STATE OF NEW YORK

9251--B

2025-2026 Regular Sessions

IN ASSEMBLY

November 7, 2025

Introduced by M. of A. VANEL, SHIMSKY, STECK, HYNDMAN -- 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 general business law, in relation to prediction markets

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

Section 1. Legislative findings and declaration. The legislature hereby finds that the regulation of activity within its jurisdiction is the foundation of the police powers of the state, that such powers are exercised through comprehensive statutory schemes enacted by the elected representatives of nearly twenty million New Yorkers, and that such schemes pair regulated activity with, among other things, criminal and civil penalties, licensure, authorization, incentives, consumer protections, and funding for state programs. The legislature further finds that the placing of money or anything of value upon the outcome of a future contingent event may implicate various laws of this state, including laws that prohibit such conduct outright and laws under which the underlying activity is regulated or prohibited by the state, and that where such conduct, or the underlying activity upon which it depends, is unlawful, the offering of speculative positions thereon to New York consumers is itself unlawful and, where advanced or profited from by a person other than a mere participant, may be criminal. The legislature further finds that while the democratization of commodity trading and the reduction of friction in legitimate hedging and price discovery serve valuable public purposes, certain prediction market platforms have strayed far from bona fide commodities into contracts

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

LBD14025-06-6

that serve no hedging or commercial function other than the financial risk taken by a person on the outcome of the market itself. These include, among other things, multi-leg combination contracts that replicate sportsbook parlays, on which retail participants have been documented to have lost hundreds of millions of dollars in the current year alone, and which have increased to more than a third of all trading volume on the largest such platform. To that end, the legislature hereby declares that this act is enacted in the exercise of the police power of the state to protect its consumers and the integrity of its laws, that this act governs only prediction markets offered to New York consumers and speculative positions opened by New York consumers, and that this act is intended to operate in tandem with, and as a complement to, federal and state law.

§ 2. The general business law is amended by adding a new article 48 to read as follows:

ARTICLE 48

PREDICTION MARKETS

§ 1800. Definitions. As used in this article, the following terms have the following meanings:

1. "Consumer" means an individual who is a resident of the state of New York.

2. "Prediction market platform" means any platform or service that provides consumers with the ability to open, close, trade, or settle speculative positions on prediction markets. A prediction market platform shall not include a platform, or any portion thereof, to the extent activity thereon is conducted pursuant to and in accordance with a license issued under the racing, pari-mutuel wagering and breeding law or other law of this state.

3. "Prediction market" means a system that allows consumers to open a speculative position on the outcome of future events. This definition shall include all forms of prediction markets regardless of the mechanisms or structures used for opening speculative positions on future events.

4. "Catastrophic event market" means a prediction market that enables a consumer to open a speculative position on an outcome that relates to war, state or national emergencies, natural or human-made disasters, mass shootings, acts of terrorism, or public health crises or the ancillary effects thereof.

5. "Political market" means a prediction market that enables a consumer to open a speculative position that relates to:

(a) a statewide election in New York, or an election held by a municipality within the state; or

(b) the actions or conduct of the New York state government or any of its agencies, employees, officers or leaders, or a municipal government or any of its agencies, employees, officers or leaders in their official government capacity.

6. "Death market" means a prediction market that enables a consumer to open a speculative position on the death, assassination, or attempted killing of a person or group of persons, or on mass casualty events. This shall not include a prediction market where the outcome could indirectly depend on a death as a consequence of a person's inclusion in the

market, such as a lawful prediction market which depends on a person engaging in some action where their death would naturally settle the market as such person not engaging in such action.

7. "Speculative position" means a financial commitment made by a participant in a prediction market.

8. "Athletic event market" means a prediction market that enables a consumer to open a speculative position on the outcome of a specific athletic event or events or events within an athletic event or events.

9. "Athletic event" means an organized competition between two or more persons or groups of persons that involves physical or mental skill. Athletic events shall include horse racing and prop betting.

10. "Unlawful commodity" means any commodity offering, contract, transaction, market, or instrument, or the underlying activity thereof, that violates this chapter, any other law of this state, or applicable federal law, including the commodity exchange act and the rules, regulations, orders, and other official interpretations issued thereunder. Whether the commodity offering, contract, transaction, market, instrument, or underlying activity is prohibited or constitutes a violation shall be determined by any controlling judicial decision construing those statutes, rules, regulations, orders and official interpretations. In the absence of any controlling judicial authority, the attorney general may rely on a reasonable interpretation of such laws.

§ 1801. Certain markets prohibited. A prediction market platform provider shall not permit New York consumers to open, hold, trade, or settle a speculative position, or otherwise participate, in the following types of prediction markets:

1. Catastrophic event markets;

2. Political markets;

3. Death markets;

4. Athletic event markets; and

5. Unlawful commodity markets.

§ 1802. Certain contract provisions void. 1. A provider's terms of service shall not alter or eliminate any right provided to a consumer under this article.

2. Any agreement which violates any provision within this article shall be deemed void.

§ 1803. Penalties. 1. The attorney general shall have independent authority to enforce the provisions of this article where the attorney general has reason to believe that New York consumers are or will be harmed by a violation of this article. Pursuant to such authority, the attorney general may seek such relief and impose such penalties as provided herein. Such authority shall not be contingent upon, or limited by, the action or inaction of the commodity futures trading commission.

2. Any prediction market provider or other entity who violates any provision of this article, or any rule, regulation, or order promulgated thereunder, shall be liable for a civil penalty not to exceed ten thousand dollars for each violation. Where the attorney general determines that the provider has engaged in a persistent course of conduct in violation of this section, the attorney general may impose a civil penalty not to exceed fifty thousand dollars for each violation.

3. Where a prediction market provider violates the provisions of section eighteen hundred one of this article, such civil penalty shall be the greater of two times such profits derived from such market or fifty thousand dollars.

4. Whenever the attorney general shall believe from evidence satisfactory to them that a prediction market provider has engaged in a persist-

ent course of conduct in violation of this article, they may bring an action in the name and on behalf of the people of the state of New York, in a court of justice having jurisdiction to issue an injunction, to enjoin and restrain the continuation of such violation. In such action, preliminary relief may be granted under article sixty-three of the civil practice law and rules. In such action the court shall order such provider to cease operations in the state.

5. Where a prediction market provider continues to operate in the state after an order pursuant to subdivision four of this section is made, such provider shall incur a civil penalty of one million dollars per day that such provider is operating in violation of such order in addition to such penalties provided under this section.

6. Nothing in this article shall be construed to preclude criminal prosecution under any other law.

7. The fact that a prediction market provider did not charge money or earn profit from such activities in violation of this section shall not be a defense to a violation of this article.

8. Nothing in this article shall be construed as limiting the commissioner of the New York state gaming commission or the attorney general from penalizing prediction market platforms for violating any law under the jurisdiction of each.

9. The remedies and penalties in this article are cumulative. Imposition of a penalty under this section does not preclude the attorney general from taking any other action authorized for the same violation.

§ 1804. Rulemaking authority. The attorney general shall promulgate rules and regulations as are necessary to effectuate and enforce the provisions of this article.

§ 3. Severability. If any clause, sentence, paragraph, subdivision, section, or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part thereof directly involved in the controversy in which such judgment has been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted if such invalid provisions had not been included therein.

§ 4. This act shall take effect on the ninetieth day after it shall have become a law.