

# STATE OF NEW YORK

7900--C

## IN SENATE

March 7, 2018

Introduced by Sens. BONACIC, ADDABBO, BROOKS, FUNKE, GOLDEN -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- reported favorably from said committee and committed to the Committee on Rules -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- 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 regulation of sports betting

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

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;

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

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1 (d) "Brand" means the name and logo on the interface of a mobile  
2 application or internet website accessed via a mobile device or computer  
3 which authorized sports bettors use to access a sports betting platform;

4 (e) "Casino" means a licensed gaming facility at which gambling is  
5 conducted pursuant to the provisions of this article;

6 [~~(b)~~] (f) "Commission" means the commission established pursuant to  
7 section one hundred two of this chapter;

8 [~~(e)~~] (g) "Collegiate sport or athletic event" means a sport or  
9 athletic event offered or sponsored by or played in connection with a  
10 public or private institution that offers educational services beyond  
11 the secondary level;

12 (h) "Exchange wagering" means a form of wagering in which an author-  
13 ized sports bettor, on the one hand, and one or more authorized sports  
14 bettors, a casino or an agent or an operator, on the other hand place  
15 identically opposing sports wagers on an exchange operated by a casino  
16 or an agent or an operator;

17 (i) "Global risk management" means the direction, management, consul-  
18 tation and/or instruction for purposes of managing risks associated with  
19 sports wagering conducted pursuant to this section and includes the  
20 setting and adjustment of betting lines, point spreads, or odds and  
21 whether to place layoff bets as permitted by this section;

22 [~~(a)~~] (j) "High school sport or athletic event" means a sport or  
23 athletic event offered or sponsored by or played in connection with a  
24 public or private institution that offers education services at the  
25 secondary level;

26 (k) "Horse racing event" means any sport or athletic event conducted  
27 in New York state subject to the provisions of articles two, three,  
28 four, five, six, nine, ten and eleven of this chapter, or any sport or  
29 athletic event conducted outside of New York state, which if conducted  
30 in New York state would be subject to the provisions of this chapter;

31 (l) "In-play sports wager" means a sports wager placed on a sports  
32 event after the sports event has begun and before it ends;

33 (m) "Layoff bet" means a sports wager placed by a casino sports pool  
34 with another casino sports pool;

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

36 (o) "Mobile sports wagering platform" or "platform" means the combina-  
37 tion of hardware, software, and data networks used to manage, adminis-  
38 ter, or control sports wagering and any associated wagers accessible by  
39 any electronic means including mobile applications and internet websites  
40 accessed via a mobile device or computer;

41 (p) "Official league data" means statistics, results, outcomes, and  
42 other data relating to a sporting event that have been obtained from the  
43 relevant sports governing body or an entity expressly authorized by the  
44 sports governing body to provide such information to casinos;

45 (q) "Operator" means a casino which has elected to operate a sports  
46 pool or the agent of such licensed gaming facility;

47 [~~(e)~~] (r) "Professional sport or athletic event" means an event at  
48 which two or more persons participate in sports or athletic events and  
49 receive compensation in excess of actual expenses for their partic-  
50 ipation in such event;

51 (s) "Prohibited sports bettor" means:

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

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

1 (iii) any casino gaming or non-gaming employee at the casino that  
2 employs such person and at any affiliate that has an agreement with that  
3 casino;

4 (iv) any contractor, subcontractor, or consultant, or officer or  
5 employee of a contractor, subcontractor, or consultant, of a casino if  
6 such person is directly involved in the operation or observation of  
7 sports wagering, or the processing of sports wagering claims or  
8 payments;

9 (v) Any person subject to a contract with the commission if such  
10 contract contains a provision prohibiting such person from participating  
11 in sports wagering;

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

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

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

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

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

27 (xi) any minor;

28 [~~(f)~~] (t) "Prohibited sports event" means any [~~collegiate sport or~~  
29 ~~athletic event that takes place in New York or a sport or athletic event~~  
30 ~~in which any New York college team participates regardless of where the~~  
31 ~~event takes place]~~ high school sport or athletic event;

32 [~~(g)~~] (u) "Registered sports governing body" means a sports governing  
33 body that is headquartered in the United States and who has registered  
34 with the commission to receive royalty fee revenue in such form as the  
35 commission may require;

36 (v) "Sports event" means any professional sport or athletic event and  
37 any collegiate sport or athletic event, except a prohibited sports event  
38 or a horse racing event;

39 [~~(h)~~] (w) "Sports governing body" means the organization that  
40 prescribes final rules and enforces codes of conduct with respect to a  
41 sporting event and participants therein;

42 (x) "Sports pool" means the business of accepting wagers on any sports  
43 event by any system or method of wagering; [and

44 ~~(i)]~~ (y) "Sports wager" means cash or cash equivalent that is paid by  
45 an authorized sports bettor to a casino to participate in sports wager-  
46 ing offered by such casino;

47 (z) "Sports wagering" means wagering on sporting events or any portion  
48 thereof, or on the individual performance statistics of athletes partic-  
49 ipating in a sporting event, or combination of sporting events, by any  
50 system or method of wagering, including, but not limited to, in-person  
51 communication and electronic communication through internet websites  
52 accessed via a mobile device or computer and mobile device applications.  
53 Any wager through electronic communication is deemed made at the phys-  
54 ical location of the server or other equipment used by an operator to  
55 accept mobile sports wagering. The term "sports wagering" shall  
56 include, but is not limited to, single-game bets, teaser bets, parlays,

1 over-under bets, moneyline, pools, exchange wagering, in-game wagering,  
2 in-play bets, proposition bets and straight bets;

3 (aa) "Sports wagering gross revenue" means: (i) the amount equal to  
4 the total of all sports wagers not attributable to prohibited sports  
5 events that an operator collects from all players, less the total of all  
6 sums not attributable to prohibited sports events paid out as winnings  
7 to all sports bettors, however, that the total of all sums paid out as  
8 winnings to sports bettors shall not include the cash equivalent value  
9 of any merchandise or thing of value awarded as a prize, or (ii) in the  
10 case of exchange wagering pursuant to this section, the commission on  
11 winning sports wagers by authorized sports bettors retained by the oper-  
12 ator. The issuance to or wagering by authorized sports bettors at a  
13 casino of any promotional gaming credit shall not be taxable for the  
14 purposes of determining sports wagering gross revenue;

15 (bb) "Sports wagering lounge" means an area wherein a sports pool is  
16 operated;

17 (cc) "Tier one sports wager" means a sports wager that is determined  
18 solely by the final score or final outcome of the sports event;

19 (dd) "Tier two sports wager" means an in-play sports wager that is not  
20 a tier one sports wager; and

21 (ee) "Tier three sports wager" means a sports wager that is neither a  
22 tier one nor a tier two sports wager.

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

26 3. (a) In addition to authorized gaming activities, a licensed gaming  
27 facility may when authorized by subdivision two of this section operate  
28 a sports pool upon the approval of the commission and in accordance with  
29 the provisions of this section and applicable regulations promulgated  
30 pursuant to this article. The commission shall hear and decide promptly  
31 and in reasonable order all applications for a license to operate a  
32 sports pool, shall have the general responsibility for the implementa-  
33 tion of this section and shall have all other duties specified in this  
34 section with regard to the operation of a sports pool. The license to  
35 operate a sports pool shall be in addition to any other license required  
36 to be issued to operate a gaming facility. No license to operate a  
37 sports pool shall be issued by the commission to any entity unless it  
38 has established its financial stability, integrity and responsibility  
39 and its good character, honesty and integrity.

40 No later than five years after the date of the issuance of a license  
41 and every five years thereafter or within such lesser periods as the  
42 commission may direct, a licensee shall submit to the commission such  
43 documentation or information as the commission may by regulation  
44 require, to demonstrate to the satisfaction of the executive director of  
45 the commission that the licensee continues to meet the requirements of  
46 the law and regulations.

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

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

53 (d) An operator shall accept wagers on sports events only from persons  
54 physically present in the sports wagering lounge, or through mobile  
55 sports wagering offered pursuant to section thirteen hundred sixty-sev-

1 en-a of this title. A person placing a wager shall be at least twenty-  
2 one years of age.

3 (e) An operator may also accept layoff bets as long as the authorized  
4 sports pool places such wagers with another authorized sports pool or  
5 pools in accordance with regulations of the commission. A sports pool  
6 that places a layoff bet shall inform the sports pool accepting the  
7 wager that the wager is being placed by a sports pool and shall disclose  
8 its identity.

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

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

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

24 [~~(g)~~] (i) If any provision of this article or its application to any  
25 person or circumstance is held invalid, the invalidity shall not affect  
26 other provisions or applications of this article which can be given  
27 effect without the invalid provision or application, and to this end the  
28 provisions of this article are severable.

29 4. (a) All persons employed directly in wagering-related activities  
30 conducted within a sports wagering lounge shall be licensed as a casino  
31 key employee or registered as a gaming employee, as determined by the  
32 commission. All other employees who are working in the sports wagering  
33 lounge may be required to be registered, if appropriate, in accordance  
34 with regulations of the commission.

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

39 5. Except as otherwise provided by this article, the commission shall  
40 have the authority to regulate sports pools and the conduct of sports  
41 wagering under this article to the same extent that the commission regu-  
42 lates other gaming. No casino shall be authorized to operate a sports  
43 pool unless it has produced information, documentation, and assurances  
44 concerning its financial background and resources, including cash  
45 reserves, that are sufficient to demonstrate that it has the financial  
46 stability, integrity, and responsibility to operate a sports pool. In  
47 developing rules and regulations applicable to sports wagering, the  
48 commission shall examine the regulations implemented in other states  
49 where sports wagering is conducted and shall, as far as practicable,  
50 adopt a similar regulatory framework. The commission shall promulgate  
51 regulations necessary to carry out the provisions of this section,  
52 including, but not limited to, regulations governing the:

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

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

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

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

4 (e) method of issuing tickets;

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

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

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

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

9 (j) the use of global risk management;

10 (k) type of system for wagering; and

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

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

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

23 (i) the total amount of sports wagers received from authorized sports  
24 bettors;

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

26 (iii) the total amount of sports wagering gross revenue received by  
27 the casino;

28 (iv) the total amount contributed in sports betting royalty revenue  
29 pursuant to subdivision eight of this section;

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

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

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

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

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

45 8. (a) Within thirty days of the end of each calendar quarter, a casi-  
46 no offering sports wagering shall remit to the commission a sports  
47 wagering royalty fee of one-fifth (.20) of one percent of the amount  
48 wagered on sports events conducted by registered sports governing  
49 bodies. The fee shall be remitted on a form as the commission may  
50 require, on which the casino shall identify the percentage of wagering  
51 during the reporting period attributable to each registered sport  
52 governing body's sports events.

53 (b) No later than the thirtieth of April of each year, a registered  
54 sports governing body may submit a claim for disbursement of the royalty  
55 fee funds remitted by casinos in the previous calendar year on their  
56 respective sports events. Within thirty days of submitting its claim

1 for disbursement, the registered sports governing body shall meet with  
2 the commission to provide the commission with evidence of policies,  
3 procedures and training programs it has implemented to protect the  
4 integrity of its sports events.

5 (c) Within thirty days of its meeting with the registered sports  
6 governing body, the commission shall approve a timely claim for  
7 disbursement.

8 (d) The commission's meeting with a registered sports governing body  
9 under paragraph (b) of this subdivision, shall be closed to the public  
10 and exempt from the open meetings law. Any evidence provided to the  
11 commission under paragraph (b) of this subdivision shall be confidential  
12 and exempt from disclosure under the state freedom of information law.

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

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

41 11. The commission may perform audits of the books and records of a  
42 casino, at such times and intervals as it deems appropriate, for the  
43 purpose of determining the sufficiency of tax payments. If a return  
44 required with regard to obligations imposed is not filed, or if a return  
45 when filed or is determined by the commission to be incorrect or insuf-  
46 ficient with or without an audit, the amount of tax due shall be deter-  
47 mined by the commission. Notice of such determination shall be given to  
48 the casino liable for the payment of the tax. Such determination shall  
49 finally and irrevocably fix the tax unless the casino against whom it is  
50 assessed, within thirty days after receiving notice of such determi-  
51 nation, shall apply to the commission for a hearing in accordance with  
52 the regulations of the commission.

53 12. Nothing in this section shall apply to interactive fantasy sports  
54 offered pursuant to article fourteen of this chapter. Nothing in this  
55 section authorizes any entity that conducts interactive fantasy sports  
56 offered pursuant to article fourteen of this chapter to conduct sports

1 wagering unless it separately qualifies for, and obtains, authorization  
2 pursuant to this section.

3 13. A casino that is also licensed under article three of this chap-  
4 ter, and must maintain racing pursuant to paragraph (b) of subdivision  
5 one of section thirteen hundred fifty-five of this chapter, shall be  
6 allowed to offer pari-mutuel wagering on horse racing events in accord-  
7 ance with their license under article three of this chapter. Notwith-  
8 standing subparagraph (ii) of paragraph c of subdivision two of section  
9 one thousand eight of this chapter, a casino located in the city of  
10 Schenectady shall be allowed to offer pari-mutuel wagering on horse  
11 racing events, provided such wagering is conducted by the regional off-  
12 track betting corporation in such region as the casino is located. Any  
13 other casino shall be allowed to offer pari-mutuel wagering on horse  
14 racing events, provided such wagering is conducted by the regional off-  
15 track betting corporation in such region as the casino is located. Any  
16 physical location where pari-mutuel wagering on horse racing events is  
17 offered by a casino and conducted by a regional off-track betting corpo-  
18 ration in accordance with this subdivision shall be deemed to be a  
19 branch location of the regional off-track betting corporation in accord-  
20 ance with section one thousand eight of this chapter. Mobile sports  
21 betting kiosks located on the premises of affiliates in accordance with  
22 paragraph (d) of subdivision five of section thirteen hundred sixty-sev-  
23 en-a of this chapter shall not be allowed to offer pari-mutuel wagering  
24 on horse racing events.

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

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

45 (b) Casinos shall maintain records of sports wagering operations in  
46 accordance with regulations promulgated by the commission. These regu-  
47 lations shall, at a minimum, require a casino to adopt procedures to  
48 obtain personally identifiable information from any individual who plac-  
49 es any single wager in an amount of ten thousand dollars or greater on a  
50 sports event while physically present in a casino or using a mobile  
51 sports betting kiosk at an affiliate.

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

55 (d) The commission and casinos shall cooperate with investigations  
56 conducted by sports governing bodies or law enforcement agencies,



1 including but not limited to providing or facilitating the provision of  
2 account-level betting information and audio or video files relating to  
3 persons placing wagers; provided, however, that the casino be required  
4 to share any personally identifiable information of an authorized sports  
5 bettor with a sports governing body only pursuant to an order to do so  
6 by the commission or a law enforcement agency or court of competent  
7 jurisdiction.

8 (e) Casinos shall promptly report to the commission any information  
9 relating to:

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

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

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

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

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

24 The commission shall also promptly report information relating to  
25 conduct described in subparagraphs (ii), (iii) and (iv) of this para-  
26 graph to the relevant sports governing body.

27 (f) Casinos shall maintain the confidentiality of information provided  
28 by a sports governing body to the casino, unless disclosure is required  
29 by this section, the commission, other law, or court order.

30 (g) The commission, by regulation, may authorize and promulgate any  
31 rules necessary to implement agreements with other states, or authorized  
32 agencies thereof to enable the sharing of information to facilitate  
33 integrity monitoring and the conduct of investigations into abnormal  
34 betting activity, match fixing, and other conduct that corrupts a  
35 betting outcome of a sporting event or events for purposes of financial  
36 gain.

37 (h) The commission shall study the potential for the creation of an  
38 interstate database of all sports wagering information for the purpose  
39 of integrity monitoring, and shall create a final report regarding all  
40 findings and recommendations to be delivered upon completion of all  
41 objectives described herein, but in no event later than March first, two  
42 thousand nineteen, to the governor, the speaker of the assembly and the  
43 temporary president of the senate.

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

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

52 (c) A sports governing body may notify the commission that it desires  
53 to require casinos to use official league data in sports wagering  
54 involving specific tier three sports wagers by providing notice in the  
55 form and manner as the commission may require. Upon receiving such  
56 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  
13 of tier two sports wagers, other than a supplier of official league  
14 data, shall obtain a license as a casino vendor enterprise and such  
15 license shall be issued pursuant to the provisions of section thirteen  
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 casino shall not permit sports wagering by anyone they know, or  
28 should have known, to be a prohibited sports bettor.

29 18. Sports wagering conducted pursuant to the provisions of this  
30 section is hereby authorized.

31 19. The conduct of sports wagering in violation of this section is  
32 prohibited.

33 20. (a) In addition to any criminal penalties provided for under arti-  
34 cle two hundred twenty-five of the penal law, any person, firm, corpo-  
35 ration, association, agent, or employee, who is not authorized to offer  
36 sports wagering under this section or section thirteen hundred sixty-  
37 seven-a of this title, and who knowingly offers or attempts to offer  
38 sports wagering or mobile sports wagering in New York shall be liable  
39 for a civil penalty of not more than one hundred thousand dollars for  
40 each violation, not to exceed five million dollars for violations aris-  
41 ing out of the same transaction or occurrence, which shall accrue to the  
42 state and may be recovered in a civil action brought by the commission.

43 (b) Any person, firm, corporation, association, agent, or employee who  
44 knowingly violates any procedure implemented under this section, or  
45 section thirteen hundred sixty-seven-a of this title, shall be liable  
46 for a civil penalty of not more than five thousand dollars for each  
47 violation, not to exceed fifty thousand dollars for violations arising  
48 out of the same transaction or occurrence, which shall accrue to the  
49 state and may be recovered in a civil action brought by the commission.

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

52 § 1367-a. Mobile sports wagering. 1. (a) Except as provided in this  
53 subdivision, the terms in this section shall have the same meanings as  
54 such terms are defined in subdivision one of section thirteen hundred  
55 sixty-seven of this title.

1 (b) "Operator" means an entity offering a mobile sports wagering plat-  
2 form including an agent.

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

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

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

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

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

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

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

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

37 (iii) prohibit minors from participating in any sports wagering, which  
38 includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (g) Operators shall develop and prominently display procedures on the  
41 main page of such operator's platform for the filing of a complaint by  
42 an authorized sports bettor against such operator. An initial response  
43 shall be given by such operator to such bettor filing the complaint  
44 within forty-eight hours. A complete response shall be given by such  
45 operator to such bettor filing the complaint within ten business days.  
46 An authorized sports bettor may file a complaint alleging a violation of  
47 the provisions of this article with the commission.

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

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

54 (j) All mobile sports wagering shall be conducted in compliance with  
55 this section and section thirteen hundred sixty-seven of this title.

1 5. (a) Subject to regulations promulgated by the commission, casinos  
2 may enter into agreements with affiliates to allow for authorized  
3 bettors to sign up to create and fund accounts on mobile sports wagering  
4 platforms offered by the casino.

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

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

13 (d) In accordance with regulations promulgated by the commission,  
14 casinos may enter into agreements with affiliates to locate self-service  
15 mobile sports betting kiosks, which are owned, operated and maintained  
16 by the casino, and connected via the internet to the casino, upon the  
17 premises of the affiliate. Authorized sports bettors may place account  
18 wagers, and place and redeem non-account cash wagers, at such kiosks.

19 (e) All agreements entered into between casinos and affiliates in  
20 relation to the provisions of this section shall be approved by the  
21 commission prior to taking effect and shall include a plan for the time-  
22 ly payment of liabilities due to the affiliate under the agreement.

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

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

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

29 15. "Prohibited sports event" shall mean any [~~collegiate sport or~~  
30 ~~athletic event, any~~] high school sport or athletic event or any horse  
31 racing event.

32 § 5. Paragraph (a) of subdivision 2-a of section 1009 of the racing,  
33 pari-mutuel wagering and breeding law, as amended by chapter 626 of the  
34 laws of 1986, is amended to read as follows:

35 (a) In Sullivan, Greene and Ulster counties and within the Capital  
36 District region as defined by paragraph (e) of subdivision one of  
37 section five hundred nineteen of this chapter, the board shall determine  
38 the number of such projects to be located in privately owned hotels in  
39 such counties for the exclusive use of the hotel guests. Notwithstand-  
40 ing the provisions of paragraph (a) of subdivision five of this section,  
41 an admission fee shall not be required for any demonstration project  
42 authorized in such areas in a gaming facility as defined in subdivision  
43 twenty-three of section thirteen hundred one of this chapter. Provided  
44 however, on any day when a regional harness track located in Saratoga  
45 County conducts a live race meeting, the demonstration facility will  
46 predominantly display the live video of such regional harness track. In  
47 the event of a conflict with the broadcast of the live video from a  
48 franchise corporation racetrack, the demonstration project facility may  
49 choose to show the franchise corporation signal instead and show a  
50 replay of the regional harness track race meeting immediately following  
51 completion of the franchise corporation race.

52 § 6. Severability clause. If any provision of this act or application  
53 thereof shall for any reason be adjudged by any court of competent  
54 jurisdiction to be invalid, such judgment shall not affect, impair, or  
55 invalidate the remainder of the act, but shall be confined in its opera-

1 tion to the provision thereof directly involved in the controversy in  
2 which the judgment shall have been rendered.  
3 § 7. This act shall take effect on the same date and in the same  
4 manner as section 1367 of the racing, pari-mutuel wagering and breeding  
5 law pursuant to subdivision (c) of section 52 of chapter 174 of the laws  
6 of 2013, takes effect.