

# 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:

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

3 § 1367-b. Know your customer requirements for mobile sports wagering  
4 licensees. 1. The terms used in this section shall have the same mean-  
5 ings as set forth in subdivision one of section thirteen hundred sixty-  
6 seven and subdivision one of section thirteen hundred sixty-seven-a of  
7 this title. For the purposes of this section, section thirteen hundred  
8 sixty-seven and section thirteen hundred sixty-seven-a of this title,  
9 the following terms shall have the following meanings:

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

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

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

21 (d) "Gambling-related harm" shall mean significant psychological,  
22 self-inflicted physical, occupational, financial, legal, domestic, or  
23 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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1 lated actions or patterns of behavior, including problem gambling and  
2 gambling addiction;

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

7 (f) "Prospective sports bettor" shall mean a person seeking to partic-  
8 ipate in mobile sports wagering who has not been verified as an author-  
9 ized sports bettor;

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

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

16 (i) "Risk assessment" shall mean a documented, comprehensive examina-  
17 tion of the nature, frequency, and severity of risk factors, both indi-  
18 vidually and in combination, associated with an authorized sports bettor  
19 to determine whether such authorized sports bettor is at significant  
20 risk of gambling-related harm pursuant to subdivision seven of this  
21 section; and

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

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

29 (i) full legal name;

30 (ii) physical residential address, including zip code;

31 (iii) date of birth;

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

39 (v) a valid email address;

40 (vi) a valid telephone number;

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

43 (viii) a live photograph.

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

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

54 (i) race and ethnicity;

55 (ii) gender; and

56 (iii) estimated annual income.

1 (d) No account shall be activated and no sports wager shall be permit-  
2 ted unless the mobile sports wagering licensee has verified the identity  
3 of the prospective sports bettor pursuant to subdivision three of this  
4 section.

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

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

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

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

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

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

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

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

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

26 (i) Upon closure of an account, any funds remaining in such account,  
27 less any amounts lawfully withheld pursuant to this chapter or commis-  
28 sion regulation, shall be returned to the authorized sports bettor with-  
29 out unreasonable delay and in accordance with commission regulation.

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

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

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

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

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

50 (ii) identification of material discrepancies in identifying informa-  
51 tion and documented resolution of such discrepancies prior to account  
52 activation;

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

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

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

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

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

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

17 (i) biometric data, including fingerprint, facial or voice recogni-  
18 tion;

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

22 (iii) knowledge-based authentication methods, including security ques-  
23 tions, where approved by the commission;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (iii) The designation of a responsible gaming lead shall not relieve a  
23 mobile sports wagering licensee of ultimate responsibility for compli-  
24 ance.

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

28 (A) the effectiveness of responsible gaming procedures;

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

31 (C) responsible gaming actions and interventions undertaken; and

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

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

37 (d) Responsible gaming procedures shall include training for relevant  
38 employees regarding risk factors, risk assessment, documentation, and  
39 responsible gaming obligations in accordance with commission regu-  
40 lations.

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

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

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

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

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

1 (iv) frequent modification or removal of deposit, wager, or time  
2 limits or reversal of withdrawals from an account;  
3 (v) repeated failed payment transactions or other indicators of finan-  
4 cial distress;  
5 (vi) frequent interactions with responsible gaming tools or resources  
6 that may indicate heightened risk; and  
7 (vii) any other risk factor established by regulation of the commis-  
8 sion.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (i) An at-risk sports bettor may be removed from such list if, pursu-  
14 ant to a subsequent risk assessment conducted in accordance with this  
15 section, such authorized sports bettor is determined to no longer quali-  
16 fy as an at-risk sports bettor.

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

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

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

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

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

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

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

37 (f) The commission may audit compliance with this section and regu-  
38 lations promulgated hereunder.

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

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

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

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

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

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

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

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

17 (d) Each mobile sports wagering licensee shall develop, implement, and  
18 maintain reasonable administrative, technical, and physical safeguards  
19 to protect consumer data against unauthorized access, disclosure, alter-  
20 ation, or destruction, consistent with commission regulations. Such  
21 safeguards shall be appropriate to the nature and scope of such mobile  
22 sports wagering licensee's activities and the sensitivity of the consum-  
23 er data collected.

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

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

30 (ii) establishing minimum standards for identity verification proce-  
31 dures pursuant to subdivision three of this section;

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

34 (iv) governing the review and approval of responsible gaming proce-  
35 dures pursuant to subdivision five of this section;

36 (v) establishing guidance and requirements concerning the identifica-  
37 tion, weighting, evaluation, and documentation of risk factors pursuant  
38 to subdivision six of this section;

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

42 (vii) establishing documentation, record retention, reporting, test-  
43 ing, and auditing requirements pursuant to subdivision eight of this  
44 section; and

45 (viii) establishing standards for data security and safeguards pursu-  
46 ant to this subdivision.

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

49 (i) conduct examinations, investigations, and audits of mobile sports  
50 wagering licensees to determine compliance with this section and regu-  
51 lations promulgated pursuant to this section;

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

54 (iii) issue written findings of deficiency;

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

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

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

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

10 (i) the nature and severity of the violation;

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

12 (iii) the duration and frequency of the violation;

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

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

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

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

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

23 § 2. Subparagraph (xv) of paragraph (a) of subdivision 4 of section  
24 1367-a of the racing, pari-mutuel wagering and breeding law, as added by  
25 section 4 of part Y of chapter 59 of the laws of 2021, is amended to  
26 read as follows:

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

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

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

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

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

52 § 5. Subdivision 8 of section 1367 of the racing, pari-mutuel wagering  
53 and breeding law, as amended by section 1 of part 00 of chapter 59 of  
54 the laws of 2025, is amended to read as follows:

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

1 excluded from sports wagering gross gaming revenue and tax revenue.  
2 Mobile sports wagering tax revenue shall be separately maintained and  
3 returned to the state for deposit into the state lottery fund for educa-  
4 tion aid except as otherwise provided in this subdivision. Any interest  
5 and penalties imposed by the commission relating to those taxes, all  
6 penalties levied and collected by the commission, and the appropriate  
7 funds, cash or prizes forfeited from sports wagering shall be deposited  
8 into the state lottery fund for education; provided, however, that  
9 penalties levied against mobile sports wagering licensees for violations  
10 of problem gaming plan requirements pursuant to subdivision four of  
11 section one thousand three hundred sixty-seven-a of this title and  
12 responsible gaming procedures pursuant to section one thousand three  
13 hundred sixty-seven-b of this title shall be deposited as follows: one-  
14 third to the state lottery fund for education aid; one-third to be  
15 collected by the commission and deposited into the commercial gaming  
16 revenue fund, established in section ninety-seven-nnnn of the state  
17 finance law, to be distributed for problem gambling education and treat-  
18 ment purposes pursuant to paragraph a of subdivision four of such  
19 section; and one-third shall be retained by the commission for the  
20 administration and enforcement of such problem gaming plan and responsi-  
21 ble gaming procedure requirements. In fiscal year two thousand twenty-  
22 two, the commission shall pay into the commercial gaming fund one  
23 percent of the state tax imposed on mobile sports wagering by this  
24 section to be distributed for problem gambling education and treatment  
25 purposes pursuant to paragraph a of subdivision four of section ninety-  
26 seven-nnnn of the state finance law; provided however, that such amount  
27 shall be equal to six million dollars for each fiscal year through  
28 fiscal year two thousand twenty-six and twelve million dollars for each  
29 fiscal year thereafter, provided that this amount may only be expended  
30 pursuant to a plan approved by the director of the budget. In fiscal  
31 year two thousand twenty-two, the commission shall pay one percent of  
32 the state tax imposed on mobile sports wagering by this section to the  
33 general fund, a program to be administered by the office of children and  
34 family services for a statewide youth sports activities and education  
35 grant program for the purpose of providing annual awards to sports  
36 programs for underserved youth under the age of eighteen years; provided  
37 however, that such amount shall be equal to five million dollars for  
38 each fiscal year thereafter. The commission shall require at least  
39 monthly deposits by a platform provider of any payments pursuant to  
40 subdivision seven of this section, at such times, under such conditions,  
41 and in such depositories as shall be prescribed by the state comp-  
42 troller. The deposits shall be deposited to the credit of the state  
43 commercial gaming revenue fund. The commission shall require a monthly  
44 report and reconciliation statement to be filed with it on or before the  
45 tenth day of each month, with respect to gross revenues and deposits  
46 received and made, respectively, during the preceding month.

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