

STATE OF NEW YORK

7900--B

IN SENATE

March 7, 2018

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

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to regulation of sports betting

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

1 Section 1. Section 1367 of the racing, pari-mutuel wagering and breed-
2 ing law, as added by chapter 174 of the laws of 2013, is amended to read
3 as follows:

4 § 1367. Sports wagering. 1. As used in this section:

5 (a) "Affiliate" means any off-track betting corporation, franchised
6 corporation, or race track licensed pursuant to this chapter, or an
7 operator of video lottery gaming at Aqueduct licensed pursuant to
8 section sixteen hundred seventeen-a of the tax law, which has a mobile
9 sports wagering agreement with a casino pursuant to section thirteen
10 hundred sixty-seven-a of this title;

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

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

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

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

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

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

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

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

17 [~~(d)~~] (i) "High school sport or athletic event" means a sport or
18 athletic event offered or sponsored by or played in connection with a
19 public or private institution that offers education services at the
20 secondary level;

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

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

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

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

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

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

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

42 [~~(e)~~] (q) "Professional sport or athletic event" means an event at
43 which two or more persons participate in sports or athletic events and
44 receive compensation in excess of actual expenses for their partic-
45 ipation in such event;

46 (r) "Prohibited sports bettor" means:

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

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

50 (iii) any casino gaming or non-gaming employee at the casino that
51 employs such person and at any affiliate that has an agreement with that
52 casino;

53 (iv) any contractor, subcontractor, or consultant, or officer or
54 employee of a contractor, subcontractor, or consultant, of a casino if
55 such person is directly involved in the operation or observation of

1 sports wagering, or the processing of sports wagering claims or
2 payments;

3 (v) Any person subject to a contract with the commission if such
4 contract contains a provision prohibiting such person from participating
5 in sports wagering;

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

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

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

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

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

21 (xi) any minor;

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

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

30 (u) "Sports event" means any professional sport or athletic event and
31 any collegiate sport or athletic event, except a prohibited sports event
32 or a horse racing event;

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

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

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

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

51 (z) "Sports wagering gross revenue" means: (i) the amount equal to the
52 total of all sports wagers not attributable to prohibited sports events
53 that an operator collects from all players, less the total of all sums
54 not attributable to prohibited sports events paid out as winnings to all
55 sports bettors, however, that the total of all sums paid out as winnings
56 to sports bettors shall not include the cash equivalent value of any

1 merchandise or thing of value awarded as a prize, or (ii) in the case of
2 exchange wagering pursuant to this section, the commission on winning
3 sports wagers by authorized sports bettors retained by the operator. The
4 issuance to or wagering by authorized sports bettors at a casino of any
5 promotional gaming credit shall not be taxable for the purposes of
6 determining sports wagering gross revenue;

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

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

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

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

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

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

32 No later than five years after the date of the issuance of a license
33 and every five years thereafter or within such lesser periods as the
34 commission may direct, a licensee shall submit to the commission such
35 documentation or information as the commission may by regulation
36 require, to demonstrate to the satisfaction of the executive director of
37 the commission that the licensee continues to meet the requirements of
38 the law and regulations.

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

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

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

50 (e) An operator may also accept layoff bets as long as the authorized
51 sports pool places such wagers with another authorized sports pool or
52 pools in accordance with regulations of the commission. A sports pool
53 that places a layoff bet shall inform the sports pool accepting the
54 wager that the wager is being placed by a sports pool and shall disclose
55 its identity.

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

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

5 [~~(f)~~] (h) The holder of a license to operate a sports pool may
6 contract with [~~an entity~~] one or more agents to conduct any or all
7 aspects of that operation, or the operation of mobile sports wagering
8 offered pursuant to section thirteen hundred sixty-seven-a of this
9 title, including but not limited to brand, marketing and customer

10 service, in accordance with the regulations of the commission. [~~That~~
11 ~~entity~~] Each agent shall obtain a license as a casino vendor enterprise
12 prior to the execution of any such contract, and such license shall be
13 issued pursuant to the provisions of section one thousand three hundred
14 twenty-seven of this article and in accordance with the regulations
15 promulgated by the commission.

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

21 4. (a) All persons employed directly in wagering-related activities
22 conducted within a sports wagering lounge shall be licensed as a casino
23 key employee or registered as a gaming employee, as determined by the
24 commission. All other employees who are working in the sports wagering
25 lounge may be required to be registered, if appropriate, in accordance
26 with regulations of the commission.

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

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

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

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

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

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

51 (e) method of issuing tickets;

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

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

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

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

56 (j) the use of global risk management;

1 (k) type of system for wagering; and

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

3 6. Each operator shall adopt comprehensive house rules governing
4 sports wagering transactions with its [~~patrons~~] authorized sports
5 bettors. The rules shall specify the amounts to be paid on winning
6 wagers and the effect of schedule changes. The house rules, together
7 with any other information the commission deems appropriate, shall be
8 conspicuously displayed in the sports wagering lounge and included in
9 the terms and conditions of the account wagering system, and copies
10 shall be made readily available to patrons.

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

14 (i) the total amount of sports wagers received from authorized sports
15 bettors;

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

17 (iii) the total amount of sports wagering gross revenue received by
18 the casino;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52 (c) Casinos shall immediately report to the commission any information
53 relating to:

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

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

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

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

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

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

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

19 (e) The commission, by regulation, may authorize and promulgate any
20 rules necessary to implement agreements with other states, or authorized
21 agencies thereof to enable the sharing of information to facilitate
22 integrity monitoring and the conduct of investigations into abnormal
23 betting activity, match fixing, and other conduct that corrupts a
24 betting outcome of a sporting event or events for purposes of financial
25 gain.

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

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

34 (c) A sports governing body may notify the commission that it desires
35 to require casinos to use official league data in sports wagering
36 involving specific tier three sports wagers by providing notice in the
37 form and manner as the commission may require. Upon receiving such
38 notice, the commission shall review the request, seek input from the
39 casinos on such a request, and if the commission deems it appropriate,
40 promulgate regulations to require casinos to use official league data on
41 sports wagering involving such tier three sports wagers if the relevant
42 sports governing body possesses a feed of official league data, and
43 makes such feed available for purchase by the casinos on commercially
44 reasonable terms as determined by the commission.

45 (d) When determining whether or not a supplier of official league data
46 is offering commercially reasonable terms, the commission shall consider
47 the amount charged by the supplier of official league data to gaming
48 operators in other jurisdictions. This information shall be provided to
49 the commission by the supplier of official league data upon request of
50 the commission. Any entity providing data to a casino for the purpose of
51 tier two sports wagers, other than a supplier of official league data,
52 shall obtain a license as a casino vendor enterprise and such license
53 shall be issued pursuant to the provisions of section one thousand three
54 hundred twenty-seven of this article and in accordance with the regu-
55 lations promulgated by the commission.

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

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

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

18 (b) If a sports governing body has notified the commission that real-
19 time information sharing for wagers placed on sporting events is neces-
20 sary and desirable, casinos shall share in real time, at the account-
21 level, and in pseudonymous form, the information required to be retained
22 pursuant to paragraph (a) of this subdivision (other than video files)
23 with the commission, and the commission shall share in real time the
24 information with the sports governing body or its designee with respect
25 to wagers on its sporting events.

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

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

31 19. Sports wagering conducted pursuant to the provisions of this
32 section is hereby authorized.

33 20. The conduct of sports wagering in violation of this section is
34 prohibited.

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

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

44 § 1367-a. Mobile sports wagering. 1. (a) Except as provided in this
45 subdivision, the terms in this section shall have the same meanings as
46 such terms are defined in subdivision one of section thirteen hundred
47 sixty-seven of this title.

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

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

1 sports wagering platforms, but shall not contract with more than two
2 independent operators.

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

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

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

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

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

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

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

31 (iii) prohibit minors from participating in any sports wagering, which
32 includes:

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

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

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

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

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

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

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

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

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

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

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

16 (xii) ensure no sports wagering shall be based on a prohibited sports
17 event.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 15. "Prohibited sports event" shall mean any [~~collegiate sport or~~
17 ~~athletic event, any~~] high school sport or athletic event or any horse
18 racing event.

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

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