STATE OF NEW YORK

9584--A

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. WOERNER, McDONALD, SHIMSKY, TAPIA, CLARK, DeSTEFANO, K. BROWN, BENDETT, GLICK, STECK -- read once and referred to the Committee on Racing and Wagering -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to enhancing know your customer requirements and responsible gaming procedures

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

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 1367-b to read as follows:

§ 1367-b. Know your customer requirements for mobile sports wagering licensees. 1. The terms used in this section shall have the same meanings as set forth in subdivision one of section thirteen hundred sixty-seven and subdivision one of section thirteen hundred sixty-seven-a of this title. For the purposes of this section, section thirteen hundred sixty-seven and section thirteen hundred sixty-seven-a of this title, the following terms shall have the following meanings:

(a) "At-risk sports bettor" shall mean an authorized sports bettor who, following completion of a risk assessment conducted pursuant to subdivision seven of this section, has been determined to be at significant risk of gambling-related harm and is designated as such;

(b) "Account sharing" shall mean the use of an authorized sports bettor's account by any person other than the authorized sports bettor for whom such account was created;

(c) "Elevated-risk sports bettor" shall mean an at-risk sports bettor who, following completion of a risk assessment conducted pursuant to subdivision seven of this section, is determined to be at persistent or escalating risk of significant gambling-related harm;

(d) "Gambling-related harm" shall mean significant psychological, self-inflicted physical, occupational, financial, legal, domestic, or familial harm resulting from or reasonably attributable to gambling-re-

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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lated actions or patterns of behavior, including problem gambling and gambling addiction;

(e) "High-risk sports bettor" shall mean an at-risk sports bettor who, following completion of a risk assessment conducted pursuant to subdivision seven of this section, is determined to be at chronic or acute risk of severe or imminent gambling-related harm;

(f) "Prospective sports bettor" shall mean a person seeking to participate in mobile sports wagering who has not been verified as an authorized sports bettor;

(g) "Proxy betting" shall mean an authorized sports bettor placing a sports wager on behalf of another person;

(h) "Responsible gaming" means policies, procedures, and controls reasonably designed and implemented to promote informed decision making, identify and assess risk of gambling-related harm, and mitigate such harm;

(i) "Risk assessment" shall mean a documented, comprehensive examination of the nature, frequency, and severity of risk factors, both individually and in combination, associated with an authorized sports bettor to determine whether such authorized sports bettor is at significant risk of gambling-related harm pursuant to subdivision seven of this section; and

(j) "Risk factor" shall mean behavioral, transactional, or financial patterns that may reasonably indicate risk of gambling-related harm, including those identified pursuant to subdivision six of this section.

2. (a) Prior to activating an account or permitting a prospective sports bettor to place a sports wager, a mobile sports wagering licensee shall require such prospective sports bettor to provide, at a minimum, the following:

(i) full legal name;

(ii) physical residential address, including zip code;

(iii) date of birth;

(iv) the last four digits of the social security number; provided, however, that: (A) such prospective sports bettor may voluntarily provide the full social security number or a driver license number in lieu of the last four digits; or (B) if such prospective sports bettor does not possess a social security number, such prospective sports bettor may provide an equivalent government-issued identification number, such as a passport number or taxpayer identification number;

(v) a valid email address;

(vi) a valid telephone number;

(vii) a photograph of a driver license or other government-issued identification card; and

(viii) a live photograph.

(b) All information required pursuant to paragraph (a) of this subdivision shall be directly and affirmatively provided by the prospective sports bettor. A mobile sports wagering licensee shall not pre-populate, auto-fill, suggest, derive, or otherwise present such required information for confirmation or selection by a prospective sports bettor.

(c) A mobile sports wagering licensee shall request, on a voluntary basis and not as a condition of account creation or wagering, the following information, which may be used in aggregate form only for purposes of research, regulatory oversight, and responsible gaming analysis:

(i) race and ethnicity;

(ii) gender; and

(iii) estimated annual income.

(d) No account shall be activated and no sports wager shall be permitted unless the mobile sports wagering licensee has verified the identity of the prospective sports bettor pursuant to subdivision three of this section.

(e) Prior to placing an initial sports wager, an authorized sports bettor shall affirmatively acknowledge and attest, at a minimum, the following:

(i) the information provided in connection with the creation of the account is accurate and complete;

(ii) such authorized sports bettor is at least twenty-one years of age;

(iii) such authorized sports bettor is not a prohibited sports bettor;

(iv) only such authorized sports bettor shall access the account and such authorized sports bettor shall not permit any other person to access or use the account or engage in account sharing or proxy betting;

(v) the account is the only mobile sports wagering account such authorized sports bettor owns with the particular skin and that such account is not transferable;

(vi) no sports wager on the account shall be made by computerized software or other automated or unauthorized mechanisms; and

(vii) such authorized sports bettor accepts the terms and conditions of opening an account and agrees to comply with applicable law.

(f) A mobile sports wagering licensee shall permit an authorized sports bettor to permanently close such authorized sports bettor's account at any time and for any reason.

(i) Upon closure of an account, any funds remaining in such account, less any amounts lawfully withheld pursuant to this chapter or commission regulation, shall be returned to the authorized sports bettor without unreasonable delay and in accordance with commission regulation.

(ii) A mobile sports wagering licensee shall not impose unnecessary barriers, conditions, or delays on the closure of an account or the return of funds.

3. (a) A mobile sports wagering licensee shall establish and maintain written identity verification procedures reasonably designed to form a reasonable belief that such mobile sports wagering licensee knows the true identity of each prospective sports bettor prior to activating an account or accepting sports wagers from such prospective sports bettor.

(b) Such identity verification procedures shall: (i) be incorporated into the mobile sports wagering licensee's system of internal controls; (ii) ensure that no prohibited sports bettor is permitted to activate or access an account or place sports wagers; and (iii) include measures reasonably designed to detect and prevent identity theft, fraud, and duplicate or otherwise unlawful accounts.

(c) Such identity verification procedures shall, at a minimum and to the extent reasonably practicable, include the following:

(i) verification of the authenticity of identifying information obtained pursuant to subdivision two of this section through one or more independent and reliable data sources, including commercially available fraud-detection databases, public records, or other comparable sources;

(ii) identification of material discrepancies in identifying information and documented resolution of such discrepancies prior to account activation;

(iii) provision for verification through documentary methods, non-documentary methods, or a combination thereof, as appropriate; and

(iv) application of enhanced verification procedures where identifying information is inconsistent, incomplete, associated with multiple

accounts, or otherwise indicative of an elevated threat of fraud or unlawful activity.

(d) The use of a third-party service provider to perform identity verification shall not relieve a mobile sports wagering licensee of its responsibility to comply with this subdivision.

(e) Where a mobile sports wagering licensee cannot form a reasonable belief that it knows the true identity of a prospective sports bettor, such licensee shall not activate the account or permit the placement of sports wagers and shall take such further action as may be required by the commission.

4. (a) Each authorized sports bettor shall be required to use a username and password or other primary login credential, together with at least one additional authentication factor that is independent of such username and password or other primary login credential, to verify such authorized sports bettor's identity, which shall include one or more of the following:

(i) biometric data, including fingerprint, facial or voice recognition;

(ii) an authorization code sent by phone call, text message or email to the appropriate contact information provided at the opening of the account;

(iii) knowledge-based authentication methods, including security questions, where approved by the commission;

(iv) device-based authentication tied to a previously verified device; or

(v) any other authorization types as approved by the commission.

(b) Following successful multi-factor authentication, a mobile sports wagering licensee may permit continued access to the same account on the same verified device without re-authentication for a period not to exceed one hour.

(c) No single authentication factor shall satisfy both the primary and additional authentication requirements of this subdivision.

(d) A mobile sports wagering licensee shall promptly re-verify information required pursuant to paragraph (a) of subdivision two of this section after such information is modified and as required by the commission.

(e) A mobile sports wagering licensee shall implement written monitoring procedures reasonably designed to detect suspicious activity, account compromise, fraud, account sharing, proxy betting, placement of a sports wager by a prohibited sport bettor, or other unlawful activity.

(f) Where monitoring conducted pursuant to paragraph (e) of this subdivision identifies activity reasonably indicating a material risk of account compromise, fraud, account sharing, proxy betting, the placement of a sports wager by a prohibited sports bettor, or other unlawful activity, the mobile sports wagering licensee shall promptly suspend the affected account pending review. If, following such review, the mobile sports wagering licensee determines that such activity is likely to have occurred or be occurring, the commission shall be notified, and the account shall remain suspended until corrective measures required pursuant to commission regulation have been implemented.

(g) If a mobile sports wagering licensee or the commission determines that an authorized sports bettor or any other person has, in connection with mobile sports wagering, knowingly engaged in fraud, account sharing, proxy betting, or other unlawful activity, such authorized sports bettor, and any other person determined to have knowingly participated

in such activity, may be designated a prohibited sports bettor in accordance with commission regulation.

5. (a) A mobile sports wagering licensee shall establish, implement, and maintain written responsible gaming procedures reasonably designed to identify, assess, and mitigate gambling-related harm, including through risk assessments conducted pursuant to this section.

(b) Such procedures shall be incorporated into the mobile sports wagering licensee's system of internal controls and subject to review by the commission and approval as required by commission regulation.

(c) Each mobile sports wagering licensee shall designate a responsible gaming lead who shall be a senior employee or officer with sufficient authority and resources to implement, oversee, and enforce such mobile sports wagering licensee's responsible gaming procedures and ensure that such procedures comply with this section and applicable commission regulations.

(i) Such responsible gaming lead shall ensure that risk assessments are conducted in accordance with this section and applicable commission regulations.

(ii) Such responsible gaming lead shall oversee documentation, record retention, internal review, and reporting obligations pursuant to this section.

(iii) The designation of a responsible gaming lead shall not relieve a mobile sports wagering licensee of ultimate responsibility for compliance.

(iv) The responsible gaming lead shall provide periodic written reports, no less than annually, to senior management of the mobile sports wagering licensee regarding the following:

(A) the effectiveness of responsible gaming procedures;

(B) trends in risk assessments and risk designations, including at-risk, elevated-risk, and high-risk sports bettor designations;

(C) responsible gaming actions and interventions undertaken; and

(D) recommendations for modifications or improvements to responsible gaming procedures.

(v) Such reports shall be documented and retained in accordance with subdivision eight of this section and made available to the commission upon request.

(d) Responsible gaming procedures shall include training for relevant employees regarding risk factors, risk assessment, documentation, and responsible gaming obligations in accordance with commission regulations.

(e) Responsible gaming procedures shall include periodic internal review of the effectiveness of risk assessments, responsible gaming actions taken pursuant to this section, and other procedures as prescribed by the commission. Such review shall be documented and made available to the commission upon request.

6. (a) Responsible gaming procedures shall include ongoing monitoring and documentation reasonably designed to identify risk factors associated with an authorized sports bettor, including but not limited to the following:

(i) escalation in wager size or loss exposure, or patterns of sustained wagering losses;

(ii) increases in deposit frequency or amounts, including rapid or repeated redeposit behavior following losses;

(iii) extended duration, high-frequency, or repeated late-night wagering sessions, or other patterns of intensified engagement with the mobile sports wagering platform;

(iv) frequent modification or removal of deposit, wager, or time limits or reversal of withdrawals from an account;

(v) repeated failed payment transactions or other indicators of financial distress;

(vi) frequent interactions with responsible gaming tools or resources that may indicate heightened risk; and

(vii) any other risk factor established by regulation of the commission.

(b) The commission shall promulgate regulations establishing guidance regarding the identification, weighting, and evaluation of risk factors consistent with this section.

7. (a) Responsible gaming procedures shall include a documented risk assessment conducted when risk factors, individually or in combination, reach objective, evidence-based thresholds established pursuant to commission regulation, which may be qualitative, quantitative, or both, and reasonably indicate that an authorized sports bettor is at significant risk of gambling-related harm.

(i) Such review shall evaluate the nature, frequency, and severity of the risk factors.

(ii) The results of such review shall be documented and retained in accordance with subdivision eight of this section.

(b) If, following completion of a risk assessment conducted pursuant to paragraph (a) of this subdivision, a mobile sports wagering licensee determines that an authorized sports bettor is at significant risk of gambling-related harm, such authorized sports bettor shall be designated as an at-risk sports bettor.

(c) The commission shall establish additional criteria, including objective, evidence-based thresholds, to determine whether an at-risk sports bettor qualifies as an elevated-risk or high-risk sports bettor.

(d) A prior risk assessment or risk designation of an authorized sports bettor shall not relieve a mobile sports wagering licensee of its obligation to continue monitoring such authorized sports bettor pursuant to subdivision six of this section or to conduct subsequent risk assessments where such monitoring identifies risk factors that meet or exceed objective, evidence-based thresholds established pursuant to commission regulation. Risk assessments shall be conducted on an ongoing basis as warranted by such monitoring and may result in the maintenance, escalation, or reduction of an authorized sports bettor's risk designation.

8. (a) A mobile sports wagering licensee shall document, in a manner sufficient to demonstrate compliance with this section and applicable commission regulations, the following:

(i) suspicious activity associated with an account, such as indicators of account sharing, proxy betting, fraud, or otherwise unlawful activity, including the investigation and disposition of such activity;

(ii) documentation relating to identity verification procedures and resolution of discrepancies pursuant to subdivision three of this section;

(iii) documentation of re-verification actions taken pursuant to subdivision four of this section;

(iv) documentation of periodic internal reviews conducted pursuant to subdivision five of this section;

(v) documentation of reports provided to senior management pursuant to subdivision five of this section;

(vi) risk factors identified pursuant to subdivision six of this section associated with authorized sports bettors;

(vii) risk assessments conducted pursuant to subdivision seven of this section;

(viii) determinations regarding whether an authorized sports bettor qualifies as an at-risk sports bettor, elevated-risk sports bettor, or high-risk sports bettor;

(ix) any responsible gaming actions and interventions taken in response to such determinations; and

(x) other information required pursuant to commission regulation consistent with this section.

(b) The responsible gaming lead shall establish and periodically update a list of at-risk sports bettors, which shall be provided to the commission upon request.

(i) An at-risk sports bettor may be removed from such list if, pursuant to a subsequent risk assessment conducted in accordance with this section, such authorized sports bettor is determined to no longer qualify as an at-risk sports bettor.

(ii) If an authorized sports bettor meets or exceeds thresholds established pursuant to commission regulations under subdivision seven of this section that trigger a risk assessment and is subsequently determined not to qualify as an at-risk sports bettor, the documented risk assessment shall include the specific reasons for such determination.

(c) All records required pursuant to this section shall be retained for not less than five years, or such longer period as may be required by regulations promulgated by the commission, except as provided in paragraph (c) of subdivision nine of this section.

(d) The commission may require periodic reporting, in anonymized or aggregated form, regarding demographic information, risk factors, risk assessments, responsible gaming actions and interventions, and related outcomes for the purpose of:

(i) evaluating compliance with this section and applicable commission regulations;

(ii) assessing the effectiveness of responsible gaming procedures; and

(iii) informing public policy development related to mobile sports wagering, responsible gaming, and gambling-related harm.

(e) No personally identifiable information collected pursuant to this section shall be disclosed unless otherwise required by law.

(f) The commission may audit compliance with this section and regulations promulgated hereunder.

(g) Nothing in this section shall require a mobile sports wagering licensee to verify an authorized or prospective sports bettor's income, assets, or credit history.

(h) The commission shall promulgate regulations establishing minimum standards for documentation, record retention, testing, and auditing of responsible gaming procedures required pursuant to this section.

9. (a) No mobile sports wagering licensee shall sell, share or otherwise allow third-party access to consumer data required to be collected by this section with third parties unless such selling or sharing is strictly necessary to provide, maintain, improve, or update the services requested by an authorized sports bettor, to comply with applicable law, or as otherwise required by this section or commission regulation.

(b) Upon receipt of a verifiable request from an authorized sports bettor, a mobile sports wagering licensee shall, without undue delay, make available a copy of all consumer data that such mobile sports wagering licensee has collected about such authorized sports bettor pursuant to this section.

(c) Upon the deletion of an authorized sports bettor's account, such authorized sports bettor may request that the mobile sports wagering licensee delete all consumer data that the mobile sports wagering licensee has collected about such authorized sports bettor.

(i) Upon receiving such request, the mobile sports wagering licensee shall delete all such consumer data within thirty days and provide such authorized sports bettor with confirmation that all such consumer data has been deleted.

(ii) Notwithstanding subdivision eight of this section or any other provision of state law relating solely to record retention requirements of this section, the deletion requirements of this paragraph shall control.

(iii) A mobile sports wagering licensee shall not be required to comply with the deletion requirements of this paragraph to the extent that retaining such consumer data is required by federal law, a judicial order, or an ongoing regulatory investigation or enforcement action.

(d) Each mobile sports wagering licensee shall develop, implement, and maintain reasonable administrative, technical, and physical safeguards to protect consumer data against unauthorized access, disclosure, alteration, or destruction, consistent with commission regulations. Such safeguards shall be appropriate to the nature and scope of such mobile sports wagering licensee's activities and the sensitivity of the consumer data collected.

10. (a) The commission shall promulgate such rules and regulations as are necessary and appropriate to implement, maintain, and enforce the provisions of this section, including but not limited to rules and regulations:

(i) establishing standards governing account creation and closure pursuant to subdivision two of this section;

(ii) establishing minimum standards for identity verification procedures pursuant to subdivision three of this section;

(iii) establishing standards for multi-factor authentication and ongoing verification pursuant to subdivision four of this section;

(iv) governing the review and approval of responsible gaming procedures pursuant to subdivision five of this section;

(v) establishing guidance and requirements concerning the identification, weighting, evaluation, and documentation of risk factors pursuant to subdivision six of this section;

(vi) establishing objective, evidence-based thresholds and additional criteria for risk assessments pursuant to subdivision seven of this section;

(vii) establishing documentation, record retention, reporting, testing, and auditing requirements pursuant to subdivision eight of this section; and

(viii) establishing standards for data security and safeguards pursuant to this subdivision.

(b) In addition to any other authority provided by law, the commission may:

(i) conduct examinations, investigations, and audits of mobile sports wagering licensees to determine compliance with this section and regulations promulgated pursuant to this section;

(ii) require the submission of records, reports, or other information necessary to evaluate compliance;

(iii) issue written findings of deficiency;

(iv) require corrective action plans within such timeframes as the commission may prescribe; and

(v) order the suspension or modification of practices found to be in violation of this section or commission regulation.

(c) A violation of this section or regulations promulgated pursuant to this section shall constitute a violation of this chapter and shall be subject to civil penalties, license conditions, suspension, revocation, or other disciplinary action as authorized under this chapter and regulations of the commission.

(d) In determining the appropriate enforcement action or penalty, the commission may consider:

(i) the nature and severity of the violation;

(ii) whether the violation was knowing, reckless, or negligent;

(iii) the duration and frequency of the violation;

(iv) the mobile sports wagering licensee's history of prior violations;

(v) the degree of harm or risk of harm to authorized sports bettors; and

(vi) the mobile sports wagering licensee's cooperation and corrective efforts.

(e) Nothing in this section shall be construed to limit any other authority of the commission under this chapter or other applicable law.

(f) Nothing in this section shall be construed to create a private right of action.

§ 2. Subparagraph (xv) of paragraph (a) of subdivision 4 of section 1367-a of the racing, pari-mutuel wagering and breeding law, as added by section 4 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

(xv) submit annually a problem gaming plan that was approved by the commission in consultation with the office of addiction services and supports that includes: the objectives of and timetables for implementing the plan; identification of the persons responsible for implementing and maintaining the plan; procedures for identifying users with suspected or known problem gaming behavior; procedures for providing information to users concerning problem gaming identification and resources; procedures to prevent gaming by minors and self-excluded persons; and such other problem gaming information as the commission may require by rule; provided further, that such problem gaming plan shall include responsible gaming procedures pursuant to section thirteen hundred sixty-seven-b of this title.

§ 3. The opening paragraph of subdivision 1 of section 1367 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

As used in this section [~~and in~~], section thirteen hundred sixty-seven-a, and section thirteen hundred sixty-seven-b of this title:

§ 4. Paragraph (a) of subdivision 1 of section 1367-a of the racing, pari-mutuel wagering and breeding law, as added by section 4 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

(a) Except as provided in this subdivision, the terms in this section shall have the same meanings as such terms are defined in subdivision one of section thirteen hundred sixty-seven and subdivision one of section thirteen hundred sixty-seven-b of this title.

§ 5. Subdivision 8 of section 1367 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part OO of chapter 59 of the laws of 2025, is amended to read as follows:

8. Notwithstanding section thirteen hundred fifty-one of this article, mobile sports wagering gross gaming revenue and tax revenue shall be

excluded from sports wagering gross gaming revenue and tax revenue. Mobile sports wagering tax revenue shall be separately maintained and returned to the state for deposit into the state lottery fund for education aid except as otherwise provided in this subdivision. Any interest and penalties imposed by the commission relating to those taxes, all penalties levied and collected by the commission, and the appropriate funds, cash or prizes forfeited from sports wagering shall be deposited into the state lottery fund for education**; provided, however, that penalties levied against mobile sports wagering licensees for violations of problem gaming plan requirements pursuant to subdivision four of section one thousand three hundred sixty-seven-a of this title and responsible gaming procedures pursuant to section one thousand three hundred sixty-seven-b of this title shall be deposited as follows: one-third to the state lottery fund for education aid; one-third to be collected by the commission and deposited into the commercial gaming revenue fund, established in section ninety-seven-nnnn of the state finance law, to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of such section; and one-third shall be retained by the commission for the administration and enforcement of such problem gaming plan and responsible gaming procedure requirements**. In fiscal year two thousand twenty-two, the commission shall pay into the commercial gaming fund one percent of the state tax imposed on mobile sports wagering by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law; provided however, that such amount shall be equal to six million dollars for each fiscal year through fiscal year two thousand twenty-six and twelve million dollars for each fiscal year thereafter, provided that this amount may only be expended pursuant to a plan approved by the director of the budget. In fiscal year two thousand twenty-two, the commission shall pay one percent of the state tax imposed on mobile sports wagering by this section to the general fund, a program to be administered by the office of children and family services for a statewide youth sports activities and education grant program for the purpose of providing annual awards to sports programs for underserved youth under the age of eighteen years; provided however, that such amount shall be equal to five million dollars for each fiscal year thereafter. The commission shall require at least monthly deposits by a platform provider of any payments pursuant to subdivision seven of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

§ 6. This act shall take effect on the one hundred eightieth day after it shall have become a law.