

# STATE OF NEW YORK

7900

## IN SENATE

March 7, 2018

Introduced by Sen. BONACIC -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming 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 or the agent of  
23 such licensed gaming facility;

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

26 [~~(e)~~] (f) "Collegiate sport or athletic event" means a sport or  
27 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.

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

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

8 ~~(a)~~ (h) "High school 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 education services at the  
11 secondary level;

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

17 (j) "In-play sports wager" means a sports wager placed on a sports  
18 event after the sports event has begun and before it ends;

19 (k) "Layoff bet" means a sports wager placed by a casino sports pool  
20 with another casino sports pool;

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

22 (m) "Mobile sports wagering platform" or "platform" means the combina-  
23 tion of hardware, software, and data networks used to manage, adminis-  
24 ter, or control sports wagering and any associated wagers accessible by  
25 any electronic means including mobile applications and internet  
26 websites;

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

31 (o) "Operator" means a casino which has elected to operate a sports  
32 pool;

33 ~~(e)~~ (p) "Professional sport or athletic event" means an event at  
34 which two or more persons participate in sports or athletic events and  
35 receive compensation in excess of actual expenses for their partic-  
36 ipation in such event;

37 (q) "Prohibited sports bettor" means:

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

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

41 (iii) any casino gaming or non-gaming employee at the casino that  
42 employs such person and at any affiliate that has an agreement with that  
43 casino;

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

49 (v) Any person subject to a contract with the commission if such  
50 contract contains a provision prohibiting such person from participating  
51 in sports wagering;

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

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

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

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

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

12 (xi) any minor;

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

17 [~~(g)~~] (s) "Sports event" means any professional sport or athletic  
18 event and any collegiate sport or athletic event, except a prohibited  
19 sports event or a horse racing event;

20 [~~(h)~~] (t) "Sports governing body" means the organization that  
21 prescribes final rules and enforces codes of conduct with respect to a  
22 sporting event and participants therein;

23 (u) "Sports pool" means the business of accepting wagers on any sports  
24 event by any system or method of wagering; [~~and~~

25 ~~(i)]~~ (v) "Sports wager" means cash or cash equivalent that is paid by  
26 an authorized sports bettor to a casino to participate in sports wager-  
27 ing offered by such casino;

28 (w) "Sports wagering" means wagering on sporting events or any portion  
29 thereof, or on the individual performance statistics of athletes partic-  
30 ipating in a sporting event, or combination of sporting events, by any  
31 system or method of wagering, including, but not limited to, in-person  
32 communication and electronic communication through internet websites and  
33 mobile device applications. The term "sports wagering" shall include,  
34 but is not limited to, single-game bets, teaser bets, parlays, over-un-  
35 der bets, moneyline, pools, exchange wagering, in-game wagering, in-play  
36 bets, proposition bets and straight bets;

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

49 (y) "Sports wagering lounge" means an area wherein a sports pool is  
50 operated;

51 (z) "Tier one sports wager" means a sports wager that is determined  
52 solely by the final score or final outcome of the sports event and  
53 placed before the sports event has begun;

54 (aa) "Tier two sports wager" means an in-play sports wager; and

55 (bb) "Tier three sports wager" means a sports wager that is neither a  
56 tier one nor a tier two sports wager.

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

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

18 No later than five years after the date of the issuance of a license  
19 and every five years thereafter or within such lesser periods as the  
20 commission may direct, a licensee shall submit to the commission such  
21 documentation or information as the commission may by regulation  
22 require, to demonstrate to the satisfaction of the executive director of  
23 the commission that the licensee continues to meet the requirements of  
24 the law and regulations.

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

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

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

36 (e) An operator may also accept layoff bets as long as the authorized  
37 sports pool places such wagers with another authorized sports pool or  
38 pools in accordance with regulations of the commission. A sports pool  
39 that places a layoff bet shall inform the sports pool accepting the  
40 wager that the wager is being placed by a sports pool and shall disclose  
41 its identity.

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

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

46 [~~f~~] (h) The holder of a license to operate a sports pool may  
47 contract with [~~an entity~~] one or more agents to conduct any or all  
48 aspects of that operation, or the operation of mobile sports wagering  
49 offered pursuant to section thirteen hundred sixty-seven-a of this  
50 title, including but not limited to brand, marketing and customer  
51 service, in accordance with the regulations of the commission. [~~That~~  
52 ~~entity~~] Each agent shall obtain a license as a casino vendor enterprise  
53 prior to the execution of any such contract, and such license shall be  
54 issued pursuant to the provisions of section one thousand three hundred  
55 twenty-seven of this article and in accordance with the regulations  
56 promulgated by the commission.

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

6 4. (a) All persons employed directly in wagering-related activities  
7 conducted within a sports wagering lounge shall be licensed as a casino  
8 key employee or registered as a gaming employee, as determined by the  
9 commission. All other employees who are working in the sports wagering  
10 lounge may be required to be registered, if appropriate, in accordance  
11 with regulations of the commission.

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

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

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

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

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

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

36 (e) method of issuing tickets;

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

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

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

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

41 (j) the use of global risk management;

42 (k) type of system for wagering; and

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

44 6. Each operator shall adopt comprehensive house rules governing  
45 sports wagering transactions with its [~~patrons~~] authorized sports  
46 bettors. The rules shall specify the amounts to be paid on winning  
47 wagers and the effect of schedule changes. The house rules, together  
48 with any other information the commission deems appropriate, shall be  
49 conspicuously displayed in the sports wagering lounge and included in  
50 the terms and conditions of the account wagering system, and copies  
51 shall be made readily available to patrons.

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

55 (i) the total amount of sports wagers received from authorized sports  
56 bettors;

1 (ii) the total amount of prizes awarded to authorized sports bettors;  
2 (iii) the total amount of sports wagering gross revenue received by  
3 the casino;

4 (iv) the total amount contributed to the sport betting integrity fund  
5 pursuant to subdivision eight of this section;

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

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

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

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

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

21 8. (a) Within thirty days of the end of each calendar quarter, a casi-  
22 no offering sports wagering shall remit to the commission a sports  
23 wagering integrity fee of up to one-quarter of one percent of the amount  
24 wagered on sports events, however, in no case shall the integrity fee be  
25 greater than two percent of the casino's sports wagering gross revenue.  
26 The fee shall be remitted on a form as the commission may require, on  
27 which the casino shall identify the percentage of wagering during the  
28 reporting period attributable to each sport governing body's sports  
29 events.

30 (b) No later than the thirtieth of April of each year, a sports  
31 governing body may submit a claim for disbursement of the integrity  
32 funds remitted by casinos in the previous calendar year in pro rata  
33 proportion of the total amount wagered on their respective sports events  
34 to reimburse the sports governing body for expenses incurred for integ-  
35 egrity operations. Eligible expenses shall include, but not be limited  
36 to, integrity monitoring expenses, expenses incurred related to integri-  
37 ty investigations, public relations expenses associated with integrity  
38 issues, and any other eligible expenses approved by the commission.

39 (c) Each sports governing body which receives in excess of fifty-thou-  
40 sand dollars annually from the integrity fee shall annually submit a  
41 report to the commission no later than the twenty-eighth of February of  
42 each year, which shall include the following information:

43 (i) the total amount of integrity fund reimbursement received from New  
44 York;

45 (ii) a detailed summary of the final dispositions of integrity inves-  
46 tigations where it was determined that misconduct took place;

47 (iii) any additional information that the commission deems necessary  
48 to carry out the provisions of this article.

49 (d) Upon the submission of such annual report, to such extent that the  
50 commission deems it to be in the public interest, the commission shall  
51 be authorized to conduct a financial audit of any sports governing body,  
52 at any time, to ensure compliance with this article.

53 (e) The commission shall annually publish a report based on the aggre-  
54 gate information provided by all sports governing bodies pursuant to  
55 paragraph (c) of this subdivision, which shall be published on the  
56 commission's website no later than one hundred eighty days after the

1 deadline for the submission of individual reports as specified in para-  
2 graph (c) of this subdivision.

3 (f) At the end of the year, any unclaimed integrity fee revenue shall  
4 be distributed to the sports governing bodies which were approved to  
5 receive funding, on a pro rata basis.

6 9. For the privilege of conducting sports wagering in the state, casin-  
7 os shall pay a tax equivalent to eight and one-half percent of their  
8 sports wagering gross revenue.

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

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

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

52 13. A casino that is also licensed under article three of this chap-  
53 ter, and must maintain racing pursuant to paragraph (b) of subdivision  
54 one of section thirteen hundred fifty-five of this chapter, shall be  
55 allowed to offer pari-mutuel wagering on horse racing events in accord-  
56 ance with their license under article three of this chapter. Notwith-

1 standing subparagraph (ii) of paragraph c of subdivision two of section  
2 one thousand eight of this chapter, a casino located in the city of  
3 Schenectady shall be allowed to offer pari-mutuel wagering on horse  
4 racing events, provided such wagering is conducted by the regional off-  
5 track betting corporation in such region as the casino is located. Any  
6 other casino shall be allowed to offer pari-mutuel wagering on horse  
7 racing events, provided such wagering is conducted by the regional off-  
8 track betting corporation in such region as the casino is located. Any  
9 physical location where pari-mutuel wagering on horse racing events is  
10 offered by a casino and conducted by a regional off-track betting corpo-  
11 ration in accordance with this subdivision shall be deemed to be a  
12 branch location of the regional off-track betting corporation in accord-  
13 ance with section one thousand eight of this chapter. In the event that  
14 the commission approves the location of self-service mobile sports  
15 betting kiosks on the premises of affiliates in accordance with para-  
16 graph (d) of subdivision five of section thirteen hundred sixty-seven-a  
17 of this chapter, such kiosks shall not be allowed to offer pari-mutuel  
18 wagering on horse racing events.

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

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

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

48 (c) Casinos shall immediately report to the commission any information  
49 relating to:

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

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

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



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

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

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

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

14 16. Casinos shall use whatever data source they deem appropriate for  
15 determining the result of sports wagering involving tier one sports  
16 wagers. Casinos shall only use official league data in all sports wager-  
17 ing involving tier two sports wagers, if the relevant sports governing  
18 body possesses a feed of official league data, and makes such feed  
19 available for purchase by the casinos. A sports governing body may noti-  
20 fy the commission that it desires to require casinos to use official  
21 league data in sports wagering involving specific tier three sports  
22 wagers by providing notice in the form and manner as the commission may  
23 require. Upon receiving such notice, the commission shall review the  
24 request, seek input from the casinos on such a request, and if the  
25 commission deems it appropriate, promulgate regulations to require casi-  
26 nos to use official league data on sports wagering involving such tier  
27 three sports wagers if the relevant sports governing body possesses a  
28 feed of official league data, and makes such feed available for purchase  
29 by the casinos. No casino shall enter into an agreement with a sports  
30 governing body to be the exclusive recipient of their official league  
31 data.

32 17. (a) Casinos shall maintain records of all bets and wagers placed,  
33 including personally identifiable information of the mobile sports  
34 wagering bettor, amount and type of bet, time the bet was placed,  
35 location of the bet, including IP address if applicable, the outcome of  
36 the bet, records of abnormal betting activity, and video camera  
37 recordings in the case of in-person wagers for at least three years  
38 after the sporting event occurs and make such data available for  
39 inspection upon request of the commission or as required by court order.

40 (b) If a sports governing body has notified the commission that real-  
41 time information sharing for wagers placed on sporting events is neces-  
42 sary and desirable, casinos shall share in real time, at the account-  
43 level, and in pseudonymous form, the information required to be retained  
44 pursuant to paragraph (a) of this subdivision (other than video files)  
45 with the commission, and the commission shall share in real time the  
46 information with the sports governing body or its designee with respect  
47 to wagers on its sporting events.

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

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

53 19. Sports wagering conducted pursuant to the provisions of this  
54 section is hereby authorized.

55 20. The conduct of sports wagering in violation of this section is  
56 prohibited.

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

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

10 § 1367-a. Mobile sports wagering. 1. As used in this section, the  
11 following terms shall have the following meanings:

12 (a) "Affiliate" means any off-track betting corporation, franchised  
13 corporation, or race track licensed pursuant to the racing, pari-mutuel  
14 wagering and breeding law, or an operator of video lottery gaming at  
15 Aqueduct licensed pursuant to section sixteen hundred seventeen-a of the  
16 tax law, which has a mobile sports wagering agreement with a casino  
17 pursuant to this section;

18 (b) "Agent" means an entity that is party to a contract with a  
19 licensed gaming facility authorized to operate a sports pool and is  
20 approved by the commission to operate a sports pool on behalf of such  
21 licensed gaming facility;

22 (c) "Authorized sports bettor" means an individual who is physically  
23 present in this state when placing a sports wager, who is not a prohib-  
24 ited sports bettor, that participates in sports wagering offered by a  
25 casino. The intermediate routing of electronic data in connection with  
26 mobile sports wagering shall not determine the location or locations in  
27 which a wager is initiated, received or otherwise made;

28 (d) "Casino" means a licensed gaming facility at which gambling is  
29 conducted pursuant to the provisions of this article or the agent of  
30 such licensed gaming facility;

31 (e) "Collegiate sport or athletic event" means a sport or athletic  
32 event offered or sponsored by or played in connection with a public or  
33 private institution that offers education services beyond the secondary  
34 level;

35 (f) "Commission" means the commission established pursuant to section  
36 one hundred two of this chapter;

37 (g) "High school sport or athletic event" means a sport or athletic  
38 event offered or sponsored by or played in connection with a public or  
39 private institution that offers education services at the secondary  
40 level;

41 (h) "Horse racing event" means any sport or athletic event conducted  
42 in New York state subject to the provisions of articles two, three,  
43 four, five, six, nine, ten and eleven of this chapter, or any sport or  
44 athletic event conducted outside of New York state, which if conducted  
45 in New York state would be subject to the provisions of this chapter;

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

47 (j) "Mobile sports wagering platform" or "platform" means the combina-  
48 tion of hardware, software, and data networks used to manage, adminis-  
49 ter, or control sports wagering and any associated wagers accessible by  
50 any electronic means including mobile applications and internet  
51 websites;

52 (k) "Operator" means an entity offering a mobile sports wagering plat-  
53 form including an agent;

54 (l) "Professional sport or athletic event" means an event at which two  
55 or more persons participate in sports or athletic events and receive

1 compensation in excess of actual expenses for their participation in  
2 such event;

3 (m) "Prohibited sports bettor" means:

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

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

7 (iii) any casino gaming or non-gaming employee at the casino that  
8 employs such person and at any affiliate that has an agreement with that  
9 casino;

10 (iv) any contractor, subcontractor, or consultant, or officer or  
11 employee of a contractor, subcontractor, or consultant, of a casino if  
12 such person is directly involved in the operation or observation of  
13 sports wagering, or the processing of sports wagering claims or  
14 payments;

15 (v) any person subject to a contract with the commission if such  
16 contract contains a provision prohibiting such person from participating  
17 in sports wagering;

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

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

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

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

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

33 (xi) any minor;

34 (n) "Prohibited sports event" means any high school sport or athletic  
35 event;

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

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

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

44 (r) "Sports wager" means cash or cash equivalent that is paid by an  
45 authorized sports bettor to a casino to participate in sports wagering  
46 offered by such casino;

47 (s) "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 and  
52 mobile device applications. The term "sports wagering" shall include,  
53 but is not limited to, single-game bets, teaser bets, parlays, over-un-  
54 der bets, moneyline, pools, exchange wagering, in-game wagering, in-play  
55 bets, proposition bets and straight bets; and

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

13 2. (a) No casino shall administer, manage, or otherwise make available  
14 a mobile sports wagering platform to persons located in New York state  
15 unless registered with the commission pursuant to this section. A casino  
16 may use multiple mobile sports wagering platforms provided that each  
17 platform has been reviewed and approved by the commission. A casino may  
18 contract with one or more independent operators to provide its mobile  
19 sports wagering platforms.

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

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

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

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

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

40 (i) limit each authorized sports bettor to one active and continuously  
41 used account, and prevent anyone they know, or should have known to be a  
42 prohibited sports bettor from maintaining accounts or participating in  
43 any sports wagering offered by such operator;

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

47 (iii) prohibit minors from participating in any sports wagering, which  
48 includes:

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

55 (2) each operator shall provide parental control procedures to allow  
56 parents or guardians to exclude minors from access to any sports wager-

1 ing or platform. Such procedures shall include a toll-free number to  
2 call for help in establishing such parental controls; and

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

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

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

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

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

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

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

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

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

30 (xii) ensure no sports wagering shall be based on a prohibited sports  
31 event.

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

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

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

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

42 (f) Operators shall prohibit the use of third-party scripts or script-  
43 ing programs for any contest and ensure that measures are in place to  
44 deter, detect and, to the extent reasonably possible, prevent cheating,  
45 including collusion, and the use of cheating devices, including use of  
46 software programs that submit sports wagers unless otherwise approved by  
47 the commission.

48 (g) Operators shall develop and prominently display procedures on the  
49 main page of such operator's platform for the filing of a complaint by  
50 an authorized sports bettor against such operator. An initial response  
51 shall be given by such operator to such bettor filing the complaint  
52 within forty-eight hours. A complete response shall be given by such  
53 operator to such bettor filing the complaint within ten business days.  
54 An authorized sports bettor may file a complaint alleging a violation of  
55 the provisions of this article with the commission.

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

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

8 (b) Authorized sports bettors must sign up to create their account on  
9 a mobile sports wagering platform in person at a casino or an affiliate  
10 of a casino.

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

15 (d) Subject to approval of the commission, and in accordance with  
16 regulations promulgated by the commission, casinos may enter into agree-  
17 ments with affiliates to locate self-service mobile sports betting  
18 kiosks, which are owned, operated and maintained by the casino, and  
19 connected via the internet to the casino, upon the premises of the  
20 affiliate.

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

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

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

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

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

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