

# STATE OF NEW YORK

8185--A

## IN SENATE

January 11, 2024

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering -- 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 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.

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

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

3 ARTICLE 15

4 INTERACTIVE GAMING

5 Section 1500. Legislative intent and findings.

6 1501. Definitions.

7 1502. Eligibility to conduct interactive gaming.

8 1503. Entity licensing.

9 1504. Individual, enterprise and vendor licensing.

10 1505. Requirements for conduct and operation of interactive  
11 gaming.

12 1506. Taxation and fees.

13 1507. Responsible gaming requirements.

14 § 1500. Legislative intent and findings. Section nine of article one  
15 of the New York state constitution was recently amended and provides  
16 "casino gambling at no more than seven facilities as authorized and  
17 prescribed by the legislature shall hereafter be authorized or allowed  
18 within this state". It has been, and continues to be, the sense of the  
19 legislature that this provision is not contravened by a statute that  
20 authorizes the acceptance of a wager by an individual located in New  
21 York state who is betting by virtual or electronic means and the wager  
22 is accepted through equipment located within a licensed gaming facility;  
23 provided that any such wager meets other safeguards ensuring that the  
24 plain text of this provision is honored in such structure. Interactive  
25 gaming is now legal in seven states, including the bordering states of  
26 New Jersey, Pennsylvania, and Connecticut, while it is permitted only in  
27 person in New York at four upstate commercial gaming facilities and  
28 Native American class III gaming facilities. The legislature hereby  
29 finds and declares that an interactive gaming wager that is made through  
30 virtual or electronic means from a location within New York state and is  
31 transmitted to and accepted by electronic equipment located at a  
32 licensed gaming facility, including without limitation, a computer serv-  
33 er located at such licensed gaming facility, is a wager made at such  
34 licensed gaming facility, notwithstanding any provisions of the penal  
35 law to the contrary.

36 § 1501. Definitions. For the purposes of this article, the following  
37 terms shall have the following meanings:

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

52 2. "Authorized participant" means an individual who is physically  
53 present in the state of New York when placing an interactive gaming  
54 wager, who is at least twenty-one years of age, who is authorized to  
55 participate in gaming pursuant to article thirteen of this chapter, and  
56 who participates in interactive gaming offered by a casino, video

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

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

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

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

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

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

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

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

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

1 11. "Live gaming studio" means a physical location in New York state  
2 that utilizes live video streaming technology to provide authorized  
3 casino games to a player's interactive gaming device or multi-use  
4 computing device.

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

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

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

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

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

1 entity shall advertise or promote an unlicensed interactive gaming plat-  
2 form to persons located in the state of New York.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 3. As a condition of licensing, the commission shall require that each  
2 casino, video lottery terminal facility or operator authorized to  
3 conduct mobile interactive gaming wagering pay a one-time fee of two  
4 million dollars. As a condition of approval of any independent contrac-  
5 tor to provide an operator's mobile interactive gaming wagering platform  
6 and display its brand, the commission shall require that such independ-  
7 ent contractor pay a one-time fee of ten million dollars.

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

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

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

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

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

1 4. Interactive gaming licensees shall develop and prominently display  
2 procedures on the main page of such interactive gaming licensee's plat-  
3 form for the filing of a complaint by an authorized participant against  
4 such interactive gaming licensee. An initial response shall be given by  
5 such interactive gaming licensee to such authorized participant filing  
6 the complaint within forty-eight hours of receipt. A complete response  
7 shall be given by such interactive gaming licensee to such authorized  
8 participant filing the complaint within ten business days of receipt. An  
9 authorized participant may file a complaint alleging a violation of the  
10 provisions of this article with the commission.

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

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

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

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

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

51 10. The commission, by regulation, may authorize and promulgate any  
52 rules necessary to implement agreements with other states, or authorized  
53 agencies thereof to (a) enable patrons in those states to participate in  
54 interactive gaming offered by licensees under this article, or (b)  
55 enable patrons in this state to participate in interactive gaming  
56 offered by licensees under the laws of those other states, provided that



1 such other state or authorized agency applies suitability standards and  
2 review materially consistent with the provisions of this article.

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

9 § 1506. Taxation and fees. 1. For the privilege of conducting interac-  
10 tive gaming in the state, interactive gaming licensees shall pay a tax  
11 equivalent to thirty and one-half percent of base taxable gross gaming  
12 revenue derived from interactive gaming. Interactive gaming tax revenue  
13 shall be separately maintained and returned to the state for deposit  
14 into the state lottery fund for education aid.

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

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

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

32 § 1507. Responsible gaming requirements. 1. As a condition of licen-  
33 sure, each operator shall implement the following measures:

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

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

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

44 (d) enable authorized participants to exclude themselves from interac-  
45 tive gaming wagering and take reasonable steps to prevent such bettors  
46 from engaging in wagering from which they have excluded themselves;

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

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

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

1 (h) permit account holders to establish self-exclusion gaming limits  
2 on a daily, weekly, and monthly basis that enable the account holder to  
3 identify the maximum amount of money an account holder may deposit  
4 during such period of time;

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

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

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

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

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

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

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

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

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

51 3. All interactive gaming shall be conducted in compliance with this  
52 article.

53 4. The commission, in conjunction with the office of addiction  
54 services and supports, shall annually prepare and distribute to the  
55 governor and the legislature a report on the impact of interactive  
56 gaming on problem gamblers in New York, including, to the extent practi-

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

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

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

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

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

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

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

39 § 8. This act shall take effect immediately.