STATE OF NEW YORK

5935--A

Cal. No. 567

2025-2026 Regular Sessions

IN SENATE

March 4, 2025

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to prohibiting online sweepstakes games and revenue from illegal markets

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

Section 1. Legislative purpose. It is the purpose of this legislation to prohibit certain persons from operating, conducting, or promoting certain online sweepstakes games or supporting the operation, conducting, or promotion of certain online sweepstakes games. This legislation requires the New York state gaming commission and/or the New York state attorney general to deny a person from commencing or continuing operations if such person or an affiliate of such person knowingly accepts revenue that is directly or indirectly derived from online sweepstakes games, and enforce penalties on behalf of any findings of prohibited engagement.

§ 2. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 912 to read as follows:

§ 912. Prohibition of online sweepstakes games and revenue from illegal markets. 1. Definitions. For the purposes of this section, the following terms shall have the following meanings:

(a) "Online sweepstakes game" shall mean any game, contest, or promotion that is available on the internet and/or accessible on a mobile phone, computer terminal, or similar access device, that utilizes a dual-currency system of payment allowing the player to exchange the currency for any cash prize, cash award or cash equivalents, or any chance to win any cash prize, cash award or cash equivalents, and simu-

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

LBD10101-05-5

lates casino-style gaming, including but not limited to, slot machines, video poker, table games, lottery games, bingo, or sports wagering. The state gaming commission shall determine what constitutes a dual-currency system pursuant to this paragraph.

(b) "Table games" shall include, but not be limited to, blackjack, roulette, craps, and poker.

(c) "Lottery games" shall include, but not be limited to, draw games, instant win games, and keno.

2. Prohibition. (a) It shall be unlawful for any applicant, licensed entity, gaming employee, key employee, individual investor or investment firm, board member, or any other person or entity to operate, conduct, or promote online sweepstakes games within the state of New York.

(b) It shall be unlawful for any applicant, licensed entity, financial institution, payment processor, geolocation provider, gaming content supplier, platform provider, or media affiliate to support the operation, conduct, or promotion of online sweepstakes games within the state of New York.

3. Penalties. (a) Any applicant, licensed entity, gaming employee, key employee, individual investor or investment firm, board member, or any other person or entity found in violation of this section shall be subject to a fine of not less than ten thousand dollars and not more than one hundred thousand dollars for each violation and shall be subject to the loss of a gaming license and/or be ineligible for a gaming license.

(b) All fines resulting from violations of this section shall be collected by the state gaming commission and deposited into the commercial gaming revenue fund, established in section ninety-seven-nnnn of the state finance law, to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of such section.

4. Enforcement. (a) The state gaming commission, the state police, or the attorney general's office shall have the authority to enforce the provisions of this section.

(b) The state gaming commission, state police or attorney general's office may conduct investigations, hold hearings, issue cease and desist letters, and issue subpoenas to ensure compliance with the provisions of this section.

§ 3. This act shall take effect immediately.