the commission shall remain in effect for
11 five years. The commission shall establish a process for renewal.

12 (c) The commission shall publish a list of all casinos registered to
13 offer mobile sports wagering in New York state pursuant to this section
14 on the commission's website for public use.

15 (d) The commission shall promulgate regulations to implement the
16 provisions of this section, including the development of the initial
17 form of the application for registration. Such regulations shall provide
18 for the registration and operation of mobile sports wagering in New York
19 state and shall include, but not be limited to, responsible protections
20 with regard to compulsive play and safeguards for fair play.

21 3. In the event that a casino contracts with an independent operator
22 to provide its mobile sports wagering platforms, each independent entity
23 shall obtain a license as a casino vendor enterprise prior to the
24 execution of any such contract, and such license shall be issued pursu-
25 ant to the provisions of section one thousand three hundred twenty-seven
26 of this article and in accordance with the regulations promulgated by
27 the commission.

1 4. (a) As a condition of registration in New York state, each operator
2 shall implement the following measures:

3 (i) limit each authorized sports bettor to one active and continuously
4 used account on their platform, and prevent anyone they know, or should
5 have known to be a prohibited sports bettor from maintaining accounts or
6 participating in any sports wagering offered by such operator;

7 (ii) adopt appropriate safeguards to ensure, to a reasonable degree of
8 certainty, that authorized sports bettors are physically located within
9 the state when engaging in mobile sports betting;

10 (iii) prohibit minors from participating in any sports wagering, which
11 includes:

12 (1) if an operator becomes or is made aware that a minor has created
13 an account, or accessed the account of another, such operator shall
14 promptly, within no more than two business days, refund any deposit
15 received from the minor, whether or not the minor has engaged in or
16 attempted to engage in sports wagering; provided, however, that any
17 refund may be offset by any prizes already awarded;

18 (2) each operator shall provide parental control procedures to allow
19 parents or guardians to exclude minors from access to any sports wager-
20 ing or platform. Such procedures shall include a toll-free number to
21 call for help in establishing such parental controls; and

22 (3) each operator shall take appropriate steps to confirm that an
23 individual opening an account is not a minor;

24 (iv) when referencing the chances or likelihood of winning in adver-
25 tisements or upon placement of a sports wager, make clear and conspicu-
26 ous statements that are not inaccurate or misleading concerning the
27 chances of winning and the number of winners;

1 (v) enable authorized sports bettors to exclude themselves from sports
2 wagering and take reasonable steps to prevent such bettors from engaging
3 in sports wagering from which they have excluded themselves;

4 (vi) permit any authorized sports bettor to permanently close an
5 account registered to such bettor, on any and all platforms supported by
6 such operator, at any time and for any reason;

7 (vii) offer introductory procedures for authorized sports bettors,
8 that shall be prominently displayed on the main page of such operator
9 platform, that explain sports wagering;

10 (viii) implement measures to protect the privacy and online security
11 of authorized sports bettors and their accounts;

12 (ix) offer all authorized sports bettors access to his or her account
13 history and account details;

14 (x) ensure authorized sports bettors' funds are protected upon deposit
15 and segregated from the operating funds of such operator and otherwise
16 protected from corporate insolvency, financial risk, or criminal or
17 civil actions against such operator;

18 (xi) list on each website, in a prominent place, information concern-
19 ing assistance for compulsive play in New York state, including a toll-
20 free number directing callers to reputable resources containing further
21 information, which shall be free of charge; and

22 (xii) ensure no sports wagering shall be based on a prohibited sports
23 event.

24 (b) Operators shall not directly or indirectly operate, promote, or
25 advertise any platform or sports wagering to persons located in New York
26 state unless registered pursuant to this article.

27 (c) Operators shall not offer any sports wagering based on any prohib-
28 ited sports event.

1 (d) Operators shall not permit sports wagering by anyone they know, or
2 should have known, to be a prohibited sports bettor.

3 (e) Advertisements for contests and prizes offered by an operator
4 shall not target prohibited sports bettors, minors, or self-excluded
5 persons.

6 (f) Operators shall prohibit the use of third-party scripts or script-
7 ing programs for any contest and ensure that measures are in place to
8 deter, detect and, to the extent reasonably possible, prevent cheating,
9 including collusion, and the use of cheating devices, including use of
10 software programs that submit sports wagers unless otherwise approved by
11 the commission.

12 (g) Operators shall develop and prominently display procedures on the
13 main page of such operator's platform for the filing of a complaint by
14 an authorized sports bettor against such operator. An initial response
15 shall be given by such operator to such bettor filing the complaint
16 within forty-eight hours. A complete response shall be given by such
17 operator to such bettor filing the complaint within ten business days.
18 An authorized sports bettor may file a complaint alleging a violation of
19 the provisions of this article with the commission.

20 (h) Operators shall maintain records of all accounts belonging to
21 authorized sports bettors and retain such records of all transactions in
22 such accounts for the preceding five years.

23 (i) The server or other equipment which is used by an operator to
24 accept mobile sports wagering shall be located in the licensed gaming
25 facility in accordance with regulations promulgated by the commission.

26 5. (a) Subject to regulations promulgated by the commission, casinos
27 may enter into agreements with affiliates to allow for authorized

1 bettors to sign up to create and fund accounts on their mobile sports
2 wagering platform or platforms.

3 (b) Authorized sports bettors may sign up to create their account on a
4 mobile sports wagering platform in person at a casino or an affiliate of
5 a casino, or through internet websites accessed via a mobile device or
6 computer, or mobile device applications.

7 (c) Authorized sports bettors may deposit and withdraw funds in their
8 account on a mobile sports wagering platform in person at a casino or an
9 affiliate of a casino, electronically recognized payment methods, or any
10 other means approved by the commission.

11 (d) In accordance with regulations promulgated by the commission,
12 casinos may enter into agreements with affiliates to locate self-service
13 mobile sports betting kiosks, which are owned, operated and maintained
14 by the casino, and connected via the internet to the casino, upon the
15 premises of the affiliate.

16 § 3. Section 104 of the racing, pari-mutuel wagering and breeding law
17 is amended by adding a new subdivision 24 to read as follows:

18 24. To regulate sports wagering in New York state.

19 § 4. Subdivision 15 of section 1401 of the racing, pari-mutuel wager-
20 ing and breeding law, as added by chapter 237 of the laws of 2016, is
21 amended to read as follows:

22 15. "Prohibited sports event" shall mean any [collegiate sport or
23 athletic event, any] high school sport or athletic event or any horse
24 racing event.

25 § 5. Severability clause. If any provision of this act or application
26 thereof shall for any reason be adjudged by any court of competent
27 jurisdiction to be invalid, such judgment shall not affect, impair, or
28 invalidate the remainder of the act, but shall be confined in its opera-

1 tion to the provision thereof directly involved in the controversy in
2 which the judgment shall have been rendered.

3 § 6. This act shall take effect on the same date and in the same
4 manner as section 1367 of the racing, pari-mutuel wagering and breeding
5 law pursuant to subdivision (c) of section 52 of chapter 174 of the laws
6 of 2013, takes effect.