

STATE OF NEW YORK

11144

IN ASSEMBLY

June 8, 2018

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Pretlow, DenDekker, Garbarino, D. Rosenthal, Weprin) -- read once and referred to the Committee on Racing and Wagering

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;

21 (d) "Casino" means a licensed gaming facility at which gambling is
22 conducted pursuant to the provisions of this article;

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

25 [~~(e)~~] (f) "Collegiate sport or athletic event" means a sport or
26 athletic event offered or sponsored by or played in connection with a

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

LBD14923-15-8

1 public or private institution that offers educational services beyond
2 the secondary level;

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

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

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

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

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

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

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

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

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

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

36 ~~(e)~~ (q) "Professional sport or athletic event" means an event at
37 which two or more persons participate in sports or athletic events and
38 receive compensation in excess of actual expenses for their partici-
39 ipation in such event;

40 (r) "Prohibited sports bettor" means:

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

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

44 (iii) any casino gaming or non-gaming employee at the casino that
45 employs such person and at any affiliate that has an agreement with that
46 casino;

47 (iv) any contractor, subcontractor, or consultant, or officer or
48 employee of a contractor, subcontractor, or consultant, of a casino if
49 such person is directly involved in the operation or observation of
50 sports wagering, or the processing of sports wagering claims or
51 payments;

52 (v) Any person subject to a contract with the commission if such
53 contract contains a provision prohibiting such person from participating
54 in sports wagering;

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

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

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

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

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

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

14 (xi) any minor;

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

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

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

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

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

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

34 (y) "Sports wagering" means wagering on sporting events or any portion
35 thereof, or on the individual performance statistics of athletes partic-
36 ipating in a sporting event, or combination of sporting events, by any
37 system or method of wagering, including, but not limited to, in-person
38 communication and electronic communication through internet websites
39 accessed via a mobile device or computer and mobile device applications.
40 The term "sports wagering" shall include, but is not limited to,
41 single-game bets, teaser bets, parlays, over-under bets, moneyline,
42 pools, exchange wagering, in-game wagering, in-play bets, proposition
43 bets and straight bets;

44 (z) "Sports wagering gross revenue" means: (i) the amount equal to the
45 total of all sports wagers not attributable to prohibited sports events
46 that an operator collects from all players, less the total of all sums
47 not attributable to prohibited sports events paid out as winnings to all
48 sports bettors, however, that the total of all sums paid out as winnings
49 to sports bettors shall not include the cash equivalent value of any
50 merchandise or thing of value awarded as a prize, or (ii) in the case of
51 exchange wagering pursuant to this section, the commission on winning
52 sports wagers by authorized sports bettors retained by the operator. The
53 issuance to or wagering by authorized sports bettors at a casino of any
54 promotional gaming credit shall not be taxable for the purposes of
55 determining sports wagering gross revenue;

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

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

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

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

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

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

26 No later than five years after the date of the issuance of a license
27 and every five years thereafter or within such lesser periods as the
28 commission may direct, a licensee shall submit to the commission such
29 documentation or information as the commission may by regulation
30 require, to demonstrate to the satisfaction of the executive director of
31 the commission that the licensee continues to meet the requirements of
32 the law and regulations.

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

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

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

44 (e) An operator may also accept layoff bets as long as the authorized
45 sports pool places such wagers with another authorized sports pool or
46 pools in accordance with regulations of the commission. A sports pool
47 that places a layoff bet shall inform the sports pool accepting the
48 wager that the wager is being placed by a sports pool and shall disclose
49 its identity.

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

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

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

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

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

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

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

24 5. Except as otherwise provided by this article, the commission shall
25 have the authority to regulate sports pools and the conduct of sports
26 wagering under this article to the same extent that the commission regu-
27 lates other gaming. No casino shall be authorized to operate a sports
28 pool unless it has produced information, documentation, and assurances
29 concerning its financial background and resources, including cash
30 reserves, that are sufficient to demonstrate that it has the financial
31 stability, integrity, and responsibility to operate a sports pool. In
32 developing rules and regulations applicable to sports wagering, the
33 commission shall examine the regulations implemented in other states
34 where sports wagering is conducted and shall, as far as practicable,
35 adopt a similar regulatory framework. The commission shall promulgate
36 regulations necessary to carry out the provisions of this section,
37 including, but not limited to, regulations governing the:

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

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

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

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

44 (e) method of issuing tickets;

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

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

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

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

49 (j) the use of global risk management;

50 (k) type of system for wagering; and

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

52 6. Each operator shall adopt comprehensive house rules governing
53 sports wagering transactions with its [~~patrons~~] authorized sports
54 bettors. The rules shall specify the amounts to be paid on winning
55 wagers and the effect of schedule changes. The house rules, together
56 with any other information the commission deems appropriate, shall be

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

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

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

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

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

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

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

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

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

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

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

29 8. (a) Within thirty days of the end of each calendar quarter, a casi-
30 no offering sports wagering shall remit to the commission a sports
31 wagering royalty fee of one-quarter of one percent of the amount wagered
32 on sports events conducted by registered sports governing bodies, howev-
33 er, in no case shall the total royalty fee paid by a casino be greater
34 than two percent of the casino's sports wagering gross revenue. The fee
35 shall be remitted on a form as the commission may require, on which the
36 casino shall identify the percentage of wagering during the reporting
37 period attributable to each registered sport governing body's sports
38 events.

39 (b) No later than the thirtieth of April of each year, a registered
40 sports governing body may submit a claim for disbursement of the royalty
41 fee funds remitted by casinos in the previous calendar year in pro rata
42 proportion of the total amount wagered on their respective sports
43 events. Within thirty days of submitting its claim for disbursement,
44 the registered sports governing body shall meet with the commission to
45 provide the commission with evidence of policies, procedures and train-
46 ing programs it has implemented to protect the integrity of its sports
47 events.

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

51 (d) The commission's meeting with a registered sports governing body
52 as described under paragraph (b) of this subdivision, shall be closed to
53 the public and exempt from the open meetings law. Any evidence provided
54 to the commission under paragraph (b) of this subdivision shall be
55 confidential and exempt from disclosure under the state freedom of
56 information law.

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

2
3
4 10. The commission shall pay into the commercial gaming revenue fund established pursuant to section ninety-seven-nnnn of the state finance law eighty-five percent of the state tax imposed by this section; 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. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision five of section ninety-seven-nnnn of the state finance law. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed for the cost of regulation pursuant to paragraph c of subdivision five of section ninety-seven-nnnn of the state finance law. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed in the same formula as market origin credits pursuant to section one hundred fifteen-b of this chapter. The commission shall require at least monthly deposits by the casino of any payments pursuant to subdivision nine 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.

29 11. The commission may perform audits of the books and records of a casino, at such times and intervals as it deems appropriate, for the purpose of determining the sufficiency of tax payments. If a return required with regard to obligations imposed is not filed, or if a return when filed or is determined by the commission to be incorrect or insufficient with or without an audit, the amount of tax due shall be determined by the commission. Notice of such determination shall be given to the casino liable for the payment of the tax. Such determination shall finally and irrevocably fix the tax unless the casino against whom it is assessed, within thirty days after receiving notice of such determination, shall apply to the commission for a hearing in accordance with the regulations of the commission.

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

47 13. A casino that is also licensed under article three of this chapter, and must maintain racing pursuant to paragraph (b) of subdivision one of section thirteen hundred fifty-five of this chapter, shall be allowed to offer pari-mutuel wagering on horse racing events in accordance with their license under article three of this chapter. Notwithstanding subparagraph (ii) of paragraph c of subdivision two of section one thousand eight of this chapter, a casino located in the city of Schenectady shall be allowed to offer pari-mutuel wagering on horse racing events, provided such wagering is conducted by the regional off-track betting corporation in such region as the casino is located. Any

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

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

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

33 (b) The commission and casinos shall cooperate with investigations
34 conducted by sports governing bodies or law enforcement agencies,
35 including but not limited to providing or facilitating the provision of
36 account-level betting information and audio or video files relating to
37 persons placing wagers; provided, however, that the casino be required
38 to share any personally identifiable information of an authorized sports
39 bettor with a sports governing body only pursuant to an order to do so
40 by the commission or a law enforcement agency or court of competent
41 jurisdiction.

42 (c) Casinos shall immediately report to the commission any information
43 relating to:

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

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

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

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

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

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

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

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

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

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

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

24 (c) A sports governing body may notify the commission that it desires
25 to require casinos to use official league data in sports wagering
26 involving specific tier three sports wagers by providing notice in the
27 form and manner as the commission may require. Upon receiving such
28 notice, the commission shall review the request, seek input from the
29 casinos on such a request, and if the commission deems it appropriate,
30 promulgate regulations to require casinos to use official league data on
31 sports wagering involving such tier three sports wagers if the relevant
32 sports governing body possesses a feed of official league data, and
33 makes such feed available for purchase by the casinos on commercially
34 reasonable terms as determined by the commission.

35 (d) When determining whether or not a supplier of official league data
36 is offering commercially reasonable terms, the commission shall consider
37 the amount charged by the supplier of official league data to gaming
38 operators in other jurisdictions. This information shall be provided to
39 the commission by the supplier of official league data upon request of
40 the commission. Any entity providing data to a casino for the purpose of
41 tier two sports wagers, other than a supplier of official league data,
42 shall obtain a license as a casino vendor enterprise and such license
43 shall be issued pursuant to the provisions of section one thousand three
44 hundred twenty-seven of this article and in accordance with the regu-
45 lations promulgated by the commission.

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

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

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

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

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

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

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

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

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

24 21. Any person, firm, corporation, association, agent, or employee who
25 knowingly violates any procedure implemented under this section, or
26 section thirteen hundred sixty-seven-a of this title, shall be liable
27 for a civil penalty of not more than five thousand dollars for each
28 violation, not to exceed fifty thousand dollars for violations arising
29 out of the same transaction or occurrence, which shall accrue to the
30 state and may be recovered in a civil action brought by the commission.

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

33 § 1367-a. Mobile sports wagering. 1. (a) Except as provided in this
34 subdivision, the terms in this section shall have the same meanings as
35 such terms are defined in subdivision one of section thirteen hundred
36 sixty-seven of this title.

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

39 2. (a) No casino shall administer, manage, or otherwise make available
40 a mobile sports wagering platform to persons located in New York state
41 unless registered with the commission pursuant to this section. A casino
42 may use multiple mobile sports wagering platforms provided that each
43 platform has been reviewed and approved by the commission. A casino may
44 contract with one or more independent operators to provide its mobile
45 sports wagering platforms, but shall not contract with more than two
46 independent operators.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

55 (xi) list on each website, in a prominent place, information concern-
56 ing assistance for compulsive play in New York state, including a toll-

1 free number directing callers to reputable resources containing further
2 information, which shall be free of charge; and

3 (xii) ensure no sports wagering shall be based on a prohibited sports
4 event.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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