

STATE OF NEW YORK

6113

2019-2020 Regular Sessions

IN ASSEMBLY

February 28, 2019

Introduced by M. of A. PRETLOW -- read once and referred to the Committee on Racing and Wagering

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

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

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

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

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

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

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

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

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

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

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1 ~~(b)~~ (f) "Commission" means the commission established pursuant to
2 section one hundred two of this chapter;

3 ~~(c)~~ (g) "Collegiate sport or athletic event" means a sport or
4 athletic event offered or sponsored by or played in connection with a
5 public or private institution that offers educational services beyond
6 the secondary level;

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

12 (i) "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)~~ (j) "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 (k) "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 (l) "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 (m) "Layoff bet" means a sports wager placed by a casino sports pool
29 with another casino sports pool;

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

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

42 ~~(e)~~ (r) "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 (s) "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)]~~ (t) "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)]~~ (u) "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 royalty fee revenue in such form as the
29 commission may require;

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

38 ~~[(i)]~~ (y) "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 (z) "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 Any wager through electronic communication is deemed made at the phys-
48 ical location of the server or other equipment used by an operator to
49 accept mobile sports wagering. The term "sports wagering" shall
50 include, but is not limited to, single-game bets, teaser bets, parlays,
51 over-under bets, moneyline, pools, exchange wagering, in-game wagering,
52 in-play bets, proposition bets and straight bets;

53 (aa) "Sports wagering gross revenue" means: (i) the amount equal to
54 the total of all sports wagers not attributable to prohibited sports
55 events that an operator collects from all players, less the total of all
56 sums not attributable to prohibited sports events paid out as winnings

1 to all sports bettors, however, that the total of all sums paid out as
2 winnings to sports bettors shall not include the cash equivalent value
3 of any merchandise or thing of value awarded as a prize, or (ii) in the
4 case of exchange wagering pursuant to this section, the commission on
5 winning sports wagers by authorized sports bettors retained by the oper-
6 ator. The issuance to or wagering by authorized sports bettors at a
7 casino of any promotional gaming credit shall not be taxable for the
8 purposes of determining sports wagering gross revenue;

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

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

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

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

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

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

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

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

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

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

52 (e) An operator may also accept layoff bets as long as the authorized
53 sports pool places such wagers with another authorized sports pool or
54 pools in accordance with regulations of the commission. A sports pool
55 that places a layoff bet shall inform the sports pool accepting the

1 wager that the wager is being placed by a sports pool and shall disclose
2 its identity.

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

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

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

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

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

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

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

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

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

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

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

53 (e) method of issuing tickets;

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

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

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

- (i) the process by which a casino may place a layoff bet;
- (j) the use of global risk management;
- (k) type of system for wagering; and
- ~~[(j)]~~ (1) protections for a person placing a wager.

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

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

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

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

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

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

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

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

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

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

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

8. (a) Within thirty days of the end of each calendar quarter, a casino offering sports wagering shall remit to the commission a sports wagering royalty fee of one-fifth (.20) of one percent of the amount wagered on sports events conducted by registered sports governing bodies. The fee shall be remitted on a form as the commission may require, on which the casino shall identify the percentage of wagering during the reporting period attributable to each registered sport governing body's sports events.

(b) No later than the thirtieth of April of each year, a registered sports governing body may submit a claim for disbursement of the royalty fee funds remitted by casinos in the previous calendar year on their respective sports events. Within thirty days of submitting its claim for disbursement, the registered sports governing body shall meet with the commission to provide the commission with evidence of policies, procedures and training programs it has implemented to protect the integrity of its sports events.

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

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

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

10. The commission shall pay into the commercial gaming revenue fund established pursuant to section ninety-seven-nnnn of the state finance law eighty-five percent of the state tax imposed by this section; any interest and penalties imposed by the commission relating to those taxes; all penalties levied and collected by the commission; and the appropriate funds, cash or prizes forfeited from sports wagering. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed for the cost of regulation pursuant to paragraph c of subdivision four of section ninety-seven-nnnn of the state finance law. The commission shall pay into the commercial gaming fund five percent of the state tax imposed by this section to be distributed in the same formula as market origin credits pursuant to section one hundred fifteen-b of this chapter. The commission shall require at least monthly deposits by the casino of any payments pursuant to subdivision nine of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

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

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

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

standing subparagraph (ii) of paragraph c of subdivision two of section one thousand eight of this chapter, a casino located in the city of Schenectady shall be allowed to offer pari-mutuel wagering on horse racing events, provided such wagering is conducted by the regional off-track betting corporation in such region as the casino is located. Any other casino shall be allowed to offer pari-mutuel wagering on horse racing events, provided such wagering is conducted by the regional off-track betting corporation in such region as the casino is located. Any physical location where pari-mutuel wagering on horse racing events is offered by a casino and conducted by a regional off-track betting corporation in accordance with this subdivision shall be deemed to be a branch location of the regional off-track betting corporation in accordance with section one thousand eight of this chapter. Mobile sports betting kiosks located on the premises of affiliates in accordance with paragraph (d) of subdivision five of section thirteen hundred sixty-seven-a of this chapter shall not be allowed to offer pari-mutuel wagering on horse racing events.

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

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

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

(c) The commission shall cooperate with a sports governing body and casinos to ensure the timely, efficient, and accurate sharing of information.

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

1 (e) Casinos shall promptly report to the commission any information
2 relating to:

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

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

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

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

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

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

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

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

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

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

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

45 (c) A sports governing body may notify the commission that it desires
46 to require casinos to use official league data in sports wagering
47 involving specific tier three sports wagers by providing notice in the
48 form and manner as the commission may require. Upon receiving such
49 notice, the commission shall review the request, seek input from the
50 casinos on such a request, and if the commission deems it appropriate,
51 promulgate regulations to require casinos to use official league data on
52 sports wagering involving such tier three sports wagers if the relevant
53 sports governing body possesses a feed of official league data, and
54 makes such feed available for purchase by the casinos on commercially
55 reasonable terms as determined by the commission.

(d) When determining whether or not a supplier of official league data is offering commercially reasonable terms, the commission shall consider the amount charged by the supplier of official league data to gaming operators in other jurisdictions. This information shall be provided to the commission by the supplier of official league data upon request of the commission. Any entity providing data to a casino for the purpose of tier two sports wagers, other than a supplier of official league data, shall obtain a license as a casino vendor enterprise and such license shall be issued pursuant to the provisions of section thirteen hundred twenty-seven of this article and in accordance with the regulations promulgated by the commission.

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

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

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

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

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

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

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

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

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

(b) "Operator" means an entity offering a mobile sports wagering platform including an agent.

2. (a) No casino shall administer, manage, or otherwise make available a mobile sports wagering platform to persons located in New York state unless registered with the commission pursuant to this section. A casino may use one mobile sports wagering platform and brand provided that such platform and brand has been reviewed and approved by the commission. A

1 casino may contract with an independent operator to provide its mobile
2 sports wagering platform.

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 an operator to provide
15 its mobile sports wagering platform and brand, such operator shall
16 obtain a license as a casino vendor enterprise prior to the execution of
17 any such contract, and such license shall be issued pursuant to the
18 provisions of section one thousand three hundred twenty-seven of this
19 article and in accordance with the regulations promulgated by the
20 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 on their platform, and prevent anyone they know, or should
25 have known to be a prohibited sports bettor from maintaining accounts or
26 participating in any sports wagering offered by such operator;

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (xii) ensure no sports wagering shall be based on a prohibited sports
14 event.

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

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

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

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

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

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

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

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

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

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

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

55 (c) Authorized sports bettors may deposit and withdraw funds in their
56 account on a mobile sports wagering platform in person at a casino or an

1 affiliate of a casino, electronically recognized payment methods, or any
2 other means approved by the commission.

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

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

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

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

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

19 15. "Prohibited sports event" shall mean any [~~collegiate sport or~~
20 ~~athletic event, any~~] high school sport or athletic event or any horse
21 racing event.

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

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

42 § 6. Severability clause. If any provision of this act or application
43 thereof shall for any reason be adjudged by any court of competent
44 jurisdiction to be invalid, such judgment shall not affect, impair, or
45 invalidate the remainder of the act, but shall be confined in its opera-
46 tion to the provision thereof directly involved in the controversy in
47 which the judgment shall have been rendered.

48 § 7. This act shall take effect on the same date and in the same
49 manner as section 1367 of the racing, pari-mutuel wagering and breeding
50 law pursuant to subdivision (c) of section 52 of chapter 174 of the laws
51 of 2013, takes effect.