

STATE OF NEW YORK

8889

IN SENATE

January 13, 2026

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the financial services law, in relation to licensing and regulation of prediction market platforms

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

Section 1. This act shall be known and may be cited as the "New York prediction market regulation act".

§ 2. The financial services law is amended by adding a new article 10 to read as follows:

ARTICLE 10

PREDICTION MARKET REGULATION

Section 1000. Definitions.

1001. License required.

1002. Application and qualification.

1003. Standards of conduct.

1004. Enforcement authority.

§ 1000. Definitions. For purposes of this article, the following terms shall have the following meanings:

1. "Prediction market" means any platform, electronic or physical, that allows participants to place wagers, trades, or financial positions on the outcome of future events, including but not limited to political, economic, weather, or other contingencies, where payouts are tied to event outcomes.

2. "Operator" means any entity that owns, controls, manages, or otherwise provides access to a prediction market.

3. "Participant" means any person who accesses or uses a prediction market to place wagers or financial positions.

§ 1001. License required. No person or entity shall operate a prediction market accessible to New York residents without first obtaining a license from the department in accordance with this article.

§ 1002. Application and qualification. 1. A prediction market operator seeking license shall submit to the department:

(a) Business information and financial statements;

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

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1 (b) Anti-money laundering (AML) programs consistent with federal law;
2 (c) Consumer protection policies, including, but not limited to,
3 dispute resolution processes; and
4 (d) Evidence of internal controls for market integrity and risk
5 management.

6 2. The department may require background checks, financial audits, and
7 such demonstrations of fitness as necessary to protect public interest.

8 § 1003. Standards of conduct. Licensed operators shall:

9 1. Cooperate with department investigations and examinations; and

10 2. Comply with department antifraud, recordkeeping, and reporting
11 requirements.

12 § 1004. Enforcement authority. 1. The department may:

13 (a) Suspend, revoke, or refuse renewal of a license;

14 (b) Impose fines or civil penalties for violations; and

15 (c) Order restitution for harmed participants.

16 2. Operators shall be subject to examination and audit by the depart-
17 ment.

18 § 3. This act shall take effect on the one hundred eightieth day after
19 it shall have become a law.