STATE OF NEW YORK

8361

2025-2026 Regular Sessions

IN ASSEMBLY

May 13, 2025

Introduced by M. of A. STERN -- 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 video lottery gaming facilities

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

Section 1. Section 1367 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part Y chapter 59 of the laws of 2021, is amended to read as follows:

§ 1367. Sports wagering. 1. As used in this section and in section thirteen hundred sixty-seven-a of this title:

(a) "Platform provider" means an entity selected by the commission to conduct mobile sports wagering pursuant to a competitive bidding process;

(b) "Authorized sports bettor" means an individual who is physically present in this state when placing a sports wager, who is not a prohibited sports bettor, and who participates in sports wagering offered by a casino*, a video lottery gaming facility,* or a mobile sports wagering licensee;

(c) "Casino" means a licensed gaming facility at which gambling is conducted pursuant to the provisions of this article;

(d) "Commission" means the New York state gaming commission established pursuant to section one hundred two of this chapter;

(e) "Collegiate sport or athletic event" means a sport or athletic event offered or sponsored by, or played in connection with a public or private institution that offers educational services beyond the secondary level;

(f) "Covered persons" includes: athletes; players; umpires; referees; officials; personnel associated with players, clubs, teams, leagues, and athletic associations; medical professionals, including athletic train-

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

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ers, who provide services to athletes and players; and the family members of these persons;

(g) "High school sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers education services at the secondary level;

(h) "In-play sports wager" means a sports wager placed on a sports event after the sports event has begun and before it ends;

(i) "Layoff bet" means a sports wager placed by a casino **or a video lottery gaming facility** sports pool with another casino **or video lottery gaming facility** sports pool;

(j) "Minor" means any person under the age of twenty-one years;

(k) "Mobile sports wagering platform" or "platform" means the combination of hardware, software, and data networks used to manage, administer, or control sports wagering and any associated wagers accessible by any electronic means including mobile applications and internet websites accessed via a mobile device or computer;

(l) "Mobile sports wagering operator" means a mobile sports wagering skin which has been licensed by the commission to operate a sports pool through a mobile sports wagering platform;

(m) "Mobile sports wagering licensee" means a platform provider and a mobile sports wagering operator licensed by the commission;

(n) "Operator" means a casino which has elected to operate a sports pool;

(o) "Professional sport or athletic event" means an event at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event;

(p) "Conduct potentially warranting further investigation" means any statement, action, or other communication intended to unlawfully influence, manipulate, or control a wagering outcome of a sporting contest or performance in a sporting contest in exchange for a benefit or to avoid financial or physical harm. "Conduct potentially warranting further investigation" may include, but not be limited to, statements, actions, and communications made to a covered person;

(q) "Professional sports stadium or arena" means a stadium, ballpark, or arena in which a professional sport or athletic event occurs;

(r) "Prohibited sports bettor" means:

(i) any officer or employee of the commission;

(ii) any principal or key employee of a casino, **video lottery gaming facility,** mobile sports wagering licensee, and its affiliates, except as may be permitted by the commission;

(iii) any casino gaming or non-gaming employee at the casino **or video lottery gaming facility** that employs such person and any gaming or non-gaming employee at the mobile sports wagering licensee that employs such person;

(iv) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, of a casino**, a video lottery gaming facility,** or a mobile sports wagering licensee if such person is directly involved in the operation or observation of sports wagering, or the processing of sports wagering claims or payments;

(v) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from participating in sports wagering;

(vi) any spouse, child, sibling or parent residing in the principal place of abode of any of the foregoing persons at the same casino**, video lottery gaming facility,** or mobile sports wagering licensee where the foregoing person is prohibited from participating in sports wagering;

(vii) any amateur or professional athlete if the sports wager is based on any sport or athletic event that the athlete participates in at such amateur or professional level;

(viii) any sports agent, owner or employee or independent contractor of a team, player and umpire union personnel, and employee referee, coach or official of a sports governing body, if the sports wager is based on any sport or athletic event overseen by the individual's sports governing body;

(ix) any individual placing a wager as an agent or proxy for another person known to be a prohibited sports bettor; or

(x) any minor.

(s) "Prohibited sports event" means a sport or athletic event in which any New York college team participates regardless of where the event takes place, or high school sport or athletic event. The following shall not be considered prohibited sports events: (i) a collegiate tournament, and (ii) a sports event within such tournament so long as no New York college team is participating in that particular sports event;

(t) "Sports event" means any professional sport or athletic event and any collegiate sport or athletic event, except a prohibited sports event;

(u) "Sports governing body" means the organization that prescribes final rules and enforces codes of conduct with respect to a sporting event and participants therein;

(v) "Sports pool" means the business of accepting wagers on any sports event by any system or method of wagering;

(w) "Sports wager" means cash or cash equivalent that is paid by an authorized sports bettor to a casino**, a video lottery gaming facility,** or a mobile sports wagering licensee to participate in sports wagering offered by such casino**, video lottery gaming facility,** or mobile sports wagering licensee;

(x) "Sports wagering" means wagering on sporting events or any portion thereof, or on the individual performance statistics of athletes participating in a sporting event, or combination of sporting events, by any system or method of wagering, including, but not limited to, in-person communication and electronic communication through internet websites accessed via a mobile device or computer, and mobile device applications; provided however that sports wagers shall include, but are not limited to, single-game bets, teaser bets, parlays, over-under bets, money line, pools, in-game wagering, in-play bets, proposition bets, and straight bets;

(y) "Sports wagering gross revenue" means[~~: (i)~~] the amount equal to the total of all sports wagers not attributable to prohibited sports events that a mobile sports wagering licensee collects from all sports bettors, less the total of all sums not attributable to prohibited sports events paid out as winnings to all sports bettors, however, that the total of all sums paid out as winnings to sports bettors shall not include the cash equivalent value of any merchandise or thing of value awarded as a prize;

(z) "Sports wagering lounge" means an area wherein a sports pool is operated at a casino **or a video lottery gaming facility** for placement of in-person wagers;

(aa) "Unusual wagering activity" means abnormal wagering activity exhibited by patrons and deemed by the casino, the mobile sports wagering licensee, **a video lottery gaming facility,** or commission pursuant to rules and regulations promulgated by the commission, as a potential indicator of suspicious activity. Abnormal wagering activity may include, but is not limited to, the size of a patron's wager or increased wagering volume on a particular event or wager type;

(bb) "Suspicious wagering activity" means unusual wagering activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information, or other prohibited activity; [~~and~~]

(cc) "Independent integrity monitor" means an independent individual or entity approved by the commission to receive reports of unusual wagering activity from a casino, mobile sports wagering licensee, **video lottery gaming facility,** or commission for the purpose of assisting in identifying suspicious wagering activity**; and**

(dd) "Video lottery gaming facility" means a class two gaming facility owned by a public benefit corporation located in region three of zone one.

2. (a) In addition to authorized gaming activities, a casino **or a video lottery gaming facility** may operate a sports pool upon the approval of the commission and in accordance with the provisions of this section and applicable regulations promulgated pursuant to this article. The commission shall hear and decide promptly and in reasonable order all applications for a license to operate a sports pool, shall have the general responsibility for the implementation of this section and shall have all other duties specified in this section with regard to the operation of a sports pool. The license to operate a sports pool shall be in addition to any other license required to be issued to operate a casino **or a video lottery gaming facility**. No license to operate a sports pool shall be issued by the commission to any entity unless it has established its financial stability, integrity and responsibility and its good character, honesty and integrity.

No later than five years after the date of the issuance of a license and every five years thereafter or within such lesser periods as the commission may direct, a licensee shall submit to the commission such documentation or information as the commission may by regulation require, to demonstrate to the satisfaction of the executive director of the commission that the licensee continues to meet the requirements of the law and regulations.

(b) A sports pool shall be operated in a sports wagering lounge located at a casino **or a video lottery gaming facility**. The lounge shall conform to all requirements concerning square footage, design, equipment, security measures and related matters which the commission shall by regulation prescribe. Provided, however, the commission may also approve additional locations for a sports pool within the casino **or video lottery gaming facility**, in areas that have been approved by the commission for the conduct of other gaming, to be operated in a manner and methodology as regulation shall prescribe.

(c) The operator of a sports pool shall establish or display the odds at which wagers may be placed on sports events.

(d) An operator shall accept wagers on sports events only from persons physically present in the sports wagering lounge, through mobile sports wagering offered pursuant to section thirteen hundred sixty-seven-a of this title, if such operator is also a mobile sports wagering licensee, or any additional locations for a sports pool within the casino,

approved by the gaming commission. A person placing a wager shall be at least twenty-one years of age.

(e) An operator or mobile sports wagering licensee may also accept layoff bets as long as the authorized sports pool places such wagers with another authorized sports pool or pools in accordance with regulations of the commission. A sports pool that places a layoff bet shall inform the sports pool accepting the wager that the wager is being placed by a sports pool and shall disclose its identity.

(f) An operator or mobile sports wagering licensee may utilize global risk management pursuant to the approval of the commission.

(g) An operator or mobile sports wagering licensee shall not admit into the sports wagering lounge, or accept wagers from, any person whose name appears on the exclusion list.

(h) The holder of a license to operate a sports pool may contract with an entity to conduct that operation, in accordance with the regulations of the commission. That entity shall obtain a license as a casino vendor enterprise prior to the execution of any such contract, and such license shall be issued pursuant to the provisions of section one thousand three hundred twenty-seven of this article and in accordance with the regulations promulgated by the commission.

(i) If any provision of this article or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application, and to this end the provisions of this article are severable.

3. (a) All persons employed directly in wagering-related activities conducted within a sports wagering lounge shall be licensed as a casino key employee or registered as a gaming employee, as determined by the commission. All other employees who are working in the sports wagering lounge may be required to be registered, if appropriate, in accordance with regulations of the commission.

(b) Each operator of a sports pool shall designate one or more casino key employees who shall be responsible for the operation of the sports pool. At least one such casino key employee shall be on the premises whenever sports wagering is conducted.

4. Except as otherwise provided by this article, the commission shall have the authority to regulate sports pools and the conduct of sports wagering under this article to the same extent that the commission regulates other gaming. No casino**, video lottery gaming facility,** or mobile sports wagering licensee shall be authorized to operate a sports pool unless it has produced information, documentation, and assurances concerning its financial background and resources, including cash reserves, that are sufficient to demonstrate that it has the financial stability, integrity, and responsibility to operate a sports pool. In developing rules and regulations applicable to sports wagering, the commission shall examine the regulations implemented in other states where sports wagering is conducted and shall, as far as practicable, adopt a similar regulatory framework. The commission shall promulgate regulations necessary to carry out the provisions of this section, including, but not limited to, regulations governing the:

(a) amount of cash reserves to be maintained by casinos**, video lottery gaming facilities,** and mobile sports wagering licensees to cover winning wagers;

(b) acceptance of wagers on a series of sports events;

(c) maximum wagers which may be accepted by a casino, **video lottery gaming facility,** or mobile sports wagering licensee from any one patron on any one sports event;
(d) type of wagering tickets which may be used;
(e) method of issuing tickets;
(f) method of accounting to be used by casinos**, video lottery gaming facilities,** and mobile sports wagering licensees;
(g) types of records which shall be kept;
(h) use of credit and checks by authorized sports bettors;
(i) the process by which a casino **or a video lottery gaming facility** may place a layoff bet;
(j) the use of global risk management;
(k) type of system for wagering; and
(l) protections for a person placing a wager.

5. Each casino**, video lottery gaming facility,** and mobile sports wagering licensee shall adopt comprehensive house rules governing sports wagering transactions with its authorized sports bettors. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. The house rules, together with any other information the commission deems appropriate, shall be conspicuously displayed in the sports wagering lounge and included in the terms and conditions of the account wagering system, and copies shall be made readily available to authorized sports bettors. Mobile sports wagering operators shall develop and prominently display procedures on the main page of such mobile sports wagering operator's platform for the filing of complaints by authorized sports bettors against such mobile sports wagering operator. An initial response shall be given by such mobile sports wagering operator to such bettor filing the complaint within forty-eight hours. A complete response shall be given by such mobile sports wagering operator to such bettor filing the complaint within ten business days. An authorized sports bettor may file a complaint alleging a violation of the provisions of this article with the commission.

6. (a) Each casino**, video gaming facility,** and mobile sports wagering operator that offers sports wagering shall annually submit a report to the commission no later than the twenty-eighth of February of each year, which shall include the following information:
(i) the total amount of sports wagers received from authorized sports bettors;
(ii) the total amount of prizes awarded to authorized sports bettors;
(iii) the total amount of sports wagering gross revenue received by the casino**, video lottery gaming facility,** or mobile sports wagering operator;
(iv) the total amount of wagers received on each sports governing body's sporting events;
(v) the number of accounts held by authorized sports bettors;
(vi) the total number of new accounts established in the preceding year, as well as the total number of accounts permanently closed in the preceding year;
(vii) the total number of authorized sports bettors that requested to exclude themselves in a prior year who participated in sports wagering; and
(viii) any additional information that the commission deems necessary to carry out the provisions of this article.
(b) The commission shall annually publish a report based on the aggregate information provided by all casinos**, video lottery gaming facilities,** and mobile sports wagering operators pursuant to paragraph (a) of

this subdivision, which shall be published on the commission's website no later than one hundred eighty days after the deadline for the submission of individual reports as specified in such paragraph (a).

7. For the privilege of conducting sports wagering in the state, casinos **and video lottery gaming facilities** shall pay a tax equivalent to ten percent of their sports wagering gross gaming revenue, excluding sports wagering gross gaming revenue attributed to mobile sports wagering offered pursuant to section thirteen hundred sixty-seven-a of this title. Platform providers shall pay a tax constituting a certain percentage of the sports wagering gross gaming revenue attributed to mobile sports wagering offered through such platform provider's platform pursuant to section thirteen hundred sixty-seven-a of this title; provided however, that such percentage shall be determined pursuant to a competitive bidding process conducted by the commission as outlined in subdivision seven of section thirteen hundred sixty-seven-a of this title; and provided further, that such percentage shall be no lower than twelve percent. When awarding a license pursuant to section thirteen hundred sixty-seven-a of this title, the commission may set graduated tax rates; provided however, that any such tax rates may not be lower than the minimum rate established in this subdivision.

8. Notwithstanding section thirteen hundred fifty-one of this article, mobile sports wagering gross gaming revenue and tax revenue shall be excluded from sports wagering gross gaming revenue and tax revenue. Mobile sports wagering tax revenue shall be separately maintained and returned to the state for deposit into the state lottery fund for education aid except as otherwise provided in this subdivision. Any interest and penalties imposed by the commission relating to those taxes, all penalties levied and collected by the commission, and the appropriate funds, cash or prizes forfeited from sports wagering shall be deposited into the state lottery fund for education. In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, the commission shall pay into the commercial gaming fund one percent of the state tax imposed on mobile sports wagering by this section to be distributed for problem gambling education and treatment purposes pursuant to paragraph a of subdivision four of section ninety-seven-nnnn of the state finance law; provided however, that such amount shall be equal to six million dollars for each fiscal year thereafter. In the first fiscal year in which mobile sports wagering licensees commence operations and accept mobile sports wagers pursuant to this section, the commission shall pay one percent of the state tax imposed on mobile sports wagering by this section to the general fund, a program to be administered by the office of children and family services for a statewide youth sports activities and education grant program for the purpose of providing annual awards to sports programs for underserved youth under the age of eighteen years; provided however, that such amount shall be equal to five million dollars for each fiscal year thereafter. The commission shall require at least monthly deposits by a platform provider of any payments pursuant to subdivision seven of this section, at such times, under such conditions, and in such depositories as shall be prescribed by the state comptroller. The deposits shall be deposited to the credit of the state commercial gaming revenue fund. The commission shall require a monthly report and reconciliation statement to be filed with it on or before the tenth day of each month, with respect to gross revenues and deposits received and made, respectively, during the preceding month.

9. The commission may perform audits of the books and records of a casino, video lottery gaming facility, or mobile sports wagering licensee pursuant to section one hundred four of this chapter.

10. Nothing in this section shall apply to interactive fantasy sports offered pursuant to article fourteen of this chapter. Nothing in this section authorizes any entity that conducts interactive fantasy sports offered pursuant to article fourteen of this chapter to conduct sports wagering unless it separately qualifies for, and obtains, authorization pursuant to this section.

11. A sports governing body may notify the commission that it desires to restrict, limit, or exclude wagering on its sporting events by providing notice in the form and manner as the commission may require. Upon receiving such notice, the commission shall review the request in good faith, seek input from the casinos, video lottery gaming facilities, or mobile sports wagering licensees on such a request, and if the commission deems it appropriate, promulgate regulations to restrict such sports wagering.

12. (a) When potential criminal activity is suspected by the commission, the commission shall designate the division of the state police to have primary responsibility for assisting the commission in conducting investigations into unusual wagering activity, match fixing, and other conduct that corrupts a wagering outcome of a sporting event or events.

(b) Casinos, video lottery gaming facilities, and mobile sports wagering licensees shall maintain records of sports wagering operations in accordance with regulations promulgated by the commission. These regulations shall, at a minimum, require a casino, video lottery gaming facility, or mobile sports wagering operator to adopt procedures to obtain personally identifiable information from any individual who places any single wager in an amount of ten thousand dollars or greater or making a potential payout or actual payout of ten thousand dollars or greater on a winning wager.

(c) Casinos, video lottery gaming facilities, mobile sports wagering licensees and sports governing bodies shall cooperate with the commission to ensure the timely, efficient, and accurate sharing of information.

(d) Casinos, video lottery gaming facilities, mobile sports wagering licensees and sports governing bodies shall cooperate with investigations conducted by the commission or law enforcement agencies, including but not limited to providing or facilitating the provision of account-level wagering information and audio or video files relating to persons placing wagers; provided, however, that the casino, video lottery gaming facility, and mobile sports wagering operator shall not be required to share any personally identifiable information of an authorized sports bettor with any sports governing body unless ordered to do so by the commission, a law enforcement agency or court of competent jurisdiction.

(e) (i) Casinos, video lottery gaming facilities, and mobile sports wagering licensees shall promptly report to the commission and any third party integrity monitoring provider approved by the commission, as applicable and in accordance with rules and regulations established by the commission, any information relating to:

(1) criminal or disciplinary proceedings commenced against the casino, video lottery gaming facility, or mobile sports wagering licensee in connection with its operations;

(2) unusual wagering activity or patterns that may indicate a concern with the integrity of a sporting event or events;

(3) any potential breach of the relevant sports governing body's internal rules and codes of conduct pertaining to sports wagering, as they have been provided by the sports governing body to the casino**, the video lottery gaming facility,** or the mobile sports wagering operator;

(4) any other conduct that corrupts a wagering outcome of a sporting event or events, including match fixing; and

(5) suspicious or illegal wagering activities, including use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, using agents to place wagers, using confidential non-public information, and using false identification.

(ii) The commission may share information relating to conduct described in clauses two, three and four of subparagraph (i) of this paragraph with the relevant sports governing body.

(iii) The commission shall be authorized to share any information under this section with any law enforcement entity, team, sports governing body, or regulatory agency the commission deems appropriate. Such sharing of information may include, but is not limited to, account level wagering information and any audio or video files related to the investigation.

(iv) A casino**, video lottery gaming facility,** or mobile sports wagering licensee may be required to share any personally identifiable information of an authorized sports bettor with a sports governing body only pursuant to an order to do so by the commission, a law enforcement agency or a court of competent jurisdiction.

(f) The confidentiality of information shared between a sports governing body and a casino**, a video lottery gaming facility,** or a mobile sports wagering operator shall be maintained pursuant to all applicable data privacy laws, unless disclosure is required by this section, the commission, other law, or court order. Furthermore, the information shared between a sports governing body, a casino, **a video lottery gaming facility,** a mobile sports wagering operator or any other party pursuant to this act may not be used for business or marketing purposes by the recipient without the express written approval of the party that provides such information.

(g) The commission, by regulation, may authorize and promulgate any rules necessary to implement agreements with other states, or authorized agencies thereof to enable the sharing of information to facilitate integrity monitoring and the conduct of investigations into abnormal wagering activity, match fixing, and other conduct that corrupts a wagering outcome of a sporting event or events.

(h) In the event of the creation of an entity that maintains an interstate database of sports wagering information for the purpose of integrity monitoring, the commission may share information and cooperate with such entity pursuant to regulations promulgated by the commission.

(i) Casinos**, video lottery gaming facilities,** and mobile sports wagering licensees shall adopt procedures to prevent persons from wagering on sports events who are prohibited from placing sports wagers. A casino**, video lottery gaming facility,** or mobile sports wagering licensee shall not accept wagers from any person:

(i) whose name appears on the exclusion list maintained by the commission and provided to the casino**, video lottery gaming facility,** or mobile sports wagering licensee;

(ii) whose name appears on any self-exclusion list maintained by the commission and provided to the casino**, video lottery gaming facility,** or mobile sports wagering licensee;

(iii) who is the operator, director, officer, owner, or employee of the casino**, video lottery gaming facility,** or mobile sports wagering licensee or any spouse, child, sibling or parent living in the same principal place of abode as such individual;

(iv) who has been identified as a prohibited sports bettor in a list provided by the sports governing body to the commission and casino**, video lottery gaming facility,** or mobile sports wagering operator, that identifies the individual by ~~such~~ personally identifiable information as specified by rules and regulations promulgated by the commission; or

(v) who is an agent or proxy for a prohibited sports bettor.

(j) The commission shall establish a method of communication, which may include, but is not limited to a website form, that allows any person to confidentially report information about conduct potentially warranting further investigation to the commission. The identity of any person reporting conduct potentially warranting further investigation to the commission shall remain confidential unless that person authorizes disclosure of [~~his or her~~] **such person's** identity or until such time as the allegation of conduct potentially warranting further investigation is referred to law enforcement. The commission shall promulgate rules governing the investigation and resolution of a charge of any person purported to have engaged in conduct potentially warranting further investigation.

13. The commission shall promulgate rules that require a casino**, video lottery gaming facility,** or mobile sports wagering [~~licensees~~] **licensee** to implement responsible gaming programs that include comprehensive employee trainings on responding to circumstances in which individuals present signs of a gambling addiction and requirements for casinos and mobile sports wagering licensees under section thirteen hundred sixty-seven-a of this title to assess, prevent, and address problem gaming by such casino's or mobile sports wagering licensee's users.

14. For purposes of wager determination, the commission shall provide a preference for the use of official league data unless the use of other objective wager determination criteria has been justified to the satisfaction of the commission.

15. The conduct of sports wagering in violation of this section is prohibited.

16. (a) In addition to any criminal penalties provided for under article two hundred twenty-five of the penal law, any person, firm, corporation, association, agent, or employee, who is not authorized to offer sports wagering under this section or section thirteen hundred sixty-seven-a of this title, and who knowingly offers or attempts to offer sports wagering or mobile sports wagering in New York shall be liable for a civil penalty of not more than one hundred thousand dollars for each violation, not to exceed five million dollars for violations arising out of the same transaction or occurrence, which shall accrue to the state and may be recovered in a civil action brought by the attorney general.

(b) Any person, firm, corporation, association, agent, or employee who knowingly violates any procedure implemented under this section, or section thirteen hundred sixty-seven-a of this title, shall be liable for a civil penalty as described in section one hundred sixteen of this chapter which shall accrue to the state and may be recovered in a civil action brought by the commission.

17. All sports wagers placed in accordance with this section at a video lottery gaming facility are considered placed or otherwise made when received by the video lottery gaming facility on such video lottery

gaming facility's server or other equipment used to accept sports wagers at a licensed commercial casino, regardless of the authorized sports bettor's physical location within the state at the time the sports wager is placed.

§ 2. This act shall take effect immediately.