§ 906. Handicapping tournaments. 1. Notwithstanding any other provision of law, a thoroughbred racing corporation, a harness racing corporation or association, a regional off-track betting corporation or a combination thereof, may operate a handicapping tournament at which the participants may be charged an entry fee if the tournament is conducted in accordance with the provisions of this section.

2. (a) The operator of a handicapping tournament shall distribute all of the entry fees as prizes to the winners of the tournament. Nothing herein shall preclude an operator from providing additional prizes or promotions.

(b) The commission shall approve the rules and the payment of prizes of a handicapping tournament. No operator of a handicapping tournament may accept an entry fee for a tournament until the commission has approved the rules and the payment of prizes of a handicapping tournament.

(c) The horse races which are the subject of the tournament must be races on which the operator of the tournament is authorized to conduct wagering. At least fifty percent of the races which are the subject of the tournament must be races run in New York state.

3. A handicapping tournament operated in accordance with the provisions of this section shall be considered a contest of skill and shall not be considered gambling.