

STATE OF NEW YORK

9414

IN SENATE

March 10, 2026

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Racing, Gaming and Wagering

AN ACT to amend the general business law and the racing, pari-mutuel wagering and breeding 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. The general business law is amended by adding a new article 48 to read as follows:

ARTICLE 48

PREDICTION MARKETS

Section. 1800. Short title.

1801. Definitions.

1802. Age restrictions.

1803. Exclusions from participation.

1804. Certain markets prohibited.

1805. Settlement sources.

1806. At-risk trading measures.

1807. Advertising restrictions.

1808. Restrictions on credit-based products and gift certificates.

1809. Restrictions on market making.

1810. Certain contract provisions void.

1811. Insider trading and market manipulation.

1812. Penalties.

1813. Rulemaking authority.

§ 1800. Short title. This article shall be known and may be cited as the "oversight and regulation of activity for contracts linked to events (ORACLE) act".

§ 1801. 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.

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

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1 2. "Prediction market platform" means any platform or service that
2 provides consumers with the ability to open, close, trade, or settle
3 speculative positions on prediction markets. A prediction market plat-
4 form shall not include a platform operated by an entity that (a) is
5 licensed in this state, (b) would otherwise be required to be licensed
6 to operate in this state, or (c) that is prohibited from operating in
7 this state under the racing, pari-mutuel wagering and breeding law.

8 3. "Prediction market" means a system that allows consumers to open a
9 speculative position on the outcome of future events, in a bid-ask
10 format. This definition shall include all forms of prediction markets
11 regardless of the mechanisms or structures used for opening speculative
12 positions on future events.

13 4. "Bid-ask format" shall mean a format in which parties submit offers
14 to buy positions on a prediction market at a specific price or range of
15 prices and offers to sell positions at a specific price or range of
16 prices, with market prices determined through the matching of these
17 offers.

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

23 6. "Political market" means a prediction market that enables a consum-
24 er to open a speculative position that relates to:

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

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

32 7. "Death market" means a prediction market that enables a consumer to
33 open a speculative position on the death, assassination, or attempted
34 killing of a person or group of persons, or on mass casualty events.
35 This shall not include a prediction market where the outcome could indi-
36 rectly depend on a death as a consequence of a person's inclusion in the
37 market, such as a lawful prediction market which depends on a person
38 engaging in some action where their death would naturally settle the
39 market as such person not engaging in such action.

40 8. "Security market" means a prediction market that enables a consumer
41 to open a speculative position on the price of a publicly traded compa-
42 ny.

43 9. "Speculative position" means a financial commitment made by a
44 participant in a prediction market.

45 10. "Athletic event market" means a prediction market that enables a
46 consumer to open a speculative position on the outcome of a specific
47 athletic event or events or events within an athletic event or events.
48 Athletic events shall include horse racing and prop betting.

49 11. "Athletic event" means an organized competition between two or
50 more persons or groups of persons that involves physical or mental
51 skill.

52 12. "Athletic tournament" means a series of athletic events in which
53 the winners of individual events progress to compete in subsequent
54 events until a final overall winner is determined.

1 13. "Settlement source" means an entity from which the prediction
2 market platform obtains or sources information for the purpose of deter-
3 mining the outcome of a market.

4 14. "Liquidity provider" or "market maker" shall mean any person or
5 entity that, directly or indirectly, and whether manually or through
6 automated means, offers to buy or sell position in a prediction market
7 with the primary purpose of facilitating trading, supporting price
8 discovery, or maintaining market liquidity by posting bids and asks.

9 § 1802. Age restrictions. 1. No prediction market platform provider
10 shall permit any consumer under the age of twenty-one years to register
11 or to open any speculative position on a prediction market.

12 2. If the provider has inadvertently permitted a user that is under
13 the age of twenty-one to use the provider's platform and such provider
14 discovers the error, the provider shall immediately suspend that
15 account, close all positions on that account, pay out to the consumer
16 any funds on the account, and prohibit the individual from further use
17 of the provider's platform until such consumer has attained the age of
18 twenty-one.

19 § 1803. Exclusions from participation. 1. A provider shall maintain
20 and enforce policies to exclude certain individuals from participation,
21 including:

- 22 (a) any person who has self-excluded from using the platform;
- 23 (b) any officer, director, employee, or agent of the provider or its
24 affiliated companies;
- 25 (c) any officer, director, employee, or agent of a source settlement
26 provider;
- 27 (d) any person who has insider information on a particular market or
28 markets; and
- 29 (e) any other category of persons the attorney general by regulation
30 designates as excluded.

31 2. Such exclusion shall be enforced until such person no longer meets
32 the criteria required for exclusion under this section.

33 § 1804. Certain markets prohibited. A prediction market platform
34 provider shall not permit New York users to open a speculative position
35 on the following types of markets:

- 36 1. Catastrophic event markets;
- 37 2. Political markets;
- 38 3. Death markets;
- 39 4. Security markets; and
- 40 5. Athletic event markets.

41 § 1805. Settlement sources. 1. Every provider shall maintain a compre-
42 hensive list of all settlement sources that the provider uses to deter-
43 mine the outcomes of the provider's prediction markets and shall make
44 this list readily accessible to consumers at all stages of the registra-
45 tion process.

46 2. Each provider shall display, on every section of the provider's
47 website in which a person can open a speculative position on a specific
48 prediction market, the settlement source for the settlement of such
49 market.

50 3. No provider shall settle a market based on proprietary or confiden-
51 tial information.

52 § 1806. At-risk trading measures. 1. Every provider shall implement
53 and adhere to responsible trading measures to protect consumers who may
54 be at risk of at-risk trading behavior. Such measures shall include, at
55 a minimum:

1 (a) Providing a mechanism by which an individual can voluntarily self-
2 exclude from the platform for a definite or indefinite period. If a
3 consumer self-excludes, the provider must immediately block such consum-
4 er's access to opening a speculative position and take reasonable steps
5 to prevent the consumer from creating new accounts.

6 (b) Allowing consumers to set daily, weekly, or monthly limits on the
7 amount they can deposit or spend in opening speculative positions, if
8 they so choose. The platform may not encourage consumers to remove or
9 increase limits once set; any request to increase a self-imposed limit
10 shall have a fourteen day waiting period.

11 (c) Providing features that allow consumers to limit the amount of
12 time spent on the platform, and periodic notifications that remind
13 consumers of how long they have been active and their net
14 spendings/winnings during that session.

15 (d) Clearly posting and providing the toll-free HOPE NY hotline on the
16 platform's website and apps and in any advertisements. No other hotline
17 may be displayed.

18 (e) All advertisements and marketing materials must include a at-risk
19 trading message and the HOPE NY hotline number in a clear and conspicu-
20 ous manner, consistent with New York law requiring addiction warnings on
21 all advertisements.

22 2. Every provider shall implement training for employees to recognize
23 and respond to indications of at-risk trading and how they can direct
24 consumers to resources for help.

25 3. Every provider shall implement policies to identify at-risk trading
26 and shall, upon making a determination that a user is engaged in at-risk
27 trading, prohibit access to the provider's service.

28 4. Every prediction market platform provider shall comply with the
29 advertising standards set forth in section eighteen-hundred seven of
30 this article.

31 § 1807. Advertising restrictions. 1. All advertising by a prediction
32 market platform shall be truthful and not misleading.

33 2. A prediction market provider shall be prohibited from sending push
34 notifications to users which pertain to bonuses or prediction markets
35 which the user does not currently have an open speculative position on.

36 3. No advertisement shall depict a person under the age of twenty-one,
37 except incidentally.

38 4. No advertisements shall target persons under the age of twenty-one
39 or other vulnerable classes of persons, which the attorney general may
40 designate by regulation.

41 5. A provider shall not advertise in a manner that is calculated to
42 reach individuals on the self-exclusion list or individuals known to
43 have engaged in at-risk trading.

44 6. Every advertisement for a prediction market platform shall include
45 the HOPE NY hotline. Where such advertisement is a video, the message
46 and hotline shall be visible for the entire duration of the video. Where
47 the advertisement is auditory only in nature, the message shall be stat-
48 ed at the beginning and end of the advertisement.

49 7. No advertisement may suggest that the prediction market product is
50 endorsed by the state of New York or any government agency, except that
51 it may state that the platform is within the state.

52 8. A provider shall provide consumers with a readily accessible way to
53 opt out of direct marketing. Upon a consumer's request, the provider
54 shall cease sending them promotional material.

55 9. No promotion may be advertised as "risk-free" or of similar
56 language.

1 10. If the provider offers bonuses, free credits, referral rewards, or
2 other promotions to consumers, the terms and conditions of these offers
3 must be described in plain language and shall be readily available to
4 the consumer prior to the consumer accepting such bonuses, free credits,
5 referral rewards, or other promotions.

6 11. Where a provider uses affiliate marketers or third-party promoters
7 to promote the provider's platform, the provider shall be responsible
8 for ensuring such third parties also comply with the advertising stand-
9 ards required by this section and are liable for non-compliance with the
10 provisions of this section.

11 12. The attorney general may promulgate additional rules and regu-
12 lations pertaining to advertising by prediction market providers.

13 § 1808. Restrictions on credit-based products and gift certificates.

14 1. No prediction market provider or another, whether affiliated or
15 otherwise, shall sell physical or digital gift certificates in relation
16 to their platform.

17 2. No prediction market provider shall permit a consumer to use a
18 credit card or other credit-based product to add funds to such consum-
19 er's account or, in any way, wager on a prediction market.

20 § 1809. Restrictions on market making. 1. A prediction market provider
21 shall not offer a prediction market in the state if the market includes,
22 as a liquidity provider or market maker, any person or entity who know-
23 ingly engages in gaming activities in the ordinary course of business,
24 whether within or outside the state. This prohibition shall also apply
25 to any affiliated entities, subsidiaries, parent companies, joint
26 ventures, partnerships, agents, employees, or any entity acting at the
27 direction of, in cooperation with, or for the financial benefit of such
28 a person or entity.

29 2. A prediction market provider shall not offer markets to residents
30 where in such markets there is a contract or share of revenue with a
31 person or entity who knowingly engages in gaming activities in the ordi-
32 nary course of business, whether within or outside the state. This
33 prohibition shall also apply to any affiliated entities, subsidiaries,
34 parent companies, joint ventures, partnerships, agents, employees, or
35 any entity acting at the direction of, in cooperation with, or for the
36 financial benefit of such a person or entity.

37 § 1810. Certain contract provisions void. 1. A provider's terms of
38 service shall not alter or eliminate any right provided to a consumer
39 under this article.

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

42 § 1811. Insider trading and market manipulation. 1. A prediction
43 market platform provider shall implement commercially reasonable and
44 technically feasible measures to detect and prevent any fraudulent or
45 manipulative conduct by participants or others. If the provider detects
46 potential manipulation, insider trading, or fraud, it shall report it to
47 the attorney general and, if appropriate, to law enforcement.

48 2. A person who engages in insider trading or market manipulation may
49 be subject to penalties as prescribed by section three hundred fifty-two
50 of this chapter.

51 § 1812. Penalties. 1. Any prediction market provider who violates any
52 provision of this article, or any rule, regulation, or order promulgated
53 thereunder, shall be liable for a civil penalty not to exceed ten thou-
54 sand dollars for each violation. Where the attorney general determines
55 that the provider has engaged in a persistent course of conduct in

1 violation of this section, the attorney general may impose a civil
2 penalty not to exceed fifty thousand dollars for each violation.

3 2. Where a prediction market provider violated the provisions of
4 sections eighteen-hundred three or eighteen-hundred nine of this arti-
5 cle, such civil penalty shall be the greater of two times such profits
6 derived from such market or fifty thousand dollars.

7 3. Whenever the attorney general shall believe from evidence satisfac-
8 tory to them that a prediction market provider has engaged in a persist-
9 ent course of conduct in violation of this article, they may bring an
10 action in the name and on behalf of the people of the state of New York,
11 in a court of justice having jurisdiction to issue an injunction, to
12 enjoin and restrain the continuation of such violation. In such action,
13 preliminary relief may be granted under article sixty-three of the civil
14 practice law and rules. In such action the court shall order such
15 provider to cease operations in the state.

16 4. Where a prediction market provider continues to operate in the
17 state after an order pursuant to subdivision three of this section is
18 made, such provider shall incur a civil penalty of one million dollars
19 per day that such provider is operating in violation of such order.

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

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

25 7. Nothing in this article shall be construed as limiting the commis-
26 sioner of the New York state gaming commission or the attorney general
27 from penalizing prediction platforms for violating any law under the
28 jurisdiction of each. The commissioner of gaming shall have concurrent
29 jurisdiction with respect to any violation of section nine hundred thir-
30 teen of the racing, pari-mutuel wagering and breeding law.

31 8. The remedies and penalties in this article are cumulative. Imposi-
32 tion of a penalty under this section does not preclude the attorney
33 general from taking any other action authorized for the same violation.

34 § 1813. Rulemaking authority. The attorney general shall promulgate
35 rules and regulations as are necessary to effectuate and enforce the
36 provisions of this article.

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

39 § 913. Prohibition of licensed entities engaging in prediction market
40 activity. 1. For the purposes of this section, the following terms shall
41 have the following meanings:

42 (a) "Prediction market" means a system that allows consumers to open a
43 speculative position on the outcome of future events, in a bid-ask
44 format. This definition shall include all forms of prediction markets
45 regardless of the mechanisms or structures used for opening speculative
46 positions on future events.

47 (b) "Bid-ask format" shall mean a format in which parties submit
48 offers to buy positions on a prediction market at a specific price or
49 range of prices and offers to sell positions at a specific price or
50 range of prices, with market prices determined through the matching of
51 these offers.

52 (c) "Speculative position" means a financial commitment made by a
53 participant in a prediction market.

54 2. No entity that (a) is licensed in this state, (b) would otherwise
55 be required to be licensed to operate in this state, or (c) is prohibit-

1 ed from operating in this state under this chapter shall offer predic-
2 tion markets to consumers in this state.

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

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

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

18 (b) The state gaming commission, state police or attorney general's
19 office may conduct investigations, hold hearings, issue cease and desist
20 letters, and issue subpoenas to ensure compliance with the provisions of
21 this section, provided however that the attorney general may engage in
22 such activity only with respect to any concurrent violation of article
23 forty-eight of the general business law.

24 § 3. Severability. If any clause, sentence, paragraph, section, or
25 part of this article shall be adjudged by any court of competent juris-
26 diction to be invalid. Such judgment shall not affect, impair, or inval-
27 idate the remainder thereof, but shall be confined in its operation to
28 the clause, sentence, paragraph, subdivision, section, or part thereof
29 directly involved in the controversy in which such judgment has been
30 rendered. It is hereby declared to be the intent of the legislature that
31 this act would have been enacted if such invalid provisions had not been
32 included therein.

33 § 4. This act shall take effect one year after it shall have become a
34 law.