

# STATE OF NEW YORK

9044--B

2025-2026 Regular Sessions

## IN ASSEMBLY

September 5, 2025

Introduced by M. of A. VANEL -- read once and referred to the Committee on Consumer Affairs and Protection -- recommitted to the Committee on Consumer Affairs and Protection in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the racing, pari-mutuel wagering and breeding law, in relation to prohibited practices related to loot boxes

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

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 913 to read as follows:

§ 913. Prohibition of instant payout loot boxes and revenue from illegal markets. 1. Definitions. The following terms shall have the following meanings:

(a) "Loot box" shall mean any physical or digital container or equivalent that, when opened, awards the purchaser one or more randomized rewards.

(b) "Person" shall mean any natural person, entity, or group of persons or entities acting in concert, including but not limited to any third-party providers, affiliated entities, subsidiaries, parent companies, joint ventures, partnerships, agents, or employees thereof, or any entity or individual acting at the direction of, in cooperation with, under contract or in partnership with, or financially benefitting from another person or entity. Multiple persons in partnership or under contract, where one or more persons financially benefit from such partnership or contract shall be treated as one person for purposes of this section.

(c) "Liquid digital item" shall mean any digital item, or any digital representation of a physical item that is held in the custody of, or

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

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1 otherwise by or on behalf of, the platform or service offering the loot  
2 box or any affiliated entity for the benefit of the consumer, for which  
3 the platform offering the loot box or any affiliated entity directly or  
4 indirectly provides, enables, facilitates, materially assists, or makes  
5 readily available a means for a consumer to sell, resell, transfer,  
6 exchange, auction, or otherwise monetize the item or the physical item  
7 it represents, including through any third-party marketplace, exchange,  
8 broker, or other intermediary.

9 (d) "Repurchase" shall mean the act of offering a consumer a thing of  
10 value in exchange for some or all of the contents of a loot box.

11 (e) "Thing of value" shall mean money, cash equivalents, cryptocurren-  
12 cy, including non-fungible tokens, another loot box or similar item, a  
13 liquid digital item, any right, privilege, status, service, experience,  
14 or access, points or credits that can be redeemed to purchase or obtain  
15 any of the foregoing or any other item, or any other item, benefit, or  
16 incentive of value, including any incentive used primarily as an arti-  
17 fice or subterfuge to evade the requirements of this section.

18 (f) "Instant payout loot box" shall mean a loot box that, whether  
19 immediately, upon the satisfaction of a condition, or otherwise on a  
20 deferred basis, awards a thing of value, or that enables a consumer, at  
21 any time and whether directly or indirectly, to sell, redeem, exchange,  
22 transfer, or otherwise convert some or all of its contents into a thing  
23 of value for such consumer or such consumer's benefit, including through  
24 a repurchase by the person that operates, conducts, or promotes such  
25 loot box. A consumer's receipt, retention, or use of the contents of a  
26 loot box shall not, by itself, make a loot box an instant payout loot  
27 box, nor shall a transaction in which a consumer converts such contents  
28 into a thing of value without the participation of, or any consideration  
29 to, the person that operates, conducts, or promotes such loot box.

30 2. Prohibition. (a) It shall be unlawful for any applicant, licensed  
31 entity, gaming employee, key employee, individual investor or investment  
32 firm, board member, or any other person or entity to operate, conduct,  
33 or promote instant payout loot boxes to New York consumers. Nor may any  
34 third-party provider, affiliated entity, subsidiary, parent company,  
35 joint venture, partnership, agent, or employee of such person, or ano-  
36 ther through any other contractual arrangement repurchase the contents of  
37 any loot box from a New York consumer.

38 (b) No loot box shall contain money or any cash equivalent or crypto-  
39 currency, including non-fungible tokens, any status, tier, membership  
40 level, or credential, or points that can be redeemed to purchase another  
41 loot box, item, cash or cash equivalent, cryptocurrency, a liquid  
42 digital item, or other thing of value.

43 (c) It shall be unlawful for any applicant, licensed entity, financial  
44 institution, payment processor, geolocation provider, gaming content  
45 supplier, platform provider, or media affiliate to knowingly support the  
46 operation, conduct, or promotion of instant payout loot boxes within the  
47 state of New York. For purposes of this paragraph, a person shall be  
48 deemed to act knowingly if such person (i) has actual knowledge that the  
49 loot boxes such person supports are prohibited under this section, or  
50 (ii) has received written notice from the state gaming commission, the  
51 state police, or the attorney general identifying such loot boxes as  
52 prohibited under this section and fails to cease such support within  
53 thirty days after receipt of such notice. A person shall not be deemed  
54 to act knowingly solely because such person provides financial, payment  
55 processing, geolocation, content, platform, hosting, advertising, or

1 similar services in the ordinary course of business to a person that  
2 operates, conducts, or promotes loot boxes.

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

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

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

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

23 § 2. This act shall take effect immediately.