

**S8185** ADDABBO No Same as

ON FILE: 01/11/24 Racing, Pari-Mutuel Wagering and Breeding Law

TITLE....Relates to interactive gaming

01/11/24 REFERRED TO RACING, GAMING AND WAGERING

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# STATE OF NEW YORK

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8185

## IN SENATE

January 11, 2024

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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 racing, pari-mutuel wagering and breeding law, in relation to interactive gaming; and to amend the tax law, in relation to interactive lottery gaming

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

1 Section 1. Section 1367-a of the racing, pari-mutuel wagering and  
2 breeding law is amended by adding a new subdivision 8 to read as  
3 follows:

4 8. No additional mobile sports wagering licenses shall be issued  
5 pursuant to this section subsequent to the conversion of any mobile  
6 sports wagering platform provider license to an interactive gaming  
7 license, as set forth in subdivision two of section fifteen hundred  
8 three of this chapter.

9 § 2. Section 104 of the racing, pari-mutuel wagering and breeding law  
10 is amended by adding a new subdivision 25 to read as follows:

11 25. To regulate interactive gaming in New York state.

12 § 3. Section 1311 of the racing, pari-mutuel wagering and breeding law  
13 is amended by adding a new subdivision 4 to read as follows:

14 4. As a condition for continued licensure, licensees shall be required  
15 to house upon the physical premises of the licensed gaming facility, an  
16 interactive gaming licensee's server or other equipment used for receiv-  
17 ing interactive gaming wagers pursuant to article fifteen of this chap-  
18 ter; provided however, that such licensee shall be entitled to the  
19 reasonable and actual costs, as determined by the gaming commission, of  
20 physically housing and securing such server or other equipment used for  
21 interactive gaming at such licensee's licensed gaming facility. Such  
22 reasonable and actual costs of physically housing and securing such  
23 server or other equipment used for receiving interactive gaming shall be  
24 split equally among all entities requiring such physical housing.

25 § 4. The racing, pari-mutuel wagering and breeding law is amended by  
26 adding a new article 15 to read as follows:

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

LBD14042-02-4

## ARTICLE 15

## INTERACTIVE GAMING

Section 1500. Legislative intent and findings.1501. Definitions.1502. Eligibility to conduct interactive gaming.1503. Entity licensing.1504. Individual, enterprise and vendor licensing.1505. Requirements for conduct and operation of interactive gaming.1506. Taxation and fees.1507. Responsible gaming requirements.

§ 1500. Legislative intent and findings. Section nine of article one of the New York state constitution was recently amended and provides "casino gambling at no more than seven facilities as authorized and prescribed by the legislature shall hereafter be authorized or allowed within this state". It has been, and continues to be, the sense of the legislature that this provision is not contravened by a statute that authorizes the acceptance of a wager by an individual located in New York state who is betting by virtual or electronic means and the wager is accepted through equipment located within a licensed gaming facility; provided that any such wager meets other safeguards ensuring that the plain text of this provision is honored in such structure. Interactive gaming is now legal in seven states, including the bordering states of New Jersey, Pennsylvania, and Connecticut, while it is permitted only in person in New York at four upstate commercial gaming facilities and Native American class III gaming facilities. The legislature hereby finds and declares that an interactive gaming wager that is made through virtual or electronic means from a location within New York state and is transmitted to and accepted by electronic equipment located at a licensed gaming facility, including without limitation, a computer server located at such licensed gaming facility, is a wager made at such licensed gaming facility, notwithstanding any provisions of the penal law to the contrary.

§ 1501. Definitions. For the purposes of this article, the following terms shall have the following meanings:

1. "Authorized interactive game" means: any internet-based version or substantial equivalent of a table game, slot machine constituting spinning reels, poker tournament, or any other game as set forth in subdivision four, nineteen, thirty-eight, thirty-nine or forty-one of section thirteen hundred one of this chapter and approved by the commission, including, but not limited to live-dealer games in which individuals wager money or something of monetary value, and which is accessed by a computer or mobile device which is connected to the internet. An authorized interactive game may include gaming tournaments in which players compete against one another in one or more of the games authorized herein or by the commission or in approved variations or composites thereof if such tournaments are authorized.

2. "Authorized participant" means an individual who is physically present in the state of New York when placing an interactive gaming wager, who is at least twenty-one years of age, who is authorized to participate in gaming pursuant to article thirteen of this chapter, and who participates in interactive gaming offered by a casino or operator. All interactive gaming wagers placed in accordance with this article shall be considered placed or otherwise made when received by the casino or operator at the licensed gaming facility, regardless of the authorized participant's physical location at the time such wager is initi-

1 ated. The intermediate routing of electronic data in connection with  
2 mobile wagering shall not determine the location or locations in which a  
3 wager is initiated, received, or otherwise made.

4 3. "Commission" means the New York state gaming commission.

5 4. "Competitive event" means any event in which two or more contes-  
6 tants are competing in an event in which a winner is determined at the  
7 conclusion of such event.

8 5. "Gaming facility" means the premises approved under a gaming  
9 license, which includes a gaming area and any other non-gaming structure  
10 related to the gaming area and may include, but shall not be limited to,  
11 hotels, restaurants or other amenities.

12 6. "Interactive gaming" means wagering on authorized casino games  
13 online by any system or method of wagering, including, but not limited  
14 to, in-person communication and electronic communication through inter-  
15 net websites accessed via a mobile device or computer, and mobile device  
16 applications; provided, however, such term shall not include the inter-  
17 net lottery program as authorized pursuant to section sixteen hundred  
18 seventeen-b of the tax law.

19 7. "Interactive gaming licensee" means a qualifying entity that has  
20 been authorized by the New York state gaming commission to conduct  
21 interactive gaming.

22 8. "Interactive gross gaming revenue" means the amount equal to the  
23 total of all interactive gaming wagers that an interactive gaming licen-  
24 see collects from all authorized participants, less the total of all  
25 sums paid out as winnings to all authorized participants, provided,  
26 however, that the total of all sums paid out as winnings to authorized  
27 participants shall not include the following: (a) the cash equivalent  
28 value of any merchandise or thing of value awarded as a prize; and (b)  
29 the value of all bonuses or promotions provided, in the first twelve  
30 months after an interactive gaming licensee begins operations, to  
31 authorized participants as an incentive to place or as a result of their  
32 having placed interactive gaming wagers, not to exceed 1.75 percent of  
33 the total amount of all interactive gaming wagers placed with the inter-  
34 active gaming licensee during each month.

35 9. "Interactive gaming wager" means cash or cash equivalent that is  
36 paid by an authorized participant to a casino or operator to participate  
37 in interactive gaming offered by such casino or operator. Any wager  
38 through electronic communication shall be deemed to take place at the  
39 physical location of the server or other equipment used by an interac-  
40 tive gaming licensee to accept interactive gaming wagering, regardless  
41 of the authorized participant's physical location within the state at  
42 the time such wager is initiated.

43 10. "Live dealer games" means authorized casino games conducted by  
44 live studio dealers or other physical gaming equipment, such as auto-  
45 mated roulette wheels, ball blowers or gaming devices, or both, in a  
46 live game environment in which the authorized participants have the  
47 ability to participate in game play and communicate game decisions  
48 through an authorized interactive gaming wagering platform. Live dealer  
49 games include, but are not limited to, live card games, live table games  
50 and other live authorized casino games.

51 11. "Live gaming studio" means a physical location in New York state  
52 that utilizes live video streaming technology to provide authorized  
53 casino games to a player's interactive gaming device or multi-use  
54 computing device.

55 12. "Live studio dealer" means natural persons, that lead table games,  
56 including blackjack, craps, keno, poker, roulette and other authorized

1 casino games while assisting authorized participants with game-related  
2 needs, that distribute cards, dice and other equipment to authorized  
3 participants according to the table and other authorized games, and that  
4 monitor game pace and play.

5 13. "Prohibited participant" means: (a) any officer or employee of the  
6 commission; (b) any principal or key employee of a casino, interactive  
7 gaming licensee, and its affiliates, except as may be permitted by the  
8 commission; (c) any casino gaming or non-gaming employee at the casino  
9 that employs such person and any gaming or non-gaming employee of the  
10 interactive gaming licensee that employs such person; (d) any contrac-  
11 tor, subcontractor, or consultant, or officer or employee of a contrac-  
12 tor, subcontractor, or consultant, of a casino or an interactive gaming  
13 licensee if such person is directly involved in the operation or obser-  
14 vation of interactive gaming, or the processing of interactive gaming  
15 claims or payments; (e) any person subject to a contract with the  
16 commission if such contract contains a provision prohibiting such person  
17 from participating in interactive gaming; (f) any spouse, child, sibling  
18 or parent residing in the principal place of abode of any of the forego-  
19 ing persons at the same casino or interactive gaming licensee where the  
20 foregoing person is prohibited from participating in interactive gaming;  
21 (g) any individual placing a wager as an agent or proxy for another  
22 person known to be a prohibited participant; or (h) any person under  
23 twenty-one years of age.

24 14. "Qualifying entity" means (a) a destination resort casino licensed  
25 under article thirteen of this chapter; (b) a video lottery terminal  
26 facility authorized under paragraphs one and two of subdivision a of  
27 section sixteen hundred seventeen-a of the tax law, when such video  
28 lottery terminal facility conducts racing, as defined in subdivision  
29 three of section three hundred one of this chapter, or authorized under  
30 paragraph five of subdivision a of section sixteen hundred seventeen-a  
31 of the tax law; (c) a federally recognized Indian tribe that has entered  
32 into a tribal-state gaming compact in accordance with the Indian Gaming  
33 Regulatory Act that is in effect and has been ratified by the state of  
34 New York; or (d) a mobile sports wagering platform provider, inclusive  
35 of the sports wagering operators the platform utilizes, selected by the  
36 commission to conduct mobile sports wagering pursuant to subdivision  
37 seven of section thirteen hundred sixty-seven-a of this chapter and  
38 section fifteen hundred three of this article. An unlicensed entity  
39 offering games or contests that require a license or temporary permit  
40 issued by the commission under article thirteen or fourteen of this  
41 chapter within the previous three years of the effective date of this  
42 article shall be ineligible to receive an interactive gaming license.

43 § 1502. Eligibility to conduct interactive gaming. 1. Only a qualify-  
44 ing entity in good standing with the commission or, if the qualifying  
45 entity is an Indian tribe, those executive agencies with which it other-  
46 wise interacts, shall be eligible to conduct interactive gaming in the  
47 state.

48 2. No qualifying entity shall administer, manage, or otherwise make  
49 available an interactive gaming platform to persons located in New York  
50 state unless it has provided notice of intent to offer interactive  
51 gaming to the commission pursuant to this section. Additionally, no  
52 entity shall advertise or promote an unlicensed interactive gaming plat-  
53 form to persons located in the state of New York.

54 3. (a) Prior to the commission approving an interactive gaming licen-  
55 see under section fifteen hundred three of this article to commence  
56 operations, the commission shall conduct a comprehensive investigation

1 of the applicant to determine whether the applicant or any of its affil-  
2 iates, including entities under common control, is knowingly (i) accept-  
3 ing revenue, directly or indirectly, derived from any jurisdiction on  
4 the "Black List of Money Laundering Countries" as established by the  
5 Financial Action Task Force (FATF), or (ii) any jurisdiction designated  
6 as a state sponsor of terrorism by the United States; provided, however,  
7 that this shall not affect the commission's existing statutory authority  
8 to evaluate an applicant's suitability.

9 (b) The commission shall not approve an interactive gaming licensee to  
10 commence operations if the commission determines that the applicant or  
11 any of its affiliates, including entities under common control, is know-  
12 ingly (i) accepting revenue, directly or indirectly, derived from any  
13 jurisdiction on the "Black List of Money Laundering Countries" as estab-  
14 lished by the Financial Action Task Force (FATF), or (ii) any jurisdic-  
15 tion designated as a state sponsor of terrorism by the United States.

16 (c) If at any time during licensure the commission determines that the  
17 licensee or any of its affiliates, including entities under common  
18 control, is knowingly accepting revenue, directly or indirectly, derived  
19 from any jurisdiction on the "Black List of Money Laundering Countries"  
20 as established by the Financial Action Task Force (FATF), or any jurisdic-  
21 tion designated as a state sponsor of terrorism by the United States,  
22 the commission shall impose a penalty of license revocation if the  
23 commission determines, after notice and an opportunity for hearing, that  
24 it would further the public interest to discontinue such operations of  
25 the interactive gaming licensee.

26 (d) Prior to the commission approving an interactive gaming licensee  
27 under section fifteen hundred three of this article to commence oper-  
28 ations, and upon each license renewal, the commission shall require each  
29 applicant to supply a disclosure of all jurisdictions within which it or  
30 its affiliates knowingly conduct operations. Such disclosure shall  
31 pertain to any jurisdiction within which an applicant or its affiliates  
32 knowingly accepted revenue for the supply of interactive gaming, includ-  
33 ing but not limited to online wagers or other consideration related to  
34 online wagering, directly or indirectly, within the twelve-month period  
35 preceding the license application or renewal. A material misrepresen-  
36 tation or omission on the disclosure shall, in the discretion of the  
37 commission, result in denial of an application for an interactive gaming  
38 license and/or disciplinary action, including, but not limited to  
39 suspension or revocation of the license and penalties for officers  
40 and/or board members of the licensee; provided however, that for exist-  
41 ing licensees, if the commission determines that it would further the  
42 public interest to discontinue such operations of the interactive gaming  
43 licensee and issue a penalty of license revocation, such licensee shall  
44 be entitled to a notice and opportunity for hearing.

45 4. Licenses authorized under this article shall remain in effect for  
46 up to ten years from the date issued. The commission shall establish a  
47 process for renewal.

48 5. The commission shall publish a list of all licensees authorized to  
49 offer interactive gaming in New York state pursuant to this section on  
50 the commission's website for public use.

51 6. Each interactive gaming licensee shall offer no more than one indi-  
52 vidually branded skin.

53 7. Notices of intent to offer interactive gaming sent to the commis-  
54 sion by a qualified entity shall be acted upon by the commission prompt-  
55 ly, with authorization to commence operations being issued or denied no  
56 more than ninety days after receipt of the petition.

1 8. To meet the definition of a qualifying entity, an Indian Tribe  
2 shall enter into an agreement with the commission with respect to inter-  
3 active gaming:

4 (a) to follow the requirements imposed on interactive gaming licensees  
5 under this section and section thirteen hundred sixty-seven-a of this  
6 chapter with respect to the Indian Tribe's interactive gaming; to adhere  
7 to the regulations promulgated by the commission pursuant to this  
8 section with respect to interactive gaming, and to submit to the commis-  
9 sion's enforcement of this section and section thirteen hundred sixty-  
10 seven-a of this chapter and regulations promulgated thereunder with  
11 respect to interactive gaming, including by waiving tribal sovereign  
12 immunity for the sole and limited purpose of such enforcement. Nothing  
13 herein shall be construed as requiring an Indian Tribe's agreement to  
14 adhere to the requirements of section thirteen hundred sixty-seven of  
15 this chapter for gaming conducted on tribal lands as a condition of  
16 offering interactive gaming under this section;

17 (b) to waive the Indian Tribe's exclusive geographic right to offer  
18 and conduct interactive gaming, but not otherwise;

19 (c) to remit payment to the state equal to tax on interactive gaming  
20 revenue imposed under section fifteen hundred six of this article with  
21 respect to interactive gaming;

22 (d) not to offer or to conduct mobile gaming other than interactive  
23 gaming pursuant to this section unless such mobile gaming is otherwise  
24 authorized by state or federal law; and

25 (e) to locate the server or other equipment used by the Indian Tribe  
26 or its agent to accept interactive gaming at a casino that has applied  
27 for and is eligible to register as an interactive gaming licensee and to  
28 pay the actual cost of hosting the server or other equipment as deter-  
29 mined by the commission.

30 9. No interactive gaming may be conducted within an Indian Tribe's  
31 exclusive geographic area unless such Indian Tribe with exclusive  
32 geographic right to that area is registered as an interactive gaming  
33 licensee. Interactive gaming licensees shall use geo-location and geo-  
34 fencing technology to ensure that interactive gaming is not available to  
35 persons who are physically located in an Indian Tribe's exclusive  
36 geographic area, unless such Indian Tribe with exclusive geographic  
37 right to that area is registered as an interactive gaming licensee under  
38 this section.

39 § 1503. Entity licensing. 1. A qualifying entity shall receive an  
40 interactive gaming license upon commission approval. An interactive  
41 gaming licensee shall not commence interactive gaming until such time  
42 that the commission has promulgated rules and regulations and provided  
43 approval to an interactive gaming licensee to commence operations. Such  
44 rules and regulations shall be promulgated, and approval issued in a  
45 timely manner, but no later than one hundred eighty days following the  
46 effective date of this article.

47 2. A qualifying entity shall not incur any additional licensing or  
48 administrative fees, or additional expenses related to interactive  
49 gaming outside of those set forth in this section.

50 3. (a) Up to three interactive gaming licenses shall be awarded by a  
51 competitive bidding process conducted by the commission. Eligible appli-  
52 cants for the competitive bidding process shall abide by an affirmative  
53 action program of equal opportunity, approved by the commission, whereby  
54 the applicant establishes specific goals for the utilization of minori-  
55 ties, women and veterans in full-time, permanent jobs at such interac-  
56 tive gaming licensee's place of operations.

1 (b) The commission shall issue a request for applications no later  
2 than one hundred eighty days from the effective date of this article.

3 (c) The commission shall make determinations to award a license or  
4 disqualify an applicant on a rolling basis to expedite issuance of addi-  
5 tional licenses and maximize revenue to the state.

6 (d) The commission shall determine the form of application and scoring  
7 criteria and make both available on its website.

8 (e) Mobile sports wagering licensees awarded a license by the process  
9 set forth in paragraphs (a) through (d) of this subdivision may apply  
10 for an interactive gaming license upon selection by the commission,  
11 allowing such licensees to offer both mobile sports wagering and inter-  
12 active gaming.

13 4. As a condition of licensing, the commission shall require that each  
14 casino or operator authorized to conduct mobile interactive gaming  
15 wagering pay a one-time fee of two million dollars. As a condition of  
16 approval of any independent contractor to provide an operator's mobile  
17 interactive gaming waging platform and display its brand, the commission  
18 shall require that such independent contractor pay a one-time fee of ten  
19 million dollars.

20 § 1504. Individual, enterprise and vendor licensing. Each interactive  
21 gaming licensee may contract with an entity to conduct interactive  
22 gaming, in accordance with the regulations of the commission. Such enti-  
23 ty shall obtain a license as a casino vendor enterprise prior to  
24 execution of any such contract, and such license shall be issued pursu-  
25 ant to the provisions of sections thirteen hundred twenty-six and thir-  
26 teen hundred twenty-seven of this chapter and in accordance with the  
27 regulations promulgated by the commission.

28 § 1505. Requirements for conduct and operation of interactive gaming.  
29 1. The live gaming studio used to conduct live dealer games shall not  
30 be required to be located within the premises of a gaming facility, as  
31 defined in subdivision twenty-three of section thirteen hundred one of  
32 this chapter, but must be located within the state of New York.

33 2. An applicant for an interactive gaming license shall produce an  
34 affidavit stating it shall enter into a labor peace agreement with labor  
35 organizations that are actively engaged in representing or attempting to  
36 represent gaming or hospitality industry workers in the state as a  
37 mandatory component of its application for an interactive gaming  
38 license; provided however, that if such applicant already has a labor  
39 peace agreement pertaining to its existing operations, such labor peace  
40 agreement may satisfy the requirements of this subdivision so long as  
41 such labor peace agreement is updated to pertain to interactive gaming  
42 operations authorized under this article. In order for the commission  
43 to issue an interactive gaming license and for any operations involving  
44 live studio dealers to commence, the applicant for an interactive gaming  
45 license must produce documentation that it has entered into a labor  
46 peace agreement with each labor organization that is actively engaged in  
47 representing and attempting to represent gaming and hospitality industry  
48 workers in the state. The commission shall make the maintenance of such  
49 a labor peace agreement an ongoing material condition of licensure as  
50 long as the interactive gaming licensee makes use of live studio deal-  
51 ers. A license holder shall, as a condition of its license, ensure that  
52 operations at a live gaming studio that involve gaming or hospitality  
53 industry employees or are conducted by contractors, subcontractors,  
54 licensees, assignees, tenants or subtenants shall be done under a labor  
55 peace agreement containing the same provisions as specified in this  
56 subdivision.



1 3. Advertisements for contests and prizes offered by an interactive  
2 gaming licensee shall not target prohibited participants, persons under  
3 twenty-one years of age, or self-excluded persons.

4 4. Interactive gaming licensees shall develop and prominently display  
5 procedures on the main page of such interactive gaming licensee's plat-  
6 form for the filing of a complaint by an authorized participant against  
7 such interactive gaming licensee. An initial response shall be given by  
8 such interactive gaming licensee to such authorized participant filing  
9 the complaint within forty-eight hours of receipt. A complete response  
10 shall be given by such interactive gaming licensee to such authorized  
11 participant filing the complaint within ten business days of receipt. An  
12 authorized participant may file a complaint alleging a violation of the  
13 provisions of this article with the commission.

14 5. Interactive gaming licensees shall maintain records of all accounts  
15 belonging to authorized participants and retain such records of all  
16 transactions in such accounts for the preceding five years, provided,  
17 however, that such records belonging to an authorized participant shall  
18 be readily accessible and downloadable, without cost, by such authorized  
19 participant.

20 6. The server or other equipment which is used by an interactive  
21 gaming licensee to accept interactive gaming shall be physically located  
22 in the licensed gaming facility and be limited to interactive gaming  
23 related activities in accordance with regulations promulgated by the  
24 commission.

25 7. All interactive gaming initiated in this state shall be deemed to  
26 take place at the licensed gaming facility where the server or other  
27 equipment used by an interactive gaming licensee to accept interactive  
28 gaming is located, regardless of the authorized participant's physical  
29 location within this state.

30 8. Subject to regulations promulgated by the commission, an interac-  
31 tive gaming licensee may allow for authorized participants to sign up to  
32 create and fund accounts on its interactive gaming platform. An interac-  
33 tive gaming licensee shall adopt reasonable procedures to ensure that  
34 authorized participants have no more than one interactive gaming account  
35 with the interactive gaming licensee. However, nothing in this article  
36 shall prohibit the use of a single account for a mobile sports wagering  
37 account under section thirteen hundred sixty-seven of this chapter and  
38 an interactive gaming account set forth pursuant to this article;  
39 provided however, that interactive gaming licensees shall keep separate  
40 and distinct records of mobile sports wagering activity and interactive  
41 gaming activity on such accounts pursuant to rules and regulations  
42 promulgated by the commission.

43 9. Authorized participants may deposit and withdraw funds to and from  
44 their account on an interactive gaming platform through electronically  
45 recognized payment methods, including but not limited to credit cards  
46 and debit cards, or via any other means approved by the commission;  
47 provided, however, that in the case of credit card payments, each  
48 authorized participant's account per licensee shall be limited to a  
49 credit card spending amount of two thousand five hundred dollars per  
50 year; and provided further, however, that such limitation shall not  
51 apply to other payment methods or to debit cards. No interactive gaming  
52 licensee shall be authorized to provide a line of credit to any author-  
53 ized participant.

54 § 1506. Taxation and fees. 1. For the privilege of conducting interac-  
55 tive gaming in the state, interactive gaming licensees shall pay a tax  
56 equivalent to thirty and one-half percent of base taxable gross gaming

1 revenue derived from interactive gaming. Interactive gaming tax revenue  
2 shall be separately maintained and returned to the state for deposit  
3 into the state lottery fund for education aid.

4 2. From the state tax collected, the commission shall distribute, in  
5 conjunction with the office of addiction services and supports, eleven  
6 million dollars annually for problem gambling education and treatment  
7 purposes.

8 3. (a) In each fiscal year in which interactive gaming licensees  
9 accept interactive gaming wagers, the commission shall pay, on a quar-  
10 terly basis, one-quarter of one-tenth of one percent of that tax imposed  
11 on interactive gaming by this section to a fund established for the  
12 purpose of employee training, responsible gaming training and education,  
13 health, and development; provided however, that the amount budgeted for  
14 such a program shall be no less than twenty-five million dollars for  
15 each fiscal year.

16 (b) An individual must be an employee of a licensed commercial gaming  
17 facility represented by a labor organization having a valid project  
18 labor agreement to be an eligible participant in such fund. Such fund  
19 shall be administered by the representative labor organization or organ-  
20 izations having a valid project labor agreement.

21 § 1507. Responsible gaming requirements. 1. As a condition of licen-  
22 sure, each operator shall implement the following measures:

23 (a) limit each authorized participant to one active and continuously  
24 used account on their platform, and prevent anyone they know, or should  
25 have known to be a prohibited bettor, from maintaining accounts or  
26 participating in any interactive gaming wagering offered by such opera-  
27 tor;

28 (b) adopt appropriate safeguards to ensure, to a reasonable degree of  
29 certainty, that authorized participants are physically located within  
30 the state when engaging in mobile interactive gaming wagering;

31 (c) prohibit persons under twenty-one years of age from participating  
32 in any mobile interactive gaming wagering;

33 (d) enable authorized participants to exclude themselves from interac-  
34 tive gaming wagering and take reasonable steps to prevent suchbettors  
35 from engaging in wagering from which they have excluded themselves;

36 (e) permit any authorized participant to permanently close an account  
37 registered to such bettor, on any and all platforms supported by such  
38 operator, at any time and for any reason;

39 (f) implement measures to protect the privacy and online security of  
40 authorized participants and their accounts;

41 (g) list on each website, in a prominent place, information concerning  
42 assistance for compulsive play in New York state, including a toll-free  
43 number directing callers to reputable resources containing further  
44 information, which shall be free of charge;

45 (h) permit account holders to establish self-exclusion gaming limits  
46 on a daily, weekly, and monthly basis that enable the account holder to  
47 identify the maximum amount of money an account holder may deposit  
48 during such period of time;

49 (i) maintain a publicly accessible internet page dedicated to respon-  
50 sible play, a link to which shall appear on the operator's website and  
51 in any mobile application or electronic platform on which an authorized  
52 participant may place wagers. Such responsible play page shall include  
53 (i) a statement of the interactive gaming licensee's policy and commit-  
54 ment to responsible gaming, information regarding, or links to informa-  
55 tion regarding, the risks associated with gambling and the potential  
56 signs of problem gaming; (ii) the availability of self-imposed responsi-

1 ble gaming limits; (iii) a link to a problem gaming webpage maintained  
2 by the office of addiction services and supports; and (iv) such other  
3 information or statements as the commission may require by rule;

4 (j) submit annually a responsible gaming plan to the commission. The  
5 commission shall publish the requirements for the plan;

6 (k) ensure no wagering shall be based on game types not approved by  
7 the commission;

8 (l) when an account holder's lifetime deposits exceed two thousand  
9 five hundred dollars, the interactive gaming licensee shall prevent any  
10 wagering until the patron acknowledges that the account holder has met  
11 the deposit threshold and may elect to establish responsible gaming  
12 limits or close the account, and the account holder has received disclo-  
13 sures from the mobile sports wagering operator concerning problem gambl-  
14 ing resources. Once a patron has reached their lifetime deposit, such  
15 patron shall annually make the acknowledgement required by this subdivi-  
16 sion;

17 (m) submit annually a problem gaming plan that was approved by the  
18 commission in consultation with the office of addiction services and  
19 supports that includes (i) the objectives of and timetables for imple-  
20 menting such plan; (ii) identification of the persons responsible for  
21 implementing and maintaining such plan; (iii) procedures for identifying  
22 users with suspected or known problem gaming behavior; (iv) procedures  
23 for providing information to users concerning problem gaming identifica-  
24 tion and resources; (v) procedures to prevent gaming by persons under  
25 twenty-one years of age and self-excluded persons; and (vi) such other  
26 problem gaming information as the commission may require by rule;

27 (n) when referencing the chances or likelihood of winning in adver-  
28 tisements or upon placement of an interactive gaming wager, make clear  
29 and conspicuous statements that are not inaccurate or misleading  
30 concerning the chances of winning and the number of winners;

31 (o) offer introductory procedures for authorized participants that  
32 shall be prominently displayed on the main page of interactive gaming  
33 licensees' websites or applications that explain interactive gaming; and

34 (p) offer all authorized participants access to his or her account  
35 history and account details.

36 2. Interactive gaming licensees shall not offer any interactive gaming  
37 wager based on any activity, game, or other event that is deemed prohib-  
38 ited or against public policy by the commission.

39 3. All interactive gaming shall be conducted in compliance with this  
40 article.

41 4. The commission, in conjunction with the office of addiction  
42 services and supports, shall annually prepare and distribute to the  
43 governor and the legislature a report on the impact of interactive  
44 gaming on problem gamblers in New York, including, to the extent practi-  
45 cable, an analysis of demographics which are disproportionately impacted  
46 by problem gambling. The costs associated with the preparation and  
47 distribution of such report shall be borne by interactive gaming licen-  
48 sees and the commission shall be authorized to assess a fee against  
49 interactive gaming licensees for these purposes. The commission, or in  
50 the case that an independent integrity monitor has been established,  
51 such independent integrity monitor, shall also report biannually to the  
52 governor and the legislature on the effectiveness of the statutory and  
53 regulatory controls in place to ensure the integrity of interactive  
54 gaming operations.

55 § 5. Section 1602 of the tax law is amended by adding a new subdivi-  
56 sion 7 to read as follows:

1 7. "Interactive lottery gaming" means wagering on authorized lottery  
2 games online by any system or method of wagering, including, but not  
3 limited to, communication through internet websites, accessed via a  
4 mobile device, tablet or laptop or desktop computer, and mobile device  
5 applications. An interactive lottery game shall include any lawful  
6 lottery game authorized by the commission including joint, multi-juris-  
7 isdiction and out-of-state lottery games, daily number games, lotto games,  
8 quick draw and instant cash.

9 § 6. Paragraph 1 of subdivision c of section 1612 of the tax law, as  
10 amended by chapter 174 of the laws of 2013, is amended to read as  
11 follows:

12 1. The specifications for interactive lottery and video lottery  
13 gaming, including any joint, multi-jurisdiction, and out-of-state video  
14 lottery gaming, shall be designed in such a manner as to pay prizes that  
15 average no less than ninety percent of sales.

16 § 7. The tax law is amended by adding a new section 1617-b to read as  
17 follows:

18 § 1617-b. Interactive lottery tickets. The division of lottery is  
19 hereby authorized to conduct sales of lottery tickets on the internet,  
20 pursuant to rules and regulations to be promulgated by the division of  
21 lottery, which shall be known as interactive lottery tickets. Except as  
22 otherwise permitted pursuant to section sixteen hundred seventeen of  
23 this article, the division shall restrict interactive lottery tickets to  
24 transactions initiated and received or otherwise made exclusively within  
25 the state of New York.

26 § 8. This act shall take effect immediately.

**NEW YORK STATE SENATE  
INTRODUCER'S MEMORANDUM IN SUPPORT  
submitted in accordance with Senate Rule VI. Sec 1**

**BILL NUMBER:** S8185

**SPONSOR:** ADDABBO

**TITLE OF BILL:**

An act to amend the racing, pari-mutuel wagering and breeding law, in relation to interactive gaming; and to amend the tax law, in relation to interactive lottery gaming

**PURPOSE OR GENERAL IDEA OF BILL:**

To authorize online interactive gaming in New York State.

**SUMMARY OF PROVISIONS:**

Section 1 of this bill amends section 1367-a of the racing, pari-mutuel, wagering, and breeding law by adding a new subdivision 8

Section 2 of this bill amends section 104 of the racing, pari-mutuel, wagering, and breeding law by adding a new subdivision 25

Section 3 of this bill amends section 1311 of the racing, pari-mutuel, wagering, and breeding law by adding a new subdivision 4

Section 4 of this bill amends the racing, pari-mutuel, wagering, and breeding law by adding a new article 15

Section 5 of this bill amends the tax law by adding a new subdivision 7  
Section 6 of this bill amends subdivision c of section 1612 of the tax law  
Section 7 of this bill amends the tax law by adding a new section 1617-b

Section 8 is the effective date

**JUSTIFICATION:**

Currently, seven States have authorized online interactive casino gaming, including the neighboring States of New Jersey, Connecticut and Pennsylvania. In 2023, online casino gaming revenue exceeded \$3.5 billion in both New Jersey and Pennsylvania combined, generating approximately \$1 billion in tax revenue for those states.

In its first year New York quickly became the leading mobile sports betting market in the nation. Similarly, if authorized, New York would quickly become the national leader in online casino gaming, generating hundreds of millions of dollars in tax revenue annually for the State.

In addition to establishing a robust licensing and regulatory structure for online interactive gaming, this legislation includes protections against illegal market providers, additional resources for problem gambling, and labor peace requirements.

**PRIOR LEGISLATIVE HISTORY:**

2021/22: S8412 - Referred to Racing, Gaming and Wagering Committee

2023: S4856 Referred to Racing, Gaming and Wagering Committee

**FISCAL IMPLICATIONS FOR STATE AND LOCAL GOVERNMENTS:**

New York State would receive approximately \$1 billion annually in State tax revenue based upon conservative market estimates. In addition, in the first year of operation, New York would receive approximately \$150 million in onetime license fees from casinos, operators and independent contractors seeking to conduct online interactive casino gaming.

**EFFECTIVE DATE:**

This act shall take effect immediately.