STATE OF NEW YORK

11521

IN ASSEMBLY

May 28, 2026

Introduced by M. of A. McDONALD -- read once and referred to the Committee on Racing and Wagering

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 11 to read as follows:

ARTICLE 11

PREDICTION MARKET REGULATION

Section 1100. Definitions.
1101. License required.
1102. Application and qualification.
1103. Standards of conduct.
1104. Enforcement authority.

§ 1100. 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.

§ 1101. 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.

§ 1102. 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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(b) Anti-money laundering (AML) programs consistent with federal law;

(c) Consumer protection policies, including, but not limited to, dispute resolution processes; and

(d) Evidence of internal controls for market integrity and risk management.

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

§ 1103. Standards of conduct. Licensed operators shall:

1. Cooperate with department investigations and examinations; and

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

§ 1104. Enforcement authority. 1. The department may:

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

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

(c) Order restitution for harmed participants.

2. Operators shall be subject to examination and audit by the department.

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