STATE OF NEW YORK

5640--A

2025-2026 Regular Sessions

IN SENATE

February 26, 2025

Introduced by Sens. BAILEY, ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming 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 authorizing two percent of mobile sports tax revenue be used for youth team sports funding

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

Section 1. Subdivision 8 of section 1367 of the racing, pari-mutuel wagering and breeding law, as added by section 3 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

8. **(a)** 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.

(b) In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, 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 thereafter.

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

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(c) In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, 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 teams and programs for underserved youth under the age of eighteen years for programming, improvements, and equipment; provided however, that such amount shall be equal to [~~five~~] two percent of mobile sports tax revenue and no less than twenty million dollars for each fiscal year thereafter. Fifty percent of such funding shall be used for capital expenditures and the remaining fifty percent shall be used for programming. Capital expenditure funding shall be distributed by county youth bureaus. Programmatic funding shall be distributed by county youth bureaus, except in the city of New York where seventy-five percent of programming funding shall be distributed by the city's department of youth and community development and twenty-five percent of such funding shall be distributed by Laureus Sport for Good Foundation USA. Each county youth bureau, the city of New York's department of youth and community development, and Laureus Sport for Good Foundation USA shall issue a report to the commissioner on the recipients of such funding, the use of the funds, and the impact of the funding within six months of the end of each grant period.

(d) 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.

§ 2. This act shall take effect on the first of April next succeeding the date on which it shall have become a law.