

Legislative Bill Drafting Commission
14923-15-8

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 Gallivan	s28 Krueger	s13 Peralta	s16 Stavisky
s42 Bonacic	s12 Gianaris	s24 Lanza	s19 Persaud	s35 Stewart- Cousins
s04 Boyle	s22 Golden	s39 Larkin	s07 Phillips	
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- Stokes	a071 Taylor
a042 Bichotte	a133 Errigo	a013 Lavine		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;

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

25 [(c)] (f) "Collegiate sport or athletic event" means a sport or
26 athletic event offered or sponsored by or played in connection with a
27 public or private institution that offers educational services beyond
28 the secondary level;

1 (g) "Exchange wagering" means the form of pari-mutuel wagering in
2 which two or more authorized sports bettors place identically opposing
3 sports wagers on an exchange operated by a casino;

4 (h) "Global risk management" means the direction, management, consul-
5 tation and/or instruction for purposes of managing risks associated with
6 sports wagering conducted pursuant to this section and includes the
7 setting and adjustment of betting lines, point spreads, or odds and
8 whether to place layoff bets as permitted by this section;

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

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

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

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

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

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

1 (o) "Official league data" means statistics, results, outcomes, and
2 other data relating to a sporting event that have been obtained from the
3 relevant sports governing body or an entity expressly authorized by the
4 sports governing body to provide such information to casinos;

5 (p) "Operator" means a casino which has elected to operate a sports
6 pool;

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

11 (r) "Prohibited sports bettor" means:

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

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

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

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

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

26 (vi) Any spouse, child, brother, sister or parent residing as a member
27 of the same household in the principal place of abode of any of the

1 foregoing persons at the same casino where the foregoing person is
2 prohibited from participating in sports wagering;

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

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

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

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

14 (xi) any minor;

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

19 [(g)] (t) "Registered sports governing body" means a sports governing
20 body that is headquartered in the United States and who has registered
21 with the commission to receive fee revenue in such form as the commis-
22 sion may require;

23 (u) "Sports event" means any professional sport or athletic event and
24 any collegiate sport or athletic event, except a prohibited sports event
25 or a horse racing event;

26 [(h)] (v) "Sports governing body" means the organization that
27 prescribes final rules and enforces codes of conduct with respect to a
28 sporting event and participants therein;

1 (w) "Sports pool" means the business of accepting wagers on any sports
2 event by any system or method of wagering; [and

3 (i)] (x) "Sports wager" means cash or cash equivalent that is paid by
4 an authorized sports bettor to a casino to participate in sports wager-
5 ing offered by such casino;

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

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

1 (aa) "Sports wagering lounge" means an area wherein a sports pool is
2 operated;

3 (bb) "Tier one sports wager" means a sports wager that is determined
4 solely by the final score or final outcome of the sports event;

5 (cc) "Tier two sports wager" means an in-play sports wager that is not
6 a tier one sports wager; and

7 (dd) "Tier three sports wager" means a sports wager that is neither a
8 tier one nor a tier two sports wager.

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

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

26 No later than five years after the date of the issuance of a license
27 and every five years thereafter or within such lesser periods as the
28 commission may direct, a licensee shall submit to the commission such

1 documentation or information as the commission may by regulation
2 require, to demonstrate to the satisfaction of the executive director of
3 the commission that the licensee continues to meet the requirements of
4 the law and regulations.

5 (b) A sports pool shall be operated in a sports wagering lounge
6 located at a casino. The lounge shall conform to all requirements
7 concerning square footage, design, equipment, security measures and
8 related matters which the commission shall by regulation prescribe.

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

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

16 (e) An operator may also accept layoff bets as long as the authorized
17 sports pool places such wagers with another authorized sports pool or
18 pools in accordance with regulations of the commission. A sports pool
19 that places a layoff bet shall inform the sports pool accepting the
20 wager that the wager is being placed by a sports pool and shall disclose
21 its identity.

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

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

26 [(f)] (h) The holder of a license to operate a sports pool may
27 contract with [an entity] one or more agents to conduct any or all
28 aspects of that operation, or the operation of mobile sports wagering

1 offered pursuant to section thirteen hundred sixty-seven-a of this
2 title, including but not limited to brand, marketing and customer
3 service, in accordance with the regulations of the commission. [That
4 entity] Each agent shall obtain a license as a casino vendor enterprise
5 prior to the execution of any such contract, and such license shall be
6 issued pursuant to the provisions of section one thousand three hundred
7 twenty-seven of this article and in accordance with the regulations
8 promulgated by the commission.

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

14 4. (a) All persons employed directly in wagering-related activities
15 conducted within a sports wagering lounge shall be licensed as a casino
16 key employee or registered as a gaming employee, as determined by the
17 commission. All other employees who are working in the sports wagering
18 lounge may be required to be registered, if appropriate, in accordance
19 with regulations of the commission.

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

24 5. Except as otherwise provided by this article, the commission shall
25 have the authority to regulate sports pools and the conduct of sports
26 wagering under this article to the same extent that the commission regu-
27 lates other gaming. No casino shall be authorized to operate a sports
28 pool unless it has produced information, documentation, and assurances

1 concerning its financial background and resources, including cash
2 reserves, that are sufficient to demonstrate that it has the financial
3 stability, integrity, and responsibility to operate a sports pool. In
4 developing rules and regulations applicable to sports wagering, the
5 commission shall examine the regulations implemented in other states
6 where sports wagering is conducted and shall, as far as practicable,
7 adopt a similar regulatory framework. The commission shall promulgate
8 regulations necessary to carry out the provisions of this section,
9 including, but not limited to, regulations governing the:

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

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

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

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

16 (e) method of issuing tickets;

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

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

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

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

21 (j) the use of global risk management;

22 (k) type of system for wagering; and

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

24 6. Each operator shall adopt comprehensive house rules governing
25 sports wagering transactions with its [patrons] authorized sports
26 bettors. The rules shall specify the amounts to be paid on winning
27 wagers and the effect of schedule changes. The house rules, together
28 with any other information the commission deems appropriate, shall be

1 conspicuously displayed in the sports wagering lounge and included in
2 the terms and conditions of the account wagering system, and copies
3 shall be made readily available to patrons.

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

7 (i) the total amount of sports wagers received from authorized sports
8 bettors;

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

10 (iii) the total amount of sports wagering gross revenue received by
11 the casino;

12 (iv) the total amount contributed to the sport betting royalty fee
13 fund pursuant to subdivision eight of this section;

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

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

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

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

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

1 8. (a) Within thirty days of the end of each calendar quarter, a casin-
2 o offering sports wagering shall remit to the commission a sports
3 wagering royalty fee of one-quarter of one percent of the amount wagered
4 on sports events conducted by registered sports governing bodies, howev-
5 er, in no case shall the total royalty fee paid by a casino be greater
6 than two percent of the casino's sports wagering gross revenue. The fee
7 shall be remitted on a form as the commission may require, on which the
8 casino shall identify the percentage of wagering during the reporting
9 period attributable to each registered sport governing body's sports
10 events.

11 (b) No later than the thirtieth of April of each year, a registered
12 sports governing body may submit a claim for disbursement of the royalty
13 fee funds remitted by casinos in the previous calendar year in pro rata
14 proportion of the total amount wagered on their respective sports
15 events. Within thirty days of submitting its claim for disbursement,
16 the registered sports governing body shall meet with the commission to
17 provide the commission with evidence of policies, procedures and train-
18 ing programs it has implemented to protect the integrity of its sports
19 events.

20 (c) Within thirty days of its meeting with the registered sports
21 governing body as described in paragraph (b) of this subdivision, the
22 commission shall approve a timely claim for disbursement.

23 (d) The commission's meeting with a registered sports governing body
24 as described under paragraph (b) of this subdivision, shall be closed to
25 the public and exempt from the open meetings law. Any evidence provided
26 to the commission under paragraph (b) of this subdivision shall be
27 confidential and exempt from disclosure under the state freedom of
28 information law.

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

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

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

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

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

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

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

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

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

15 (c) Casinos shall immediately report to the commission any information
16 relating to:

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

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

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

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

27 (v) suspicious or illegal wagering activities, including use of funds
28 derived from illegal activity, wagers to conceal or launder funds

1 derived from illegal activity, using agents to place wagers, using
2 confidential non-public information, and using false identification.

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

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

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

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

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

24 (c) A sports governing body may notify the commission that it desires
25 to require casinos to use official league data in sports wagering
26 involving specific tier three sports wagers by providing notice in the
27 form and manner as the commission may require. Upon receiving such
28 notice, the commission shall review the request, seek input from the

1 casinos on such a request, and if the commission deems it appropriate,
2 promulgate regulations to require casinos to use official league data on
3 sports wagering involving such tier three sports wagers if the relevant
4 sports governing body possesses a feed of official league data, and
5 makes such feed available for purchase by the casinos on commercially
6 reasonable terms as determined by the commission.

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

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

21 (f) The commission shall promulgate regulations to allow an authorized
22 sports bettor to file a complaint alleging an underpayment or non-pay-
23 ment of a winning sports wager. Any such regulations shall provide that
24 the commission utilize the statistics, results, outcomes, and other data
25 relating to a sporting event that have been obtained from the relevant
26 sports governing body in determining the validity of such claim.

27 17. (a) Casinos shall maintain records of all bets and wagers placed,
28 including personally identifiable information of the mobile sports

1 wagering bettor, amount and type of bet, time the bet was placed,
2 location of the bet, including IP address if applicable, the outcome of
3 the bet, records of abnormal betting activity, and video camera
4 recordings in the case of in-person wagers for at least three years
5 after the sporting event occurs and make such data available for
6 inspection upon request of the commission or as required by court order.

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

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

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

20 19. Sports wagering conducted pursuant to the provisions of this
21 section is hereby authorized.

22 20. The conduct of sports wagering in violation of this section is
23 prohibited.

24 21. Any person, firm, corporation, association, agent, or employee who
25 knowingly violates any procedure implemented under this section, or
26 section thirteen hundred sixty-seven-a of this title, shall be liable
27 for a civil penalty of not more than five thousand dollars for each
28 violation, not to exceed fifty thousand dollars for violations arising

1 out of the same transaction or occurrence, which shall accrue to the
2 state and may be recovered in a civil action brought by the commission.

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

5 § 1367-a. Mobile sports wagering. 1. (a) Except as provided in this
6 subdivision, the terms in this section shall have the same meanings as
7 such terms are defined in subdivision one of section thirteen hundred
8 sixty-seven of this title.

9 (b) "Operator" means an entity offering a mobile sports wagering plat-
10 form including an agent;

11 2. (a) No casino shall administer, manage, or otherwise make available
12 a mobile sports wagering platform to persons located in New York state
13 unless registered with the commission pursuant to this section. A casino
14 may use multiple mobile sports wagering platforms provided that each
15 platform has been reviewed and approved by the commission. A casino may
16 contract with one or more independent operators to provide its mobile
17 sports wagering platforms, but shall not contract with more than two
18 independent operators.

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

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

24 (d) The commission shall promulgate regulations to implement the
25 provisions of this section, including the development of the initial
26 form of the application for registration. Such regulations shall provide
27 for the registration and operation of mobile sports wagering in New York

1 state and shall include, but not be limited to, responsible protections
2 with regard to compulsive play and safeguards for fair play.

3 3. In the event that a casino contracts with one or more independent
4 operators to provide its mobile sports wagering platforms, each inde-
5 pendent entity shall obtain a license as a casino vendor enterprise
6 prior to the execution of any such contract, and such license shall be
7 issued pursuant to the provisions of section one thousand three hundred
8 twenty-seven of this article and in accordance with the regulations
9 promulgated by the commission.

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

12 (i) limit each authorized sports bettor to one active and continuously
13 used account per independent operator platform, and prevent anyone they
14 know, or should have known to be a prohibited sports bettor from main-
15 taining accounts or participating in any sports wagering offered by such
16 operator;

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

20 (iii) prohibit minors from participating in any sports wagering, which
21 includes:

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

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

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

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

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

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

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

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

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

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

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

5 (xii) ensure no sports wagering shall be based on a prohibited sports
6 event.

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

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

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

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

17 (f) Operators shall prohibit the use of third-party scripts or script-
18 ing programs for any exchange wagering contest and ensure that measures
19 are in place to deter, detect and, to the extent reasonably possible,
20 prevent cheating, including collusion, and the use of cheating devices,
21 including use of software programs that submit exchange wagering sports
22 wagers unless otherwise approved by the commission.

23 (g) Operators shall develop and prominently display procedures on the
24 main page of such operator's platform for the filing of a complaint by
25 an authorized sports bettor against such operator. An initial response
26 shall be given by such operator to such bettor filing the complaint
27 within forty-eight hours. A complete response shall be given by such
28 operator to such bettor filing the complaint within ten business days.

1 An authorized sports bettor may file a complaint alleging a violation of
2 the provisions of this article with the commission.

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

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

9 5. (a) Subject to regulations promulgated by the commission, casinos
10 may enter into agreements with affiliates to allow for authorized
11 bettors to sign up to create and fund accounts on their mobile sports
12 wagering platform or platforms.

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

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

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

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

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

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

4 15. "Prohibited sports event" shall mean any [collegiate sport or
5 athletic event, any] high school sport or athletic event or any horse
6 racing event.

7 § 5. Severability clause. If any provision of this act or application
8 thereof shall for any reason be adjudged by any court of competent
9 jurisdiction to be invalid, such judgment shall not affect, impair, or
10 invalidate the remainder of the act, but shall be confined in its opera-
11 tion to the provision thereof directly involved in the controversy in
12 which the judgment shall have been rendered.

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