STATE OF NEW YORK

7536--A

2021-2022 Regular Sessions

IN SENATE

November 19, 2021

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules -- recommitted to the Committee on Racing, Gaming and Wagering in accordance with Senate Rule 6, sec. 8 -- 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 wagers on certain horse racing events and authorizing agreements between a mobile sports wagering operator and an affiliate

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

Section 1. Subdivision 1 of section 1367 of the racing, pari-mutuel wagering and breeding law is amended by adding three new paragraphs (dd), (ee) and (ff) to read as follows:

(dd) "Horse racing event" means any sport or athletic event conducted in New York state subject to the provisions of article two, three, five, nine, or ten of this chapter, as well as any sport or athletic event conducted outside of New York state, which if conducted in New York state, would be subject to the provisions of such articles.

(ee) "Affiliate" means any off-track betting corporation, professional sports stadium or arena, automobile racing facility that hosts a national association for stock car auto racing national touring race, franchised corporation, thoroughbred racing corporation or other 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 an affiliate agreement with a mobile sports wagering operator pursuant to section thirteen hundred sixty-seven-a of this title.

(ff) "Fixed odds sports wagering agreement" means an agreement between a mobile sports wagering operator or mobile sports wagering licensee and an entity that possesses a license awarded pursuant to article two or three of this chapter that has the authority to conduct pari-mutuel

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

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wagering on the form of racing involved in the relevant horse racing event and subject to the approval of the commission.

§ 2. Paragraph (s) of subdivision 1 of section 1367 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part Y of chapter 59 of the laws of 2021, is amended to read as follows:

(s) "Prohibited sports event" means (i) a sport or athletic event in which any New York college team participates regardless of where the event takes place, [~~or~~] (ii) a high school sport or athletic event, or (iii) a horse racing event. [~~The~~] Notwithstanding the foregoing, the following shall not be considered prohibited sports events: [~~(i)~~] a collegiate tournament, [~~and (ii)~~] a sports event within such tournament so long as no New York college team is participating in that particular sports event, and a horse racing event that is offered pursuant to a fixed odds sports wagering agreement;

§ 3. Subdivision 2 of section 1367 of the racing, pari-mutuel wagering and breeding law is amended by adding a new paragraph (e-1) to read as follows:

(e-1)(i)(1) A mobile sports wagering operator or mobile sports wagering licensee may accept a fixed odds wager on a horse racing event if such mobile sports wagering operator or mobile sports wagering licensee has entered into a fixed odds sports wagering agreement with an entity that has the authority to provide the content of such horse racing event pursuant to article two or three of this chapter. In furtherance of any fixed odds sports wagering agreement, an entity that holds a franchise or license pursuant to article two of this chapter may only offer content involving thoroughbred races and an entity that holds a license pursuant to article three of this chapter may only offer content involving standardbred races.

(2) All fixed odds sports wagering agreements must be approved by the commission prior to taking effect. Any content offered pursuant to an approved fixed odds sports wagering agreement shall subsequently be made available to any interested mobile sports wagering operator or mobile sports wagering licensee on commercially reasonable terms, as determined by the commission.

(ii) Any holder of a pari-mutuel wagering franchise or license pursuant to article two or three of this chapter that enters into a fixed odds sports wagering agreement shall separately maintain an agreement with the applicable horsemen's association, setting forth the type of wagers that may be placed on a horse racing event and the manner in which revenue generated pursuant to the agreement or agreements with the mobile sports wagering operator or mobile sports wagering licensee shall be distributed.

§ 4. Section 1367-a of the racing, pari-mutuel wagering and breeding law is amended by adding a new subdivision 8 to read as follows:

8. (a) For purposes of this subdivision, an "affiliate agreement" shall mean an agreement entered into between an affiliate and an operator, mobile sports wagering operator, or mobile sports wagering licensee to locate self-service sports betting kiosks that are owned, operated and maintained by the operator, mobile sports wagering operator, or mobile sports wagering licensee, and connected via the internet to the mobile sports wagering operator or licensee's server or other equipment used to accept mobile sports wagers at a licensed gaming facility pursuant to this section upon the premises of the affiliate. Authorized sports bettors may place account wagers, place and redeem non-account cash wagers, and deposit and withdraw account funds at such kiosks.

(b) All affiliate agreements shall be subject to regulations promulgated by the commission and must be approved by the commission prior to taking effect. Any such affiliate agreement shall include a plan for the timely payment of liabilities due to the affiliate under the agreement; provided, however, that such payment of liabilities related to a wager shall take place no later than sixty days after a wager is received at a kiosk; and provided further, that the commission shall not approve any such agreement between a mobile sports wagering operator and a professional sports stadium or arena until six months after the effective date of this paragraph. For purposes of this paragraph, "liabilities" shall not include any potential winnings.

§ 5. This act shall take effect on the ninetieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.