

# STATE OF NEW YORK

9198

## IN ASSEMBLY

February 14, 2024

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 interactive gaming; and to amend the tax law, in relation to interactive lottery gaming

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

1 Section 1. Section 1367-a of the racing, pari-mutuel wagering and  
2 breeding law is amended by adding a new subdivision 8 to read as  
3 follows:

4 8. No additional mobile sports wagering licenses shall be issued  
5 pursuant to this section subsequent to the conversion of any mobile  
6 sports wagering platform provider license to an interactive gaming  
7 license, as set forth in subdivision two of section fifteen hundred  
8 three of this chapter.

9 § 2. Section 104 of the racing, pari-mutuel wagering and breeding law  
10 is amended by adding a new subdivision 25 to read as follows:

11 25. To regulate interactive gaming in New York state.

12 § 3. Section 1311 of the racing, pari-mutuel wagering and breeding law  
13 is amended by adding a new subdivision 4 to read as follows:

14 4. As a condition for continued licensure, licensees shall be required  
15 to house upon the physical premises of the licensed gaming facility, an  
16 interactive gaming licensee's server or other equipment used for receiv-  
17 ing interactive gaming wagers pursuant to article fifteen of this chap-  
18 ter; provided however, that such licensee shall be entitled to the  
19 reasonable and actual costs, as determined by the gaming commission, of  
20 physically housing and securing such server or other equipment used for  
21 interactive gaming at such licensee's licensed gaming facility. Such  
22 reasonable and actual costs of physically housing and securing such  
23 server or other equipment used for receiving interactive gaming shall be  
24 split equally among all entities requiring such physical housing.

25 § 4. The racing, pari-mutuel wagering and breeding law is amended by  
26 adding a new article 15 to read as follows:

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

LBD14042-04-4

ARTICLE 15INTERACTIVE GAMINGSection 1500. Legislative intent and findings.1501. Definitions.1502. Eligibility to conduct interactive gaming.1503. Entity licensing.1504. Individual, enterprise and vendor licensing.1505. Requirements for conduct and operation of interactive gaming.1506. Taxation and fees.1507. Responsible gaming requirements.

§ 1500. Legislative intent and findings. Section nine of article one of the New York state constitution was recently amended and provides "casino gambling at no more than seven facilities as authorized and prescribed by the legislature shall hereafter be authorized or allowed within this state". It has been, and continues to be, the sense of the legislature that this provision is not contravened by a statute that authorizes the acceptance of a wager by an individual located in New York state who is betting by virtual or electronic means and the wager is accepted through equipment located within a licensed gaming facility; provided that any such wager meets other safeguards ensuring that the plain text of this provision is honored in such structure. Interactive gaming is now legal in seven states, including the bordering states of New Jersey, Pennsylvania, and Connecticut, while it is permitted only in person in New York at four upstate commercial gaming facilities and Native American class III gaming facilities. The legislature hereby finds and declares that an interactive gaming wager that is made through virtual or electronic means from a location within New York state and is transmitted to and accepted by electronic equipment located at a licensed gaming facility, including without limitation, a computer server located at such licensed gaming facility, is a wager made at such licensed gaming facility, notwithstanding any provisions of the penal law to the contrary.

§ 1501. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Authorized interactive game" means: (a) any internet-based version or substantial equivalent of a table game, slot machine constituting spinning reels, poker tournament, or any other game as set forth in subdivision four, nineteen, thirty-eight, thirty-nine or forty-one of section thirteen hundred one of this chapter and approved by the commission, including, but not limited to live-dealer games in which individuals wager money or something of monetary value, and which is accessed by a computer or mobile device which is connected to the internet. An authorized interactive game may include gaming tournaments in which players compete against one another in one or more of the games authorized herein or by the commission or in approved variations or composites thereof if such tournaments are authorized; or (b) any video lottery terminal games currently authorized by the commission pursuant to section one thousand six hundred seventeen-a of the tax law.

2. "Authorized participant" means an individual who is physically present in the state of New York when placing an interactive gaming wager, who is at least twenty-one years of age, who is authorized to participate in gaming pursuant to article thirteen of this chapter, and who participates in interactive gaming offered by a casino, video lottery terminal facility or operator. All interactive gaming wagers placed in accordance with this article shall be considered placed or

1 otherwise made when received by the casino or operator at the licensed  
2 gaming facility, regardless of the authorized participant's physical  
3 location at the time such wager is initiated. The intermediate routing  
4 of electronic data in connection with mobile wagering shall not deter-  
5 mine the location or locations in which a wager is initiated, received,  
6 or otherwise made.

7 3. "Commission" means the New York state gaming commission.

8 4. "Competitive event" means any event in which two or more contes-  
9 tants are competing in an event in which a winner is determined at the  
10 conclusion of such event.

11 5. "Gaming facility" means the premises approved under a gaming  
12 license, which includes a gaming area and any other non-gaming structure  
13 related to the gaming area and may include, but shall not be limited to,  
14 hotels, restaurants or other amenities.

15 6. "Interactive gaming" means wagering on authorized casino or video  
16 lottery terminal games online by any system or method of wagering,  
17 including, but not limited to, in-person communication and electronic  
18 communication through internet websites accessed via a mobile device or  
19 computer, and mobile device applications; provided, however, such term  
20 shall not include the internet lottery program as authorized pursuant to  
21 section sixteen hundred seventeen-b of the tax law.

22 7. "Interactive gaming licensee" means a qualifying entity that has  
23 been authorized by the New York state gaming commission to conduct  
24 interactive gaming.

25 8. "Interactive gross gaming revenue" means the amount equal to the  
26 total of all interactive gaming wagers that an interactive gaming licen-  
27 see collects from all authorized participants, less the total of all  
28 sums paid out as winnings to all authorized participants, provided,  
29 however, that the total of all sums paid out as winnings to authorized  
30 participants shall not include the following: (a) the cash equivalent  
31 value of any merchandise or thing of value awarded as a prize; and (b)  
32 the value of all bonuses or promotions provided, in the first twelve  
33 months after an interactive gaming licensee begins operations, to  
34 authorized participants as an incentive to place or as a result of their  
35 having placed interactive gaming wagers, not to exceed 1.75 percent of  
36 the total amount of all interactive gaming wagers placed with the inter-  
37 active gaming licensee during each month.

38 9. "Interactive gaming wager" means cash or cash equivalent that is  
39 paid by an authorized participant to a casino or operator to participate  
40 in interactive gaming offered by such casino, video lottery terminal  
41 facility or operator. Any wager through electronic communication shall  
42 be deemed to take place at the physical location of the server or other  
43 equipment used by an interactive gaming licensee to accept interactive  
44 gaming wagering, regardless of the authorized participant's physical  
45 location within the state at the time such wager is initiated.

46 10. "Live dealer games" means authorized casino games conducted by  
47 live studio dealers or other physical gaming equipment, such as auto-  
48 mated roulette wheels, ball blowers or gaming devices, or both, in a  
49 live game environment in which the authorized participants have the  
50 ability to participate in game play and communicate game decisions  
51 through an authorized interactive gaming wagering platform. Live dealer  
52 games include, but are not limited to, live card games, live table games  
53 and other live authorized casino games.

54 11. "Live gaming studio" means a physical location in New York state  
55 that utilizes live video streaming technology to provide authorized

1 casino games to a player's interactive gaming device or multi-use  
2 computing device.

3 12. "Live studio dealer" means natural persons, that lead table games,  
4 including blackjack, craps, keno, poker, roulette and other authorized  
5 casino games while assisting authorized participants with game-related  
6 needs, that distribute cards, dice and other equipment to authorized  
7 participants according to the table and other authorized games, and that  
8 monitor game pace and play.

9 13. "Prohibited participant" means: (a) any officer or employee of the  
10 commission; (b) any principal or key employee of a casino, interactive  
11 gaming licensee, and its affiliates, except as may be permitted by the  
12 commission; (c) any casino gaming or non-gaming employee at the casino  
13 that employs such person and any gaming or non-gaming employee of the  
14 interactive gaming licensee that employs such person; (d) any contrac-  
15 tor, subcontractor, or consultant, or officer or employee of a contrac-  
16 tor, subcontractor, or consultant, of a casino or an interactive gaming  
17 licensee if such person is directly involved in the operation or obser-  
18 vation of interactive gaming, or the processing of interactive gaming  
19 claims or payments; (e) any person subject to a contract with the  
20 commission if such contract contains a provision prohibiting such person  
21 from participating in interactive gaming; (f) any spouse, child, sibling  
22 or parent residing in the principal place of abode of any of the forego-  
23 ing persons at the same casino or interactive gaming licensee where the  
24 foregoing person is prohibited from participating in interactive gaming;  
25 (g) any individual placing a wager as an agent or proxy for another  
26 person known to be a prohibited participant; or (h) any person under  
27 twenty-one years of age.

28 14. "Qualifying entity" means (a) a destination resort casino licensed  
29 under article thirteen of this chapter; (b) a video lottery terminal  
30 facility authorized under paragraphs one and two of subdivision a of  
31 section sixteen hundred seventeen-a of the tax law, or authorized under  
32 paragraph five of subdivision a of section sixteen hundred seventeen-a  
33 of the tax law; (c) a federally recognized Indian tribe that has entered  
34 into a tribal-state gaming compact in accordance with the Indian Gaming  
35 Regulatory Act that is in effect and has been ratified by the state of  
36 New York; or (d) a mobile sports wagering platform provider, inclusive  
37 of the sports wagering operators the platform utilizes, selected by the  
38 commission to conduct mobile sports wagering pursuant to subdivision  
39 seven of section thirteen hundred sixty-seven-a of this chapter and  
40 section fifteen hundred three of this article. An unlicensed entity  
41 offering games or contests that require a license or temporary permit  
42 issued by the commission under article thirteen or fourteen of this  
43 chapter within the previous three years of the effective date of this  
44 article shall be ineligible to receive an interactive gaming license.

45 § 1502. Eligibility to conduct interactive gaming. 1. Only a qualify-  
46 ing entity in good standing with the commission or, if the qualifying  
47 entity is an Indian tribe, those executive agencies with which it other-  
48 wise interacts, shall be eligible to conduct interactive gaming in the  
49 state.

50 2. No qualifying entity shall administer, manage, or otherwise make  
51 available an interactive gaming platform to persons located in New York  
52 state unless it has provided notice of intent to offer interactive  
53 gaming to the commission pursuant to this section. Additionally, no  
54 entity shall advertise or promote an unlicensed interactive gaming plat-  
55 form to persons located in the state of New York.

1 3. (a) Prior to the commission approving an interactive gaming licen-  
2 see under section fifteen hundred three of this article to commence  
3 operations, the commission shall conduct a comprehensive investigation  
4 of the applicant to determine whether the applicant or any of its affil-  
5 iates, including entities under common control, is knowingly (i) accept-  
6 ing revenue, directly or indirectly, derived from any jurisdiction on  
7 the "Black List of Money Laundering Countries" as established by the  
8 Financial Action Task Force (FATF), or (ii) any jurisdiction designated  
9 as a state sponsor of terrorism by the United States; provided, however,  
10 that this shall not affect the commission's existing statutory authority  
11 to evaluate an applicant's suitability.

12 (b) The commission shall not approve an interactive gaming licensee to  
13 commence operations if the commission determines that the applicant or  
14 any of its affiliates, including entities under common control, is know-  
15 ingly (i) accepting revenue, directly or indirectly, derived from any  
16 jurisdiction on the "Black List of Money Laundering Countries" as estab-  
17 lished by the Financial Action Task Force (FATF), or (ii) any jurisdic-  
18 tion designated as a state sponsor of terrorism by the United States.

19 (c) If at any time during licensure the commission determines that the  
20 licensee or any of its affiliates, including entities under common  
21 control, is knowingly accepting revenue, directly or indirectly, derived  
22 from any jurisdiction on the "Black List of Money Laundering Countries"  
23 as established by the Financial Action Task Force (FATF), or any juris-  
24 isdiction designated as a state sponsor of terrorism by the United States,  
25 the commission shall impose a penalty of license revocation if the  
26 commission determines, after notice and an opportunity for hearing, that  
27 it would further the public interest to discontinue such operations of  
28 the interactive gaming licensee.

29 (d) Prior to the commission approving an interactive gaming licensee  
30 under section fifteen hundred three of this article to commence oper-  
31 ations, and upon each license renewal, the commission shall require each  
32 applicant to supply a disclosure of all jurisdictions within which it or  
33 its affiliates knowingly conduct operations. Such disclosure shall  
34 pertain to any jurisdiction within which an applicant or its affiliates  
35 knowingly accepted revenue for the supply of interactive gaming, includ-  
36 ing but not limited to online wagers or other consideration related to  
37 online wagering, directly or indirectly, within the twelve-month period  
38 preceding the license application or renewal. A material misrepresen-  
39 tation or omission on the disclosure shall, in the discretion of the  
40 commission, result in denial of an application for an interactive gaming  
41 license and/or disciplinary action, including, but not limited to  
42 suspension or revocation of the license and penalties for officers  
43 and/or board members of the licensee; provided however, that for exist-  
44 ing licensees, if the commission determines that it would further the  
45 public interest to discontinue such operations of the interactive gaming  
46 licensee and issue a penalty of license revocation, such licensee shall  
47 be entitled to a notice and opportunity for hearing.

48 4. Licenses authorized under this article shall remain in effect for  
49 up to ten years from the date issued. The commission shall establish a  
50 process for renewal.

51 5. The commission shall publish a list of all licensees authorized to  
52 offer interactive gaming in New York state pursuant to this section on  
53 the commission's website for public use.

54 6. Each interactive gaming licensee shall offer no more than one indi-  
55 vidually branded skin.



1     7. Notices of intent to offer interactive gaming sent to the commis-  
2     sion by a qualified entity shall be acted upon by the commission prompt-  
3     ly, with authorization to commence operations being issued or denied no  
4     more than ninety days after receipt of the petition.

5     8. To meet the definition of a qualifying entity, an Indian Tribe  
6     shall enter into an agreement with the commission with respect to inter-  
7     active gaming:

8     (a) to follow the requirements imposed on interactive gaming licensees  
9     under this section and section thirteen hundred sixty-seven-a of this  
10    chapter with respect to the Indian Tribe's interactive gaming; to adhere  
11    to the regulations promulgated by the commission pursuant to this  
12    section with respect to interactive gaming, and to submit to the commis-  
13    sion's enforcement of this section and section thirteen hundred sixty-  
14    seven-a of this chapter and regulations promulgated thereunder with  
15    respect to interactive gaming, including by waiving tribal sovereign  
16    immunity for the sole and limited purpose of such enforcement. Nothing  
17    herein shall be construed as requiring an Indian Tribe's agreement to  
18    adhere to the requirements of section thirteen hundred sixty-seven of  
19    this chapter for gaming conducted on tribal lands as a condition of  
20    offering interactive gaming under this section;

21    (b) to waive the Indian Tribe's exclusive geographic right to offer  
22    and conduct interactive gaming, but not otherwise;

23    (c) to remit payment to the state equal to tax on interactive gaming  
24    revenue imposed under section fifteen hundred six of this article with  
25    respect to interactive gaming;

26    (d) not to offer or to conduct mobile gaming other than interactive  
27    gaming pursuant to this section unless such mobile gaming is otherwise  
28    authorized by state or federal law; and

29    (e) to locate the server or other equipment used by the Indian Tribe  
30    or its agent to accept interactive gaming at a casino that has applied  
31    for and is eligible to register as an interactive gaming licensee and to  
32    pay the actual cost of hosting the server or other equipment as deter-  
33    mined by the commission.

34    9. No interactive gaming may be conducted within an Indian Tribe's  
35    exclusive geographic area unless such Indian Tribe with exclusive  
36    geographic right to that area is registered as an interactive gaming  
37    licensee. Interactive gaming licensees shall use geo-location and geo-  
38    fencing technology to ensure that interactive gaming is not available to  
39    persons who are physically located in an Indian Tribe's exclusive  
40    geographic area, unless such Indian Tribe with exclusive geographic  
41    right to that area is registered as an interactive gaming licensee under  
42    this section.

43    § 1503. Entity licensing. 1. A qualifying entity shall receive an  
44    interactive gaming license upon commission approval. An interactive  
45    gaming licensee shall not commence interactive gaming until such time  
46    that the commission has promulgated rules and regulations and provided  
47    approval to an interactive gaming licensee to commence operations. Such  
48    rules and regulations shall be promulgated, and approval issued in a  
49    timely manner, but no later than one hundred twenty days following the  
50    effective date of this article.

51    2. A qualifying entity shall not incur any additional licensing or  
52    administrative fees, or additional expenses related to interactive  
53    gaming outside of those set forth in this section.

54    3. As a condition of licensing, the commission shall require that each  
55    casino, video lottery terminal facility or operator authorized to  
56    conduct mobile interactive gaming wagering pay a one-time fee of two

1 million dollars. As a condition of approval of any independent contrac-  
2 tor to provide an operator's mobile interactive gaming wagering platform  
3 and display its brand, the commission shall require that such independ-  
4 ent contractor pay a one-time fee of ten million dollars.

5 4. A qualifying entity may immediately and indefinitely conduct inter-  
6 active gaming upon the effective date of this article. Interactive  
7 gaming may be conducted by the means prescribed in this article pursuant  
8 to regulations governing game rules and operation for sports wagering,  
9 slot machines, poker, table games, or any other game as defined in  
10 subdivision four, nineteen, thirty-eight, thirty-nine, or forty-one of  
11 section thirteen hundred one of this chapter until such time that the  
12 commission has adopted rules related to the conduct and operation of  
13 interactive games.

14 § 1504. Individual, enterprise and vendor licensing. Each interactive  
15 gaming licensee may contract with an entity to conduct interactive  
16 gaming, in accordance with the regulations of the commission. Such enti-  
17 ty shall obtain a license as a casino vendor enterprise prior to  
18 execution of any such contract, and such license shall be issued pursu-  
19 ant to the provisions of sections thirteen hundred twenty-six and thir-  
20 teen hundred twenty-seven of this chapter and in accordance with the  
21 regulations promulgated by the commission.

22 § 1505. Requirements for conduct and operation of interactive gaming.  
23 1. The live gaming studio used to conduct live dealer games shall not  
24 be required to be located within the premises of a gaming facility, as  
25 defined in subdivision twenty-three of section thirteen hundred one of  
26 this chapter, but must be located within the state of New York.

27 2. An applicant for an interactive gaming license shall produce an  
28 affidavit stating it shall enter into a labor peace agreement with labor  
29 organizations that are actively engaged in representing or attempting to  
30 represent gaming or hospitality industry workers in the state as a  
31 mandatory component of its application for an interactive gaming  
32 license; provided however, that if such applicant already has a labor  
33 peace agreement pertaining to its existing operations, such labor peace  
34 agreement may satisfy the requirements of this subdivision so long as  
35 such labor peace agreement is updated to pertain to interactive gaming  
36 operations authorized under this article. In order for the commission  
37 to issue an interactive gaming license and for any operations involving  
38 live studio dealers to commence, the applicant for an interactive gaming  
39 license must produce documentation that it has entered into a labor  
40 peace agreement with each labor organization that is actively engaged in  
41 representing and attempting to represent gaming and hospitality industry  
42 workers in the state. The commission shall make the maintenance of such  
43 a labor peace agreement an ongoing material condition of licensure as  
44 long as the interactive gaming licensee makes use of live studio deal-  
45 ers. A license holder shall, as a condition of its license, ensure that  
46 operations at a live gaming studio that involve gaming or hospitality  
47 industry employees or are conducted by contractors, subcontractors,  
48 licensees, assignees, tenants or subtenants shall be done under a labor  
49 peace agreement containing the same provisions as specified in this  
50 subdivision.

51 3. Advertisements for contests and prizes offered by an interactive  
52 gaming licensee shall not target prohibited participants, persons under  
53 twenty-one years of age, or self-excluded persons.

54 4. Interactive gaming licensees shall develop and prominently display  
55 procedures on the main page of such interactive gaming licensee's plat-  
56 form for the filing of a complaint by an authorized participant against

1 such interactive gaming licensee. An initial response shall be given by  
2 such interactive gaming licensee to such authorized participant filing  
3 the complaint within forty-eight hours of receipt. A complete response  
4 shall be given by such interactive gaming licensee to such authorized  
5 participant filing the complaint within ten business days of receipt. An  
6 authorized participant may file a complaint alleging a violation of the  
7 provisions of this article with the commission.

8 5. Interactive gaming licensees shall maintain records of all accounts  
9 belonging to authorized participants and retain such records of all  
10 transactions in such accounts for the preceding five years, provided,  
11 however, that such records belonging to an authorized participant shall  
12 be readily accessible and downloadable, without cost, by such authorized  
13 participant.

14 6. The server or other equipment which is used by an interactive  
15 gaming licensee to accept interactive gaming shall be physically located  
16 in the licensed gaming facility and be limited to interactive gaming  
17 related activities in accordance with regulations promulgated by the  
18 commission.

19 7. All interactive gaming initiated in this state shall be deemed to  
20 take place at the licensed gaming facility where the server or other  
21 equipment used by an interactive gaming licensee to accept interactive  
22 gaming is located, regardless of the authorized participant's physical  
23 location within this state.

24 8. Subject to regulations promulgated by the commission, an interac-  
25 tive gaming licensee may allow for authorized participants to sign up to  
26 create and fund accounts on its interactive gaming platform. An interac-  
27 tive gaming licensee shall adopt reasonable procedures to ensure that  
28 authorized participants have no more than one interactive gaming account  
29 with the interactive gaming licensee. However, nothing in this article  
30 shall prohibit the use of a single account for a mobile sports wagering  
31 account under section thirteen hundred sixty-seven of this chapter and  
32 an interactive gaming account set forth pursuant to this article;  
33 provided however, that interactive gaming licensees shall keep separate  
34 and distinct records of mobile sports wagering activity and interactive  
35 gaming activity on such accounts pursuant to rules and regulations  
36 promulgated by the commission.

37 9. Authorized participants may deposit and withdraw funds to and from  
38 their account on an interactive gaming platform through electronically  
39 recognized payment methods, including but not limited to credit cards  
40 and debit cards, or via any other means approved by the commission;  
41 provided, however, that in the case of credit card payments, each  
42 authorized participant's account per licensee shall be limited to a  
43 credit card spending amount of two thousand five hundred dollars per  
44 year; and provided further, however, that such limitation shall not  
45 apply to other payment methods or to debit cards. No interactive gaming  
46 licensee shall be authorized to provide a line of credit to any author-  
47 ized participant.

48 10. The commission, by regulation, may authorize and promulgate any  
49 rules necessary to implement agreements with other states, or authorized  
50 agencies thereof to (a) enable patrons in those states to participate in  
51 interactive gaming offered by licensees under this article, or (b)  
52 enable patrons in this state to participate in interactive gaming  
53 offered by licensees under the laws of those other states, provided that  
54 such other state or authorized agency applies suitability standards and  
55 review materially consistent with the provisions of this article.



11. Any regulations adopted pursuant to subdivision ten of this section must set forth provisions that address (a) any arrangements to share revenue between New York and any other state or agency within another state, and (b) arrangements to ensure the integrity of interactive gaming offered pursuant to any such agreement and the protection of patrons located in this state.

§ 1506. Taxation and fees. 1. For the privilege of conducting interactive gaming in the state, interactive gaming licensees shall pay a tax equivalent to thirty and one-half percent of base taxable gross gaming revenue derived from interactive gaming. Interactive gaming tax revenue shall be separately maintained and returned to the state for deposit into the state lottery fund for education aid.

2. From the state tax collected, the commission shall distribute, in conjunction with the office of addiction services and supports, eleven million dollars annually for problem gambling education and treatment purposes.

3. (a) In each fiscal year in which interactive gaming licensees accept interactive gaming wagers, the commission shall pay, on a quarterly basis, one-quarter of one-tenth of one percent of that tax imposed on interactive gaming by this section to a fund established for the purpose of employee training, responsible gaming training and education, health, and development; provided however, that the amount budgeted for such a program shall be no less than twenty-five million dollars for each fiscal year.

(b) An individual must be an employee of a licensed commercial gaming facility represented by a labor organization having a valid project labor agreement to be an eligible participant in such fund. Such fund shall be administered by the representative labor organization or organizations having a valid project labor agreement.

§ 1507. Responsible gaming requirements. 1. As a condition of licensure, each operator shall implement the following measures:

(a) limit each authorized participant to one active and continuously used account on their platform, and prevent anyone they know, or should have known to be a prohibited bettor, from maintaining accounts or participating in any interactive gaming wagering offered by such operator;

(b) adopt appropriate safeguards to ensure, to a reasonable degree of certainty, that authorized participants are physically located within the state when engaging in mobile interactive gaming wagering;

(c) prohibit persons under twenty-one years of age from participating in any mobile interactive gaming wagering;

(d) enable authorized participants to exclude themselves from interactive gaming wagering and take reasonable steps to prevent such bettors from engaging in wagering from which they have excluded themselves;

(e) permit any authorized participant to permanently close an account registered to such bettor, on any and all platforms supported by such operator, at any time and for any reason;

(f) implement measures to protect the privacy and online security of authorized participants and their accounts;

(g) list on each website, in a prominent place, information concerning assistance for compulsive play in New York state, including a toll-free number directing callers to reputable resources containing further information, which shall be free of charge;

(h) permit account holders to establish self-exclusion gaming limits on a daily, weekly, and monthly basis that enable the account holder to

1 identify the maximum amount of money an account holder may deposit  
2 during such period of time;

3 (i) maintain a publicly accessible internet page dedicated to respon-  
4 sible play, a link to which shall appear on the operator's website and  
5 in any mobile application or electronic platform on which an authorized  
6 participant may place wagers. Such responsible play page shall include  
7 (i) a statement of the interactive gaming licensee's policy and commit-  
8 ment to responsible gaming, information regarding, or links to informa-  
9 tion regarding, the risks associated with gambling and the potential  
10 signs of problem gaming; (ii) the availability of self-imposed responsi-  
11 ble gaming limits; (iii) a link to a problem gaming webpage maintained  
12 by the office of addiction services and supports; and (iv) such other  
13 information or statements as the commission may require by rule;

14 (j) submit annually a responsible gaming plan to the commission. The  
15 commission shall publish the requirements for the plan;

16 (k) ensure no wagering shall be based on game types not approved by  
17 the commission;

18 (l) when an account holder's lifetime deposits exceed two thousand  
19 five hundred dollars, the interactive gaming licensee shall prevent any  
20 wagering until the patron acknowledges that the account holder has met  
21 the deposit threshold and may elect to establish responsible gaming  
22 limits or close the account, and the account holder has received disclo-  
23 sures from the mobile sports wagering operator concerning problem gambl-  
24 ing resources. Once a patron has reached their lifetime deposit, such  
25 patron shall annually make the acknowledgement required by this subdivi-  
26 sion;

27 (m) submit annually a problem gaming plan that was approved by the  
28 commission in consultation with the office of addiction services and  
29 supports that includes (i) the objectives of and timetables for imple-  
30 menting such plan; (ii) identification of the persons responsible for  
31 implementing and maintaining such plan; (iii) procedures for identifying  
32 users with suspected or known problem gaming behavior; (iv) procedures  
33 for providing information to users concerning problem gaming identifica-  
34 tion and resources; (v) procedures to prevent gaming by persons under  
35 twenty-one years of age and self-excluded persons; and (vi) such other  
36 problem gaming information as the commission may require by rule;

37 (n) when referencing the chances or likelihood of winning in adver-  
38 tisements or upon placement of an interactive gaming wager, make clear  
39 and conspicuous statements that are not inaccurate or misleading  
40 concerning the chances of winning and the number of winners;

41 (o) offer introductory procedures for authorized participants that  
42 shall be prominently displayed on the main page of interactive gaming  
43 licensees' websites or applications that explain interactive gaming; and

44 (p) offer all authorized participants access to his or her account  
45 history and account details.

46 2. Interactive gaming licensees shall not offer any interactive gaming  
47 wager based on any activity, game, or other event that is deemed prohib-  
48 ited or against public policy by the commission.

49 3. All interactive gaming shall be conducted in compliance with this  
50 article.

51 4. The commission, in conjunction with the office of addiction  
52 services and supports, shall annually prepare and distribute to the  
53 governor and the legislature a report on the impact of interactive  
54 gaming on problem gamblers in New York, including, to the extent practi-  
55 cable, an analysis of demographics which are disproportionately impacted  
56 by problem gambling. The costs associated with the preparation and

1 distribution of such report shall be borne by interactive gaming licen-  
2 sees and the commission shall be authorized to assess a fee against  
3 interactive gaming licensees for these purposes. The commission, or in  
4 the case that an independent integrity monitor has been established,  
5 such independent integrity monitor, shall also report biannually to the  
6 governor and the legislature on the effectiveness of the statutory and  
7 regulatory controls in place to ensure the integrity of interactive  
8 gaming operations.

9 § 5. Section 1602 of the tax law is amended by adding a new subdivi-  
10 sion 7 to read as follows:

11 7. "Interactive lottery gaming" means wagering on authorized lottery  
12 games online by any system or method of wagering, including, but not  
13 limited to, communication through internet websites, accessed via a  
14 mobile device, tablet or laptop or desktop computer, and mobile device  
15 applications. An interactive lottery game shall include any lawful  
16 lottery game authorized by the commission including joint, multi-juris-  
17 isdiction and out-of-state lottery games, daily number games, lotto games,  
18 quick draw and instant cash.

19 § 6. Paragraph 1 of subdivision c of section 1612 of the tax law, as  
20 amended by chapter 174 of the laws of 2013, is amended to read as  
21 follows:

22 1. The specifications for interactive lottery and video lottery  
23 gaming, including any joint, multi-jurisdiction, and out-of-state video  
24 lottery gaming, shall be designed in such a manner as to pay prizes that  
25 average no less than [~~ninety~~] forty percent, but no more than sixty  
26 percent of sales.

27 § 7. The tax law is amended by adding a new section 1617-b to read as  
28 follows:

29 § 1617-b. Interactive lottery tickets. The division of lottery is  
30 hereby authorized to conduct sales of lottery tickets on the internet,  
31 pursuant to rules and regulations to be promulgated by the division of  
32 lottery, which shall be known as interactive lottery tickets. Except as  
33 otherwise permitted pursuant to section sixteen hundred seventeen of  
34 this article, the division shall restrict interactive lottery tickets to  
35 transactions initiated and received or otherwise made exclusively within  
36 the state of New York.

37 § 8. This act shall take effect immediately.