

Part 5329 of 9 NYCRR is amended, and Part 5330 is added to 9 NYCRR, to read as follows:

**PART 5329**

**Sports Wagering at Casino Lounges and Other Public Casino Locations**

Section

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**§ 5329.1. [Definitions] Applicability and definitions.**

(a) Applicability. This Part applies to sports wagering conducted by a casino sports wagering licensee pursuant to Racing Pari-Mutuel Wagering and Breeding Law section 1367. For rules and regulations that apply to mobile sports wagering conducted through servers or other electronic equipment at casinos pursuant to Racing, Pari-Mutuel Wagering and Breeding Law sections 1367 and 1367-a, see Part 5330 of this subchapter, some sections of which may refer back to and incorporate certain provisions of this Part.

(b) Definitions. Unless the context indicates otherwise, the following definitions and the definitions set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1367 are applicable throughout this Part:

(1) Authorized sports bettor means an individual who is physically present in a casino when placing a sports wager and who is not a prohibited sports bettor.

[(a)] (2) Automated ticket machine means an electronic device that, at a minimum, is used for the execution of permitted sports wagers placed by [a patron] an authorized sports bettor directly and permissible redemption of winning sports wagers within a sports wagering lounge or other location within the [gaming facility] casino as approved by the commission.

(3) Casino sports wagering licensee means a casino licensed to operate sports pools pursuant to Racing, Pari-Mutuel Wagering and Breeding Law section 1367(2)(a), equivalent to the definition of operator set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1367(1)(n).

[(b)] (4) Event number means a set of alphabetic and/or numeric characters that corresponds to a sports event or occurrence within a sports event.

[(c)] (5) Integrity monitoring provider means a vendor approved by the commission to receive reports of unusual betting activity from sports pool operators for the purpose of assisting such operators in identifying suspicious betting activity.

(d)] (6) Oddsmaker means a person licensed as a casino key employee or as an employee of a [casino vendor enterprise licensee] sports pool vendor responsible for the final approval of all odds established on any sports wager made pursuant to Racing, Pari-Mutuel Wagering and Breeding Law section 1367 and this Part.

[(e)] (7) Operations wagering manager means a person licensed as a casino key employee or as an employee of a [casino] sports pool vendor [enterprise licensee] responsible for the operations of sports wagering at a casino.

[(f)] (8) Parlay card means a physical instrument offering a multi-contest sports wager.

[(g)] (9) Parlay card wager means a transaction on the outcome of a series of three or more sports events with a predetermined fixed payout.

[(h)] (10) Prohibited sports [pool participant] bettor means any person whose participation may undermine the integrity of wagering on a sports event or the conduct of such sports event itself, or

any person who is prohibited for other good cause, including, without limitation, the following, as prescribed by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(1) and this paragraph:

[(1)] (i) any individual placing a sports wager as an agent or proxy;

[(2)] (ii) any athlete whose performance may be used to determine, in whole or in part, the outcome of such wagering;

[(3)] (iii) any person who is an athlete, player, coach, referee or other game official, physician, trainer, sports agent, owner or employee or independent contractor of a team, [employee] player union and umpire union personnel, or [governing body] employee, [in any sports event overseen by such person's sports governing body] official or independent contractor of a sports governing body if the sports wager is based on any sport or athletic event overseen by the individual's sports governing body;

[(4)] (iv) any person with access to material, non-public confidential information about a sports event that is the subject of such wagering;

[(5)] (v) a person identified to the commission by a sports governing body that the commission agrees is a person who should be a prohibited sports [pool participant] bettor; [or]

[(6)] (vi) any person who holds a position of authority or influence sufficient to exert influence over the participants in a sports event that is the subject of a sports wager, if such person is not otherwise described by this subdivision;

(vii) any principal, key employee or casino gaming employee of a casino and its affiliates, except as may be permitted by the commission;

(viii) any non-gaming employee at the casino that employs such person;

(ix) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, of a casino sports wagering licensee if such person is directly involved in the operation or observation of sports wagering, or the processing of sports wagering claims or payments;

(x) any employee of a mobile sports wagering licensee, as defined in subdivision (b) of section 5330.1 of this subchapter, and its affiliates, except as may be permitted by the commission;

(xi) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, of a mobile sports wagering licensee, as defined in subdivision (b) of section 5330.1 of this subchapter, if such person is directly involved in the operation or observation of mobile sports wagering, or the processing of mobile sports wagering claims or payments;

(xii) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from participating in sports wagering;

(xiii) any spouse, child, sibling or parent residing in the principal place of abode of any of the foregoing persons at the same casino sports wagering licensee where the foregoing person is prohibited from participating in sports wagering;

(xiv) any officer or employee of the commission; and

(xv) any minor.

[(i)] (10) *Sports pool vendor* means a licensed casino vendor enterprise, as defined in section 5307.1 of this subchapter, that operates on behalf of a casino or assists a casino in the operation of a sports pool.

[(j)] (11) *Structured wager* means to place knowingly a series of [wager] sports wagers in any amount, at one or more facilities, on one or more days, in any manner, to circumvent knowingly the recording and reporting requirements of section 5329.22 of this Part. The sports wager or wagers need not exceed the dollar thresholds in section 5329.22 at any single facility in any single day in order to constitute structuring within the meaning of this definition.

[(k)] *Suspicious betting activity* means wagering activity that might be related to an attempt or effort to fix the outcome of a sports event, or any portion thereof, or occurrence within a sports event.

[(l)] (12) *Suspicious wager* means a sports wager that [an operator] a casino sports wagering licensee knows or has reason to suspect is being attempted or was placed, including, without limitation:

[(1)] (i) in violation of or as part of a plan to violate or evade local, state or Federal law or regulation prohibiting wagering on a type of sports event; or

[(2)] (ii) in violation of or as part of a plan to violate or evade local, state or Federal law or regulation prohibiting wagering by, or on behalf of, a prohibited person, as defined in subdivision (b) of section 5329.19 of this Part; or

[(3)] (iii) by a person who has no business or apparent lawful purpose in placing such wager or is not the sort of wager that a particular [patron] authorized sports bettor would normally be expected to place.

[(m)] *Wager* means a transaction placed by a patron on an authorized sporting event or events or an occurrence or occurrences therein.

[(n)] (13) *Wagering cashier* means an employee of [an operator] casino sports wagering licensee or sports pool vendor who accepts wagers at a sports wagering lounge.

[(o)] (14) *Wagering platform* means [a computer or other system approved by the commission that registers sports wagers and computes the wagering and payoffs in sports wagering] the combination of hardware, software and data networks used to manage, administer and control sports wagering.

[(p)] (15) *Wagering ticket* means a physical record issued and maintained by the wagering platform that evidences a sports wager.

**§ 5329.2. [Sports pool] Casino sports wagering license [petition] application.**

**(a) *Eligibility.***

(1) Only licensed casinos in good standing shall be eligible to obtain a [sports pool] casino sports wagering license. As set forth in Racing, Pari-Mutuel Wagering and Breeding Law section [1367(3)(a)] 1367(2)(a), a casino that wishes to operate sports pools shall first obtain a [sports pool] casino sports wagering license from the commission, which shall be in addition to the casino's gaming facility license. Any entity holding a casino operating [license] certificate issued pursuant to [article 13] Racing, Pari-Mutuel Wagering and Breeding Law section 1331 shall be deemed to have the requisite financial stability, integrity and responsibility and good character, honesty and integrity so long as such license is in good standing.

(2) A prohibited sports [pool participant] bettor shall not be permitted to have any ownership interest in, control of or otherwise be employed by [an operator] a casino sports wagering licensee or a sports pool vendor, unless otherwise approved by the commission. This prohibition shall not apply to any person who has less than 10 percent direct or indirect ownership interest in the [operator] casino sports wagering licensee or sports pool vendor.

(b) *Plan of operation.* Each applicant for a [sports pool] casino sports wagering license shall submit a detailed plan of operation that includes such information as the commission deems necessary, including, without limitation, [to] the name of the sports pool vendor, if any, casino key employees responsible for the sports pool operation, specifications of the sports pool lounge, hours of operation, staffing plan and an integrity monitoring plan.

(c) *Evidence of experience in sports pools.* An applicant for a [sports pool] casino sports wagering license shall disclose such applicant's experience, if any, and the experience of any sports pool vendor proposed to be involved in such applicant's sports pool operations, in the operation of sports pools in any jurisdiction, including, without limitation:

(1) a list of each jurisdiction in which such applicant or proposed sports pool vendor has been authorized to operate or assist in the operation of sports pools, including dates of authorized operation;

(2) all regulatory infractions, discipline or other sanctions that have been imposed on such applicant or proposed sports pool vendor relating to any gaming activity, including sports pools, along with a detailed description of the conduct involved and the nature of the sanction or discipline; and

(3) whether the applicant or proposed sports pool vendor has operated gaming activity, including sports pools, in any jurisdiction in an unauthorized manner or been accused or adjudicated to have engaged in illegal gambling or wagering of any kind, including a detailed description of the conduct involved and the nature of the sanction or discipline.

(d) *Internal Controls.* Prior to the issuance of a license, an applicant for a casino sports [pool] wagering license shall submit for commission approval such applicant's proposed internal controls, pursuant to section 5329.8 of this Part.

(e) *Amendment.*

(1) Each applicant and licensee shall promptly file with the commission an update explaining any new or changed facts or circumstances whenever such occurs with respect to any matter set forth in a casino sports [pool] wagering license application.

(2) All applicants and licensees shall have an obligation to ensure that information, documentation and assurances submitted to the commission are not misleading considering the circumstances in which such were submitted.

(3) The commission may permit any applicant to file an amendment to its application at any time prior to the commission's final action thereon.

(4) The failure of an applicant or licensee to comply with applicable laws and regulations shall be grounds for denial of the application or for suspension or revocation of a casino sports [pool] wagering license.

(f) *Determination of application.* Upon evaluation of each application, the commission shall either:

(1) grant the application for a casino sports [pool] wagering license;

(2) grant the application with conditions the commission deems necessary or advisable;

(3) request additional information or documentation; or

(4) deny the application.

The commission may deny a casino sports [pool] wagering license to an applicant that has failed to establish such applicant's competence to operate a sports pool or provide an adequate plan of operation (including acceptability of a sports pool vendor). An applicant may request a de novo hearing to challenge an application denial or condition imposed. Such hearing shall be held pursuant to procedures the commission may establish.

**§ 5329.3. Term of casino sports wagering license and review.**

(a) *Term.* A casino sports [pool] wagering license shall remain valid for the period of the casino's gaming facility license, unless a condition of such casino sports [pool] wagering license pursuant to paragraph (2) of subdivision (f) of section 5329.2 of this Part establishes a shorter casino sports [pool] wagering license period.

(b) *Review.* No later than three months before each five-year anniversary of the issuance of a casino sports [pool] wagering license, unless a condition of such casino sports [pool] wagering license pursuant to paragraph (2) of subdivision (f) of section 5329.2 of this Part establishes a shorter time period, [an operator] a casino sports wagering licensee shall submit to the commission the following information to enable the executive director of the commission to determine, pursuant to Racing, Pari-

Mutuel Wagering and Breeding Law section [1367(3)(a)] 1367(2)(a), that such [operator] casino sports wagering licensee continues to meet the requirements of article 13 of the Racing Pari-Mutuel Wagering and Breeding Law and this Part:

- (1) a list of each jurisdiction in which such [operator] casino sports wagering licensee or a sports pool vendor with which such [operator] casino sports wagering licensee has contracted, has been authorized within the prior five years to operate or assist in the operation of sports pools, including dates of authorized operation;
- (2) all regulatory infractions, discipline or other sanctions that have been imposed on such [operator] casino sports wagering licensee or a sports pool vendor with which such [operator] casino sports wagering licensee has contracted, within the prior five years relating to gaming activity, including sports pools. The submission shall include a detailed description of the conduct involved and the nature of the sanction or discipline;
- (3) whether the [operator] casino sports wagering licensee or sports pool vendor has operated sports pools in any jurisdiction within the prior five years in an unauthorized manner or been accused or adjudicated to have engaged in illegal gambling or wagering of any kind, including a detailed description of the conduct involved and the nature of the sanction or discipline;
- (4) whether the [operator] casino sports wagering licensee or sports pool vendor has committed any misconduct or engaged in any improper associations within the meaning of section 5329.7 of this Part; and
- (5) the annual financial statements audited according to generally accepted accounting principles, of the sports pool vendor, if any, for the prior three years.

#### **§ 5329.4. Vendor licensing.**

(a) *Sports pool vendor.* [An operator] A casino sports wagering licensee may contract with a sports pool vendor to operate or assist in the operation of sports pools on behalf of such [operator] casino sports wagering licensee, as permitted by Racing, Pari-Mutuel Wagering and Breeding Law section [1367(3)(f)] 1367(2)(h). As required by such statute, any such sports pool vendor shall obtain a casino vendor enterprise license pursuant to Part 5307 of this subchapter prior to the execution of any contract to so operate. [An operator] A casino sports wagering licensee always shall remain responsible for compliance with article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this subchapter, even if such licensee has engaged a sports pool vendor to conduct sports pool wagering on behalf of such licensee. The acts, omissions and knowledge of a sports pool vendor with respect to matters addressed in article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this subchapter shall be imputed to and also be the responsibility of the casino sports wagering licensee. A sports pool vendor shall also be independently responsible for compliance with article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and this subchapter.

(b) *Equipment and software providers.* All manufacturers, suppliers and service providers of sports [pool] wagering equipment, including, without limitation, wagering platforms, shall be licensed as casino vendor enterprises pursuant to section 5307.1 of this subchapter.

### **§ 5329.5. Reporting of changes.**

Each [operator] casino sports wagering licensee and sports pool vendor shall have a continuing duty to disclose any material change or changes in such entity's business form or activity, information submitted in support of a review pursuant to section 5329.3 of this Part; information provided to [patrons] authorized sports bettors; information provided to investors; or information provided in an annual report, or statutory duty to provide information, to the commission.

### **§ 5329.6. Licensing of individuals.**

(a) *Persons directly involved.* A person directly involved in the conduct and operation of a sports pool shall be licensed or registered by the commission as a casino key employee or as a casino employee, as determined by the commission pursuant to title 3 of article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and Parts 5303, 5304 and 5305 of this subchapter, as applicable, as required by Racing, Pari-Mutuel Wagering and Breeding Law section [1367(4)(a)] 1367(3)(a).

(b) *Persons not directly involved.* A person employed in a sports wagering lounge but not directly involved in wagering may be required to register with the commission as a casino employee, consistent with the registration standards applicable to persons not directly involved in casino gaming, as set forth in Part 5306 of this subchapter, as required by Racing, Pari-Mutuel Wagering and Breeding Law section [1367(4)(a)] 1367(3)(a).

(c) *Employees of a sports pool vendor.* Employees of a sports pool vendor shall be licensed or registered as section 5307.5 of this subchapter and Racing, Pari-Mutuel Wagering and Breeding Law section [1367(4)(a)] 1367(3)(a) require.

### **§ 5329.7. Misconduct and improper associations.**

The commission may impose penalties or take other appropriate action against [an operator] a casino sports wagering licensee or a sports pool vendor if the commission finds that any such licensee, or any person employed by or associated with such licensee:

(a) is associating, consorting or negotiating with persons who have been convicted of an unauthorized gambling or gambling-related crime;

(b) is guilty of any fraud or has attempted any fraud or misrepresentation in connection with sports pools or otherwise;

(c) has violated any law, rule or regulation with respect to sports pools or sports wagers in any jurisdiction; or

(d) has violated any rule, regulation or order of the commission.

### **§ 5329.8. Internal controls.**

(a) *Submission and requirements.* Each [operator] casino sports wagering licensee shall submit to the commission for approval internal controls for all aspects of sports pool wagering operations prior to commencing operations. Such internal controls shall address the following items in regard to the sports pool system, at a minimum:



- (1) user access controls for all sports pool personnel;
- (2) description of segregation of duties;
- (3) automated and manual risk management procedures;
- (4) procedures for identifying and reporting fraud and suspicious conduct;
- (5) procedures to prevent wagering by [patrons] prohibited sports pool bettors [from wagering];
- (6) procedures to ensure no sports wagering shall be based on a prohibited sports event;

[(6)] (7) description of anti-money laundering compliance standards;

[(7)] (8) description of all types of sports wagers available to be offered;

[(8)] (9) description of all integrated third-party systems;

[(9)] (10) procedures for the reconciliation of assets and documents contained in the wagering cashier drawers and automated ticket machines, which shall provide for the reporting of any overage or shortage; [and]

[(10)] (11) in the event of a failure of [the sports pool's] a casino sports wagering licensee's ability immediately to pay winning wagers, the licensee shall have internal controls detailing the method of ultimately paying winning wagers. The licensee also shall file with the commission an incident report for each system failure and document the date, time and reason for the failure along with the date and time the system is restored [with the commission]; ~~and~~

(12) in the event of changes and upgrades to the hardware and software used to execute sports wagering, procedures the casino sports wagering licensee intends to follow in order to receive approval from the commission, including recertification of such sports wagering components; and

(13) all data sources used in sports wager determination. Official data from a sports governing body shall be used to determine all sports wagers, unless a casino sports wagering licensee demonstrates (through its data provider vendor, if applicable) to the satisfaction of the commission that wagers for such wager type may be determined objectively, reliably, accurately and timely by an alternative data source. See Racing, Pari-Mutuel Wagering and Breeding Law section 1367(14).

(b) *Reconciliation*. The internal controls shall detail the reconciliation of assets and documents contained in a sports wagering lounge cashier's drawer.

### **§ 5329.9. Sports wagering lounge.**

(a) *Lounge*. Sports wagering conducted by a casino sports wagering licensee shall occur only in [a sports wagering lounge of an operator, as required by] the locations set forth in Racing, Pari-Mutuel Wagering and Breeding Law section [1367(3)(b)] 1367(2)(b). Any [such] sports wagering lounge shall [be] measure no less than 500 square feet and promote optimum security of the facility, which shall include the installation and maintenance of security and surveillance equipment consistent with the requirements of sections 5314.4 and 5314.5 of this Part, including closed-circuit television equipment,

according to specifications submitted to and approved by the commission. No wagering ticket shall be sold except at regular ticket windows, properly designated by signs, except that wagering tickets and vouchers may be issued by automated ticket machines within a sports wagering lounge or other location within the [gaming facility] casino as approved by the commission.

(b) *Booth*. Each lounge shall include a booth that:

(1) shall be designed and constructed to provide maximum security for the materials stored and the activities performed therein;

(2) includes one or more cashier windows, each of which shall contain:

(i) a cashier's drawer and terminal through which financial transactions related to sports wagering are conducted;

(ii) a permanently affixed number, which shall be visible to the CCTV surveillance system;

(iii) a physical barrier designed to prevent direct access to the materials stored and activities performed in such booth if a cashier is cashing a winning wagering ticket or voucher of more than \$10,000. Such windows shall be secured physically from any other cashier locations within the booth; and

(iv) manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the casino surveillance;

(3) includes manually triggered silent alarm systems, which shall be connected directly to the monitoring rooms of the casino surveillance;

(4) includes closed circuit television cameras capable of accurate visual monitoring and taping of any activities, including the capturing of the patron's facial image when conducting transactions at the counter;

(5) has an alarm for each emergency exit door that is not a [mantrap] component of an access control vestibule; and

(6) includes a secure location for the purpose of storing funds issued by a cage to be used in the operation of a sports pool.

(c) *Required personnel*. Each [operator] casino sports wagering licensee shall have, or otherwise retain through a sports pool vendor, one or more persons to serve as an:

(1) oddsmaker; and

(2) operations wagering manager.

#### **§ 5329.10. Sports pool system requirements.**

(a) *Submission to laboratory*. Prior to operating a sports pool, all equipment and software used in conjunction with its operation shall be submitted to a licensed independent gaming test laboratory for

review and [approval] certification for compliance with the standards set forth in this Part and any additional technical requirements the commission establishes.

(b) *Server and wager creation.* The server or other equipment to accept sports wagers [at a sports pool] shall be located within the casino. In creating sports wagers that will be offered to the public, a sports pool operations manager may receive advice and recommendations from any source or entity in other jurisdictions and may take into consideration information in regard to odds and wagers placed on sports events.

(c) *Risk management framework.* A sports pool system submission shall contain a description of the risk management framework, including, without limitation:

- (1) user access controls for all sports pool personnel;
- (2) information in regard to segregation of duties;
- (3) information in regard to automated risk management procedures;
- (4) information in regard to fraud detection;
- (5) controls ensuring regulatory compliance;
- (6) description of anti-money laundering compliance standards;
- (7) description of all software applications that comprise the system;
- (8) description of all types of sports wagers available to be offered by the system;
- (9) description of all integrated third-party systems; and
- (10) description of the method to prevent past posting.

(d) *Data retention.* A sports pool system shall maintain all transactional [betting] sports wagering data for a period of 10 years.

(e) *Information recording.* A sports pool system shall be capable of recording the following information for each sports wager made:

- (1) description of event;
- (2) event number;
- (3) sports wager selection;
- (4) type of sports wager;
- (5) amount of sports wager;
- (6) date and time of sports wager;

(7) unique wager identifier; and

(8) [an indication of] when the sports wagering ticket expires.

(f) *Wagering tickets.* Each sports wagering ticket a cashier or automated ticket machine generates shall include:

(1) all of the information set forth in subdivision (e) of this section;

(2) name and address of the party issuing the sports wagering ticket;

(3) a barcode or similar symbol or marking as approved by the commission, corresponding to the unique sports wager identifier;

(4) method of redeeming winning sports wagering ticket via mail; and

(5) identification of the cashier or automated ticket machine generating the sports wagering ticket.

(g) *Vouchers.* Sports pool vouchers issued by a sports pool system shall contain the following information:

(1) date, time, and location of issuance;

(2) amount of the voucher;

(3) unique voucher identifier;

(4) expiration date of the voucher;

(5) name of [gaming facility] casino; and

(6) [an indication] a statement that the voucher can be redeemed only in exchange for a sports wager or cash.

(h) *Voucher redemption.* If a sports pool system issues and redeems a sports pool voucher, the system shall be capable of recording the following information for each voucher:

(1) amount of voucher;

(2) date, time, and location of issuance;

(3) unique voucher identifier;

(4) expiration date of the voucher; and

(5) date, time, and location of redemption, if applicable.

(i) *Required system functions.* A sports pool system shall be capable of performing the following functions:

- (1) creating sports wagers;
- (2) settling sports wagers;
- (3) voiding sports wagers;
- (4) cancelling sports wagers;
- (5) processing lost, destroyed or expired sports wagering tickets;
- (6) preventing any sports [pool] wager in excess of \$10,000 or making a payout in excess of \$10,000 until authorized by a supervisor; and
- (7) maintaining the following:
  - (i) description of the event;
  - (ii) event number;
  - (iii) sports wager selection;
  - (iv) type of sports wager;
  - (v) amount of sports wager;
  - (vi) amount of potential payout;
  - (vii) date and time of sports wager;
  - (viii) identity of the cashier accepting the sports wager;
  - (ix) unique sports wagering ticket or voucher identifier;
  - (x) expiration date of sports wagering ticket;
  - (xi) [patron] the authorized sports bettor's name, if known;
  - (xii) date, time, amount, and description of the settlement;
  - (xiii) location where the sports wager was made;
  - (xiv) location of redemption; and
  - (xv) identity of cashier settling the sports wager, if applicable.

(j) *Voided and cancelled sports wagers.* When a sports [pool] wager is voided or cancelled, the system shall indicate clearly that the sports wagering ticket is voided or cancelled, render such ticket nonredeemable and make an entry in the system indicating the void or cancellation and identity of the cashier or automated process.

(k) *Past posting and known event outcomes.* A sports pool system shall prevent past posting of sports wagers and the voiding or cancellation of sports wagers after the outcome of an event is known.

(l) *Self-authentication.* A sports pool system shall, at least once every 24 hours, perform a self-authentication process on all software used in the sports pool system to offer, record and process sports wagers to ensure there have been no unauthorized modifications. In the event [of an authentication failure] that an unauthorized modification is identified as a result of this process, at a minimum, the system immediately shall notify the casino operations wagering manager using an automated process. The operations manager shall notify the commission promptly of the authentication failure. The system shall record the results of all self-authentication attempts and [maintained] maintain such record for a period of not less than 90 days.

(m) *Controls.* A sports pool system shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle sports wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds used to offer or redeem sports wagers, such error shall be recorded in a log capturing the date and time of the error, the nature of the error and a description of such error's impact on the system's performance. Such information shall be maintained for a period of not less than six months.

(n) *Commission access to data.* Consistent with existing commission authority, the [operator] casino sports wagering licensee and sports pool vendor shall provide access to sports wagering transaction data and related data the commission may deem necessary, in a manner approved by the commission.

(o) *Sports pool system.* A sports pool system shall be capable of preventing any sports [pool] wager in excess of \$10,000 or making a payout in excess of \$10,000 until authorized by a supervisor. A sports pool system shall be capable of maintaining the following:

- (1) description of the event;
- (2) event number;
- (3) sports wager selection;
- (4) type of sports wager;
- (5) amount of sports wager;
- (6) amount of potential payout;
- (7) date and time of sports wager;
- (8) identity of the cashier accepting the sports wager;
- (9) unique wagering ticket or voucher identifier;
- (10) expiration date of sports wagering ticket;
- (11) [patron] the authorized sports bettor's name, if known;

- (12) date, time, amount, and description of the settlement;
- (13) location where the sports wager was made;
- (14) location of redemption; and
- (15) identity of cashier settling the sports wager, if applicable.

(p) *Redeemed lost wagering tickets.* For all lost sports wagering tickets that are redeemed, a sports pool system shall record and maintain the following information:

- (1) date and time of redemption;
- (2) employee responsible for redeeming the sports wagering ticket;
- (3) name of [patron] the authorized sports bettor redeeming the sports wagering ticket;
- (4) unique sports wagering ticket identifier; and
- (5) location of the redemption.

#### **§ 5329.11 Automated ticket machines.**

(a) *Permitted.* [An operator] A casino sports wagering licensee may use an automated ticket machine or machines for sports wagering transactions in conjunction with an approved sports pool system in a sports wagering lounge or other location within the [gaming facility] casino.

(b) *Restrictions.* An automated ticket machine used in accordance with this section shall not:

- (1) issue or redeem a sports pool wagering ticket or voucher with a value of more than \$3,000;
- (2) issue a sports wagering ticket or voucher with a potential payout of more than \$10,000; and
- (3) redeem a sports wagering ticket or voucher with a value of more than \$3,000.

(c) *Drop.* On a daily basis, [an operator] a casino sports wagering licensee shall remove the bill validator boxes in the automated ticket machines (the *automated ticket machine drop*). Surveillance shall monitor and record the automated ticket machine drop. [An operator] A casino sports wagering licensee shall submit an automated ticket machine drop schedule to the commission, which shall include:

- (1) the time the drop is scheduled to commence; and
- (2) the number and locations of automated ticket machines.

(d) *Keys.* A security department member and a cage department member shall obtain the keys necessary to perform the automated ticket machine drop and/or currency cassette replacement, in accordance with the casino's key sign-out and sign-in procedures.

(e) *Cage department member.* A cage department member with no incompatible functions shall place empty bill validator boxes needed for the automated ticket machine drop into a secured cart and prepare an automated ticket machines bill validator drop form, which shall include the following:

- (1) gaming date;
- (2) identification number of the secured cart;
- (3) number of empty boxes placed into the secured cart; and
- (4) signature of the cage department member documenting that the number of empty boxes equals the number of automated ticket machines in use.

(f) *Completion of drop.* In the presence of a security department member, a cage department member shall complete the automated ticket machines drop at each automated ticket machine by:

- (1) unlocking the cabinet housing the bill validator boxes;
- (2) removing the bill validator boxes and [place] placing the removed bill validator boxes into a secured cart and [insert] inserting the empty bill validator boxes and reject bins;
- (3) locking the cabinets housing the bill validator boxes; and
- (4) transporting the secured cart to a count room or other location approved by the commission for the count of the automated ticket machine drop.

(g) *Count.* The contents of the bill validator boxes shall be counted by one or more accounting department employees with no incompatible function, who shall:

- (1) document the contents, by item and amount, for each box on a balance receipt;
- (2) prepare or generate an automated ticket machine drop totals report that summarizes the total currency, sports wagering tickets[,] and sports pool vouchers counted;
- (3) verify that the number of bill validator boxes counted equals the number of empty boxes initially recorded on the automated ticket machine bill validator drop form. Any exceptions encountered during the drop and count process shall be documented on this form;
- (4) transfer the currency to a main bank cashier with a copy of the automated ticket machine drop totals report;
- (5) transport the sports wagering tickets and vouchers to a secured location approved by the commission for storage until permitted to destroy; and
- (6) transport the balance receipts, the automated ticket machine drop totals report and automated ticket machine bill validator drop form to the casino accounting department.

(h) *Replenishment.* On a daily basis or at a greater frequency as needed, [an operator] a casino sports wagering licensee shall replenish the currency cassettes in the automated ticket machines. A cashier



with no incompatible functions shall prepare the currency cassettes to replenish the automated ticket machines, which shall be documented on a two-part automated ticket machines cassette fill form. The cashier shall retain one copy of such form and the duplicate shall be used to document the completion of the transaction. The form shall include:

- (1) designation of the automated ticket machine to which the fill is to be performed;
- (2) for each denomination, the number of bills and total value;
- (3) the total value of all currency cassettes;
- (4) date and time prepared; and
- (5) signature of the cashier.

(i) *Completion of replenishment.* A finance department employee shall place the replacement currency cassettes and empty reject bins into a secured cart. In the presence of a security department member, the accounting department employee shall complete the sports pool currency cassette replenishment at each automated ticket machine by:

- (1) unlocking the cabinets housing the currency cassettes and reject bins;
- (2) removing all currency cassettes and the reject bin, which shall be placed in a secure cart and generate a credit receipt that, at a minimum, includes:
  - (i) an identification number of the automated ticket machine;
  - (ii) the date and time;
  - (iii) the denomination of each currency cassette; and
  - (iv) the total value of the total number of bills per denomination remaining in each currency cassette being replenished and the reject bin;
- (3) inserting the replacement currency cassettes and currency cassette reject bin; and
- (4) entering data into the automated ticket machine that describes the fill and generating a fill receipt that, at a minimum, includes:
  - (i) an identification number of the automated ticket machine;
  - (ii) the date and time the fill was performed;
  - (iii) the denomination of currency for each currency cassette inserted into the machine; and
  - (iv) the total value of the total number of bills per denomination, for each currency cassette being inserted into the machine;

(5) locking the cabinet and signing the duplicate copy of the automated ticket machine cassette fill attesting that the fill was completed. The fill receipt and the credit receipt shall be deposited in a locked accounting box; and

(6) returning all removed currency cassettes and reject bins in a secured cart to the count room or other location approved by the commission.

(j) *Count and documentation.* One or more accounting department employees with no incompatible function shall count and document the value of the contents of each removed currency cassette and currency cassette reject bin by:

(1) documenting the count of each currency cassette and reject bin on a balance receipt, by automated ticket machine;

(2) preparing or generating a sports pool currency cassette replenishment totals report that summarizes the total currency counted;

(3) transferring the currency to a main bank cashier with a copy of the currency cassette replenishment totals report; and

(4) transporting the balance receipts and currency cassette replenishment totals report to the casino accounting department.

(k) *Reconciliation.* The casino accounting department shall reconcile the automated ticket machines on a daily basis pursuant to internal controls. Any variance shall be documented by the accounting department and reported in writing to the commission within 72 hours of the end of the gaming day during which the variance was discovered. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

#### **§ 5329.12. House rules.**

(a) *Content.* Each [operator] casino sports wagering licensee shall adopt comprehensive house rules, which shall be submitted for written approval by the commission. Such house rules shall include the following, at a minimum:

(1) method for calculation of and [payment of] amounts to be paid on winning sports wagers;

(2) effect of schedule changes for all markets offered;

(3) method of notifying [patrons] authorized sports bettors of odds or proposition changes;

(4) acceptance of sports wagers at other than posted terms;

(5) expiration of any winning sports wagering ticket one year after the date of the event;

(6) method of contacting the [operator] casino sports wagering licensee for questions and complaints;

(7) [description] acknowledgment of prohibited sports [pool participants] bettors;

(8) method of the process for any employee of a sports governing body or member team who is not prohibited from sports wagering to register with the commission prior to placing a sports wager; [and]

(9) method of funding a sports wager;

(10) minimum and maximum sports wagers by sports governing body; and

(11) description of sports wagering rules as it relates to in-play wagers.

(b) *Availability.* [An operator's] A casino sports wagering licensee's house rules, together with any other information the commission deems appropriate, shall be displayed conspicuously in the sports wagering lounge, posted on the [operator's] casino sports wagering licensee's website[,] included in the terms and conditions of the sports pool system and made readily available to [patrons] authorized sports bettors in printed form, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(5).

### **§ 5329.13. [Wager] Sports wager types.**

(a) *Approval of sports wagering menu.* [An operator] A casino applying for licensure shall submit to the commission the types of sports wagers such [operator] casino would like to offer and the sports leagues, associations or organizations on whose contests the [operator] casino wishes to offer such sports wagers. Each type of sports wager and each sports league, association or organization on whose contests such [operator] casino wishes to offer sports wagering is subject to commission approval and may be subject to such conditions as the commission may determine. After licensing of [an operator] a casino sports wagering licensee, commission approval is required before such [operator] licensee is permitted to offer any type of sports wager not previously offered by such [operator] licensee, or an existing sports wager type for a sport, league, association or organization on whose contests the commission has not previously authorized wagering. To obtain commission approval, [an operator] a casino sports wagering licensee shall specify the underlying sport and sports league, association or organization upon which the proposed type of sports wager is based, provide rules for the sports wager and demonstrate that the new type of sports wager will comply with Racing, Pari-Mutuel Wagering and Breeding Law section 1367 and this Part. Following review of the proposed sports wager type, the commission shall inform all [operators] casino sports wagering licensees whether the proposed sports wager type is approved or denied or whether additional information from such [operator] licensee is required.

(b) *Limitations on sports wager type.*

(1) No sports wager type shall be approved unless:

- (i) the event on which the sports wager is based is an event whose outcome can be verified;
- (ii) the outcome of the sports wager can be generated by a reliable and independent process;
- (iii) the outcome of the event is not affected by any sports wager placed; and
- (iv) the event is conducted in conformity with all applicable laws, rules and regulations.

(2) [An operator] A casino sports wagering licensee shall not offer sports wagers on:

(i) any prohibited sports event, as defined in Racing, Pari-Mutuel Wagering and Breeding Law section [1367(1)(f)] 1367(1)(s);

(ii) any horse race;

(iii) any amateur or youth sports event, except collegiate sports events approved by the commission;

(iv) any event that is not a sports event; and

(v) any sports event on which the commission deems wagering to be contrary to public policy, either on the commission's own initiative or upon commission affirmation of a request by a league or governing body that governs such sports event, so long as such request has been made in writing to the commission at least 60 days in advance of such sports event with an explanation of why wagering on such event should not be permitted as a matter of public policy. The commission shall make available a list on its website of sports events on which wagers are not permitted to be offered and may determine, if it believes such prohibitions should be permanent, amend this section accordingly to enumerate such prohibited events.

(3) The commission may, in considering whether to approve or condition a sports wager type pursuant to this section, consider the views of a league, association or organization as the commission may deem advisable.

(c) *Variations on sports wager types.* [An operator] A casino sports wagering licensee may introduce variations of permissible types of sports wagers by seeking commission approval. [An operator] A casino sports wagering licensee is not required to amend a previously approved submission to describe a variation if approved by the commission.

(d) *Conditions placed on sports wager type.* The commission may approve conditionally a sports wager type or the use of a sports wager type for a particular sport, league, association or organization as the commission may deem advisable, such as establishing a limited trial period for a type of sports wager or imposing limits on a particular sports wager, to protect the wagering public, the integrity of sports wagers, the integrity of the sports event upon which a sports wager is based, in whole or in part, or for any other reason consistent with the policies underlying article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law or this subchapter.

(e) *Withholding of approval.* The commission may, in the exercise of discretion, withhold approval of any proposed sports wagering type that directly or indirectly violates any requirement for permissible sports wagers or that the commission determines to be contrary to public policy.

(f) *Information to commission.* [An operator] A casino sports wagering licensee shall comply with every commission request for information about any type of sports wager that such [operator] casino sports wagering licensee proposes to offer to the public.

(g) *Wagering tournaments.* No wagering tournament shall be conducted without prior approval of the commission. [An operator] A casino sports wagering licensee shall submit the rules of any proposed

wagering tournament for commission approval no later than 30 days prior to the anticipated start date of such wagering tournament.

**§ 5329.14. Parlay card wagers.**

This section applies to parlay card wagers and not parlay wagers.

(a) *Requirements for parlay card wagers.* Each [operator] casino sports wagering licensee that offers parlay card wagers shall disclose fully, accurately and unambiguously on all parlay card wagering forms:

- (1) the amounts to be paid to winners, the method by which such amounts are to be determined and aggregate payout amount;
- (2) the minimum and maximum [betting] wagering limits, if any;
- (3) the effect of ties or draws in sports events;
- (4) the effect of a sports event not being played on the date specified and of other occurrences that will cause selections to be invalid;
- (5) the procedure for claiming winnings, including, without limitation, the documentation [a patron] an authorized sports bettor must present to claim winnings;
- (6) the requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and will be refunded;
- (7) the rights, if any, reserved by the [operator] casino sports wagering licensee, including, without limitation, the right to eliminate any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined;
- (8) the requirement that the point spreads, if any, printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers; and
- (9) that the [operator's] casino sports wagering licensee's house rules apply to parlay cards unless otherwise stated on the parlay card wagering form.

(b) *Payout.*

- (1) [An operator] A casino sports wagering licensee may limit, with commission approval, the aggregate amount to be paid to winners on a parlay card. Any such aggregate limit shall not be less than an amount disclosed on the parlay card (the *aggregate limit*).
- (2) When [an operator] a casino sports wagering licensee knows or reasonably should know that actual payouts on a parlay card will be limited by an aggregate limit, the [operator] casino sports wagering licensee shall cease accepting wagers on such parlay card and making payouts on such parlay card.

(3) When [an operator] a casino sports wagering licensee ceases accepting wagers and making payouts on a parlay card pursuant to paragraph (2) of this subdivision, if the parlay card, [patron] authorized sports bettor receipts and related documentation are distinguishable from the parlay card, receipts and documentation as to which the [operator] casino sports wagering licensee has ceased accepting wagers, then the [operator] casino sports wagering licensee may accept wagers on only those sports events listed on the parlay card whose outcomes have not been determined, in which case such parlay card shall be considered a different parlay card for purposes of this subdivision.

(4) After the outcome of the final sports event offered on a parlay card has been determined, the [operator] casino sports wagering licensee shall determine the total amount of all winning wagers on such parlay card from all [patrons] authorized sports bettors. If such total amount exceeds the aggregate limit, the [operator] casino sports wagering licensee, unless paragraph (5) of this subdivision applies, may pay each winning wager, instead of the amount that would have been due in the absence of such aggregate limit, an amount equal to the amount of such winning wager multiplied by such aggregate limit and divided by the total amount of all winning wagers (including payouts made prior to the suspension of payouts) that would otherwise have been made without regard to such aggregate limit.

(5) Notwithstanding the aggregate limit, if [an operator] a casino sports wagering licensee pays a winner of a parlay card wager more than 10 percent of the aggregate limit before the outcome of every proposition offered by such parlay card has been determined, such [operator] casino sports wagering licensee shall pay every winner of a wager on such parlay card the proper payout amount stated on such parlay card in full and without regard to any aggregate limit.

(6) In specific cases, the commission, only in writing, may waive the requirements of this subdivision or impose requirements more restrictive than the requirements of this subdivision.

#### **§ 5329.15. Layoff wagers.**

[An operator] A casino sports wagering licensee may, in its discretion, accept a layoff wager from another New York [State licensed operator] State-licensed casino sports wagering licensee or skin, as skin is defined in section 5330.1 of this subchapter. Any such wager shall be placed in the name of the [operator] casino sports wagering licensee itself or skin itself. A layoff wager and, if applicable, a resultant payout shall not be included in the calculation of sports pool gross gaming revenue. Each layoff wager shall be reported to the commission, [in such manner as the commission may direct] if possible, prior to the placement of such wager. If not possible, a casino sports wagering licensee or skin shall submit the details of the layoff wager to the commission's division of gaming within 24 hours of the placement of such wager. Layoff wagers shall not be executed with operators in other jurisdictions unless all Federal law requirements are met.

#### **§ 5329.16. Information posting.**

(a) *Information posting.* [An operator] A casino sports wagering licensee shall make available in written form in conspicuous locations in the sports wagering lounge and on conspicuously accessible electronic screens a general explanation of each type of sports wager offered and the point or money line odds. Any explanation shall not be misleading or unfair to [patrons] authorized sports bettors.

(b) *Display of available sports wagering information.* The available sports wagering information for specific sports events shall be displayed in a manner visible to the public. The display shall include the event number, corresponding odds and a brief description of the event. Such information also shall be available on conspicuously accessible electronic screens. Any display shall not be misleading or unfair to [patrons] authorized sports bettors.

[(c) *Lock times.* An operator shall establish a lock time for a wager after which no further wagering shall be accepted, which may correspond to the happening of an event. Such lock time shall be disclosed conspicuously and shall not be changed unless the official start time of an event has changed. No wager shall be accepted after such disclosed lock time.]

**§ 5329.17. Manner of placing wager.**

(a) *Placement of sports wagers.* All sports wagers accepted by a casino sports wagering licensee pursuant to this Part shall be placed within a sports wagering lounge with a sports wagering cashier at a sports wagering counter or at an automated ticket machine located within a sports wagering lounge or other location within the [gaming facility] casino as approved by the commission.

(b) *Forms of payment.* [Wagers] Sports wagers pursuant to this Part shall be made in cash, vouchers, gaming chips or [validated] wagering tickets of value or any other form of payment approved by the commission.

[(c) *Rescission.* An operator shall not rescind any wager made pursuant to this Part unless extraordinary circumstances exist and the prior written approval of the commission has been obtained.]

**§ 5329.18. [Wagering] Sports wagering tickets.**

(a) [*Wagering*] Sports wagering ticket requirements. Upon accepting a sports wager, a sports wagering cashier shall cause the sports wagering platform to generate a sports wagering ticket. The sports wagering ticket shall include, at a minimum, the following:

- (1) [operator's] casino sports wagering licensee's name;
- (2) event number;
- (3) description of event;
- (4) type of sports wager;
- (5) unique sports wagering ticket identifier;
- (6) a barcode or similar symbol or marking, as approved by the commission, corresponding to the unique sports wagering ticket number;
- (7) date and time of issuance;
- (8) cashier identifier or automated ticket machine identifier;
- (9) location of issuance;

- (10) amount of the sports wager;
- (11) date, or dates, of the sports event or events;
- (12) payout odds;
- (13) amount to be paid on a winning sports wager, unless the sports wager is a pari-mutuel wager;
- (14) the [patron's] authorized sports bettor's player card account number, if any; and
- (15) mail-in redemption instructions;
- (16) the sports wagering ticket's expiration date.

(b) *Expiration date of sports wagering ticket.* Any winning sports wagering ticket shall be deemed lapsed and ineligible for payment one year after the date of the last sports event that forms the basis of such sports wager. Any lapsed sports wagering ticket shall be unclaimed funds and shall be deposited by the commission pursuant to the requirements of Racing, Pari-Mutuel Wagering and Breeding Law section 1354 and subdivision (c) of section 5329.29 of this Part. [The wagering ticket shall display clearly on the wagering ticket, such expiration date.]

**§ 5329.19. [Wagering] Sports wagering restrictions.**

(a) *Age.* No person under 21 years of age may place a sports wager with [an operator] a casino sports wagering licensee, as required by Racing, Pari-Mutuel Wagering and Breeding Law section [1367(3)(d)] 1367(2)(d).

(b) *Prohibited persons.* [An operator] A casino sports wagering licensee shall not knowingly accept any sports wager from any prohibited sports [pool participant] bettor. No prohibited sports [pool participant] bettor is permitted to make such a sports wager [at any operator] with any licensee or collect winnings from any such sports wager, which sports wager shall be deemed void. Any person who is a direct or indirect legal or beneficial owner of 10 percent or greater of a sports governing body or any of such body's member teams shall not place or accept sports wagers on a sports event in which any member team of such sports governing body participates.

(c) *Proxy wagering and collection prohibited.* [An operator] A casino sports wagering licensee shall not make payment on a winning sports wager to a person who the [operator] licensee knows or reasonably should know is collecting the payment on behalf of another for monetary consideration or in violation of local, state or Federal law. [An operator] A casino sports wagering licensee shall not make payment on a winning sports wager to a person who the [operator] licensee knows or reasonably should know is engaging in such activity for profit or as a business enterprise. [An operator] A casino sports wagering licensee may withhold payment of a winning sports wager if a customer refuses to supply identification or any other documentation required by this Part or article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law.

(d) *Minimum and maximum [wager] sports wagers.* Minimum and maximum amounts of sports wagers shall be as established by [an operator's] a casino sports wagering licensee's house rules approved by the commission. [An operator] A casino sports wagering licensee shall disclose clearly the [maximum



and] minimum and maximum sports wagers applicable to the sports wagers such [operator] licensee offers.

**§ 5329.20. Certain payouts; wagering ticket control.**

(a) [*Wagers*] Sports wagers and payouts greater than \$10,000.

(1) Prior to accepting any sports wager in excess of \$10,000 or making a payout in excess of \$10,000 on a winning sports wagering ticket or voucher, [an operator] casino sports wagering licensee shall:

(i) create [a patron] an authorized sports bettor identification file and identify the [patron] authorized sports bettor;

(ii) obtain and record the [patron's] authorized sports bettor's Social Security number in the patron identification file; and

(iii) record, on a log, the following information, at a minimum:

(a) date of the sports wager or payout;

(b) name of the [patron] authorized sports bettor;

(c) name and signature of the employee authorizing the acceptance of the sports wager; and

(d) name and signature of the cashier identifying the [patron] authorized sports bettor and generating the sports wagering ticket or making the payout.

(2) For the purposes of this section, signatures may be electronic.

(3) [An operator] A casino sports wagering licensee shall monitor all sports wagering transactions to ensure [patrons] authorized sports bettors are not circumventing the identification requirements of paragraph (1) of this subdivision.

(b) *Redemption.* Winning sports wagering tickets shall be redeemed by a wagering cashier, an automated ticket machine located within a sports wagering lounge or a commission-approved mail-in procedure after verifying the validity of the sports wagering ticket through the sports wagering platform. The sports wagering platform shall redeem electronically and cancel the sports wagering ticket upon redemption. Should [the] a casino's sports wagering lounge be closed, the [casino] casino's cage shall be made available to redeem a winning sports wagering ticket.

(c) *Marking cashed sports wagering tickets.* [An operator] A casino sports wagering licensee shall establish procedures, approved by the commission, ensuring that each cashed or refunded sports wagering ticket shall not have the ability to be cashed or refunded again.

(d) *Storage.* [An operator] A casino sports wagering licensee shall maintain facilities and procedures that ensure the security of cashed sports wagering tickets and the integrity of records of outstanding sports wagering tickets. [An operator] A casino sports wagering licensee shall store, physically or by electronic record, cashed sports wagering tickets for one year and one day following the [sporting]

sports event in a secure area consistent with such [operator's] casino sports wagering licensee's internal controls as approved by the commission.

(e) *Access.* [An operator] A casino sports wagering licensee shall prohibit unauthorized individuals from having access to the cashed sports wagering tickets and related storage areas. A list of authorized individuals with access to such storage areas shall be filed with the commission. Any storage area shall comply with surveillance requirements set forth in sections 5314.4 and 5314.5 of the Part.

(f) [*Betting*] Sports wagering data retention. Each [operator] casino sports wagering licensee shall maintain all [betting] sports wagering data for a sports wager for at least 10 years and shall make any such data available to the commission upon request.

#### **§ 5329.21. Cancellation or rescission of sports wagers.**

(a) *Commission void.* The commission may order the voiding of sports wagers, and require refunds, on any event for which wagering, or the continuation of wagering, would be contrary to the public policies of [the state] this State.

(b) [*Patron*] Authorized sports bettor cancellation. A sports wagering ticket may be cancelled by [a patron] an authorized sports bettor at the discretion of the [operator] casino sports wagering licensee, so long as no [sporting] sports event upon which the sports wager was made has commenced.

(c) Rescission. A casino sports wagering licensee shall not rescind any sports wager made pursuant to this Part unless extraordinary circumstances exist and the prior written approval of the commission has been obtained.

[(c)] (d) *Payout adjustments.* House rules shall state clearly circumstances in which the payouts are to be adjusted, including, without limitation:

- (1) when sports wagers are affected by cancelled events;
- (2) when and for what reason or reasons sports wagers will be cancelled; and
- (3) application of aggregate limits as outlined in subdivision (b) of section 5329.14 of this Part.

#### **§ 5329.22. Structuring of multiple sports wagers.**

(a) *Prohibition.* [An operator] A casino sports wagering licensee shall not knowingly allow, and shall take reasonable steps to prevent, the circumvention of reporting requirements through [a patron] an authorized sports bettor making a structured sports wager, including multiple sports wagers or a series of sports wagers that are designed to accomplish indirectly that which could not be accomplished directly. A sports wager or wagers need not exceed the dollar thresholds at any single [operator] casino sports wagering licensee in any single day in order to constitute prohibited structuring. No [operator] casino sports wagering licensee shall encourage or instruct the [patron] authorized sports bettor to structure or attempt to structure sports wagers. This section does not prohibit [an operator] a casino sports wagering licensee from informing [a patron] an authorized sports bettor of the regulatory requirements imposed upon the [operator] casino sports wagering licensee, including the definition of

structured sports wagers. [An operator] A casino sports wagering licensee shall not knowingly assist [a patron] an authorized sports bettor in structuring or attempting to structure sports wagers.

(b) *Recording requirements.* Each [operator] casino sports wagering licensee shall maintain multiple transaction logs to monitor compliance. Such logs shall record all sports wagers made within any 24-hour period in excess of \$10,000, or in smaller amounts that aggregate in excess of \$10,000, when any single officer, employee or agent of such [operator] licensee has actual knowledge of the sports wagers or would in the ordinary course of business have reason to know of the sports wagers. Each log entry shall be made by the employee accepting or approving the sports wager, immediately after accepting the sports wager, and shall include at a minimum:

- (1) [patron's] authorized sports bettor's name and address;
- (2) window number or other identification of the location where the sports wager occurred;
- (3) time and date of the sports wager;
- (4) dollar amount of the sports wager;
- (5) signature or electronic signature of person accepting or approving the sports wager; and
- (6) [patron's] authorized sports bettor's player card number, if known.

(c) *Aggregating requirement.* Each [operator] casino sports wagering licensee shall aggregate all sports wagers in excess of \$10,000 when any single officer, employee or agent of such [operator] casino sports wagering licensee would in the ordinary course of business have knowledge of the sports wagers.

(d) *Identification requirement.* If [a patron] an authorized sports bettor places a sports wager that is to be aggregated with previous sports wagers for which a record has been completed pursuant to this section, the [operator] casino sports wagering licensee shall complete the identification, recordation and reporting procedures for any additional sports wager regardless of amount occurring during the 24-hour period.

#### **§ 5329.23. [Patron] Authorized sports bettor complaints.**

[An operator] A casino sports wagering licensee shall investigate diligently all [patron] authorized sports bettor complaints within five calendar days from receipt. Where a complaint is made to commission staff, consistent with existing commission authority, the commission shall have unfettered access to all information related to [patron] authorized sports bettor wagers and application of this Part or house rules as such information relates to assisting in addressing [patron] authorized sports bettor complaints. Any [patron] authorized sports bettor complaint that results in a dispute in excess of \$5,000 shall be brought immediately to the attention of the commission by the casino sports wagering licensee.

#### **§ 5329.24. [Operator reserve] Reserve requirement.**

Each [operator] casino sports wagering licensee must establish a cash reserve in an amount necessary to ensure the ability to cover outstanding sports pool liability, as approved by the commission.

**§ 5329.25. Prohibited actions.**

(a) *Dishonest obtaining of a benefit.* No person shall, in relation to an authorized sports wager, obtain a benefit by any dishonest act, practice or scheme or otherwise dishonestly obtain a benefit through the use of any device or item.

(b) *Altering or falsification of information.* Any person who knowingly alters or falsifies information recorded on any record, document or report required under this Part, for any purpose, including, without limitation, for the purpose of concealment, deception or circumvention of minimum internal control procedures, may be subject to penalties and other actions the commission may take pursuant to law (e.g., a fine, penalty or revocation of a [sports pool] license by the commission).

**§ 5329.26. Duties to report.**

(a) *Dishonest or unlawful acts.* In the event that [an operator] a casino sports wagering licensee or its employee, sports pool vendor or employee of a sports pool vendor, becomes aware, or reasonably suspects, a person has obtained a personal benefit or a benefit for another person by a dishonest or unlawful act affecting the conduct of a sports wager or a sports event, the results of which formed the basis, in whole or in part, of a sports wager; and/or there has been an unlawful act that has affected a sports wager or a sports event the results of which formed the basis, in whole or in part, of a sports wager, such [operator] casino sports wagering licensee, [operator's] casino sports wagering licensee's employee, sports pool vendor or sports pool vendor's employee shall give promptly the commission a written notice advising the commission of all material facts known about the matter and any documents or other evidence in the possession or control of such entity or person in connection with the matter.

(b) *Bribes.* If [an operator] a casino sports wagering licensee, [operator's] casino sports wagering licensee's employee, sports pool vendor or sports pool vendor's employee is approached with an offer or promise of a bribe or with a request or a suggestion for a bribe or for any improper, corrupt or fraudulent act or practice in relation to a sports wager or a sports event relating to a sports wager or with a suggestion that any sports wager or sports event relating to a sports wager be conducted otherwise than in accordance with the rules and regulations of the commission, it shall be the duty of such person to report such suggestion, offer, promise or bribe promptly to the commission. Failure to so report shall subject such person or persons and such [operator] casino sports wagering licensee and/or sports pool vendor associated with such person to the penalties and other actions the commission may take.

(c) *Suspicious activity.* [An operator] A casino sports wagering licensee shall report promptly to the commission any other suspicious activity involving such [operator] licensee in the operation of sports pools, whether such acts are committed by such [operator] casino sports wagering licensee, [operator's] casino sports wagering licensee's employee, sports pool vendor or sports pool vendor's employee, or whether such acts are committed against such [operator] casino sports wagering licensee or sports pool vendor, including, without limitation, criminal activity, financial irresponsibility, fraud, misrepresentation, security breaches, breach of confidentiality of [a patron's] an authorized sports bettor's personal information or any violation of article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law or this Part.

(d) *Criminal activity.* Any casino sports wagering licensee and sports pool vendor shall immediately report any suspected criminal activity to the commission.

(e) Sports event integrity. In the event [an operator] a casino sports wagering licensee or sports pool vendor becomes aware of or reasonably suspects that the integrity of a sports event or occurrence within a sports event has been affected or compromised by sports wagering activity, such licensee or vendor shall report to the commission promptly all facts and circumstances relating to such awareness or suspicion.

[(e)] (f) Money laundering. In the event [an operator] a casino sports wagering licensee or sports pool vendor becomes aware or reasonably suspects that there is a fraudulent or suspicious transaction in the operation of sports pools that may involve money laundering, or an activity similar to money laundering, as set forth in section 5315.17 of this subchapter, the [operator] casino sports wagering licensee or sports pool vendor shall report promptly in writing the suspicious activity to the commission. Nothing in this section shall relieve [the operator] a licensee from any related reporting requirements under any other local, state or Federal laws. Such [operator] licensee shall make available to the commission any documents or access to computer or other data systems that the commission may request in connection with the matter.

[(f)] (g) Suspicious [betting] sports wagering activity and suspicious sports wagers. [An operator] A casino sports wagering licensee:

(1) shall file with the commission a report of any suspicious [betting] wagering activity or suspicious sports wager, if such suspicious [betting] wagering activity or suspicious sports wager involves or aggregates to more than \$10,000 in funds or other assets;

(2) may file a report of any suspicious [betting] wagering activity or suspicious sports wager, without regard to the amount, if the [operator] casino sports wagering licensee believes that such reporting may be relevant to the possible violation of any law or regulation; and

(3) shall file any report pursuant to paragraphs (1) or (2) of this subdivision no later than two calendar days after the initial detection by the [operator] casino sports wagering licensee of facts that may constitute a basis for filing such a report. If no suspect was identified on the date of the detection of the incident requiring the filing, [an operator] a casino sports wagering licensee may delay filing a report for an additional seven calendar days to identify a suspect. In no case shall reporting be delayed more than nine calendar days after the date of initial detection of a reportable transaction. In situations involving violations that require immediate attention, [an operator] a casino sports wagering licensee shall notify commission staff immediately, in addition to timely filing a report.

[(g)] (h) Retention period. [An operator] A casino sports wagering licensee shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report.

(i) Other reporting requirements. Each casino sports wagering licensee shall report promptly to the commission any of the information and material required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(12)(e)(i).

(j) Investigation of reports made to the commission. The commission shall investigate any report of conduct made pursuant to Racing, Pari-Mutuel Wagering and Breeding Law section 1367(12)(j) or subdivision (d) of this section. If the commission determines that there has been a violation of law, including, without limitation, commission regulations, the commission shall have the discretion to take

appropriate measures, including, without limitation, discipline of licensees and registrants through actions on licenses and registrations and fines. The commission shall make appropriate referrals to other law enforcement agencies when such investigations reveal evidence of a violation of law, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 104(12).

(k) Interstate integrity monitoring. The commission may, in the commission's discretion, share information or data in regard to the integrity of sports events with other jurisdictions, or entities or agencies thereof, or with any entity maintaining an interstate database of sports wagering information for the purpose of integrity monitoring, as permitted by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(12)(g) and (h).

**§ 5329.27. Sports pool integrity; confidential information.**

(a) *Identification and reporting of unusual [betting] wagering activity.* Each [operator] casino sports wagering licensee shall have controls in place to identify unusual [betting] wagering activity and report such activity to an independent integrity [monitoring provider] monitor, or to the commission if the commission so directs.

(b) *Notification to all [operators] casino sports wagering licensees and reporting of similar activity.* Each independent integrity [monitoring provider] monitor shall share information in regard to any unusual [betting] wagering activity with each other independent integrity [monitoring provider] monitor working with other [operators] casino sports wagering licensees in this State and shall provide a report of such unusual [betting] wagering activity to all participating casino sports [pool operators] wagering licensees. Each casino sports [pool operator] wagering licensee shall review each such report and notify the independent integrity [monitoring provider] monitor of whether or not such [operator] licensee has experienced similar activity.

(c) *Suspicious [betting] wagering activity identification and notification.* If an independent integrity [monitoring provider] monitor finds that previously reported unusual [betting] wagering activity rises to the level of suspicious [betting] wagering activity, such independent integrity [monitoring provider] monitor immediately shall notify all other independent integrity [monitoring providers] monitors, each [sports pool operator] casino sports wagering licensee and sports pool vendor, the commission, the appropriate sports governing authority and, if so directed by the commission, other regulatory agencies.

(d) *Suspension of sports wagering.* A casino sports [pool operator] wagering licensee receiving a report of suspicious [betting] wagering activity shall be permitted to suspend sports wagering on events related to such report, but may cancel related sports wagers only upon commission approval to do so.

(e) *Commission access to monitoring system.* Each independent integrity [monitoring provider] monitor shall provide the commission with remote access to the following information of such provider:

- (1) all reports of unusual [betting] wagering activity;
- (2) whether the unusual [betting] wagering activity was determined to be suspicious [betting] wagering activity; and
- (3) the actions taken by the independent integrity [monitoring provider] monitor.

(f) *Information sharing.* The commission and sports governing bodies may share information in regard to the integrity of sports events, as set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1367(12)(e)(ii).

(g) *Hardware access.* The commission may require a casino sports [pool operator] wagering licensee to provide any hardware necessary to the commission for evaluation of a sports [pool] wagering offering or to conduct further monitoring of data provided by the system of such [operator] licensee.

(h) *Confidentiality.* All information and data received pursuant to this Part by the commission related to unusual or suspicious [betting] wagering activity shall be considered confidential and shall not be revealed in whole or in part, except

(1) upon the lawful order of a court of competent jurisdiction; or

(2) with any law enforcement entity, team, college or university, sports governing body or regulatory agency that the commission deems appropriate.

### **§ 5329.28. Tax.**

(a) *Tax rate.* Gross gaming revenue from sports pool wagering conducted by a casino sports wagering licensee shall be taxed at the rate [applied to gross gaming revenue from all other sources within the meaning of] set forth in Racing, Pari-Mutuel Wagering and Breeding Law section [1351] 1367(7).

(b) *Payment.* Tax attributable to sports pool wagering conducted by each casino sports wagering licensee, including any applicable interest and penalties, shall be transmitted weekly by electronic funds transfer to the commission. All gross gaming taxes relating to sports wagering conducted by a casino sports wagering licensee are the responsibility of, and shall be paid by, [an operator] such casino sports wagering licensee.

(c) *Reports.* All weekly gross gaming revenue tax reports filed with the commission pursuant to this section shall reflect all gross gaming revenue received by the [operator] casino sports wagering licensee for the period of the return.

(d) *Additional tax or refunds.* When the commission finds that [an operator] a casino sports wagering licensee is required to pay additional taxes or finds that [an operator] a casino sports wagering licensee is entitled to a refund of taxes, the commission shall report to such [operator its] licensee the commission's findings, along with the legal basis upon which such findings are made.

### **§ 5329.29. Gross gaming revenue reports and reconciliation.**

(a) *Gross gaming revenue.* Gross gaming revenue generated pursuant to this Part shall equal the total of all sports wagers received less voided sports wagers, [or] cancelled sports wagers and amounts paid out for winning sports wagers. The amounts of sports wagers placed by [an operator] a casino sports wagering licensee and amounts received by [the operator] a casino sports wagering licensee as payments on layoff wagers made pursuant to section 5329.15 of this Part or section 5330.15 of this subchapter shall not affect the computation of the [operator's] casino sports wagering licensee's gross gaming revenue.

(b) *Daily gross gaming revenue.* For sports wagering operations, [an operator's] a casino sports wagering licensee's accounting department member shall determine the daily gross gaming revenue amount as set forth in such [operator's] casino sports wagering licensee's internal controls.

(c) *Unclaimed funds.* Unclaimed funds, cash and prizes shall be reported to the commission on the gross gaming revenue report during the week in which the funds, cash and prizes expire and shall be remitted to the commission with the gross gaming revenue for that week for deposit pursuant to the requirements of Racing, Pari-Mutuel Wagering and Breeding Law section 1354.

(d) *Forfeiture of winnings.* Forfeiture of winnings as set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1345 and gross gaming tax as prescribed in Racing, Pari-Mutuel Wagering and Breeding Law section [1351] 1367(7), including any applicable interest and penalties, shall be transmitted weekly by electronic funds transfer to the commission. Such transmissions are the responsibility of, and shall be made by, the [operator] casino sports wagering licensee.

(e) *Calendar year recap.* Each casino sports wagering licensee shall submit a report to the commission on or before February twenty-eighth of each year, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(6)(a), detailing for such casino:

(1) the total amount of sports wagers received in currency and number of bets placed;

(2) the total amount of sports wagers won by authorized sports bettors in currency and number of bets;

(3) the total amount of gross gaming revenue received by the casino sports wagering licensee;

(4) the total amount wagered on each sports governing body's events;

(5) the number of accounts, if applicable, held by authorized sports bettors;

(6) average account balance, if applicable;

(7) the total number of new accounts, if applicable, established in the previous year, as well as the total number of accounts permanently closed in the previous year; and

(8) the total number of voluntary self-exclusions in the previous year.

[(e)] (f) *Examination by commission.* [The operator] Each casino sports wagering licensee shall permit duly authorized representatives of the commission to examine [the operator's] such licensee's accounts and records for the purpose of certifying gross revenue.

[(f)] (g) *Promotions.* Promotional [gaming credits] spend shall not be [used in a sports wagering lounge] deducted from revenue or added to loss when calculating gross gaming revenue. No promotion related to sports wagering may be offered without the prior approval of the commission.

### **§ 5329.30. Accounting and financial records.**

(a) *Record of transactions.* [An operator] Each casino sports wagering licensee shall maintain complete, accurate and legible records of all transactions pertaining to such licensee's revenues,



expenses, assets, liabilities and equity in conformance with generally accepted accounting principles. The failure of [an operator] a casino sports wagering licensee to maintain such records according to such principles shall be a violation of this section.

(b) *Accounting requirements.* The accounting records maintained by [an operator] a casino sports wagering licensee shall be maintained using a double-entry system of accounting with transactions recorded on the accrual basis and supported by detailed subsidiary records. Such subsidiary records shall include, at a minimum, each of the following:

(1) detailed general ledger accounts identifying all revenue, expenses, assets, liabilities and equity for such [operator] licensee;

(2) a record of all investments, advances, loans and accounts receivable balances due to such [operator] casino sports wagering licensee;

(3) a record of all loans and other accounts payable by such [operator] casino sports wagering licensee;

(4) a record of all accounts receivable written off as uncollectible by such [operator] casino sports wagering licensee;

(5) records that identify total winnings paid out:

(i) on each sports wager; or

(ii) by another accounting period pre-approved in writing by the commission;

(6) records required by such [operator's] casino sports wagering licensee's system of internal controls;

(7) work papers supporting the monthly reconciliation of cash accountability; and

(8) other records that the commission may require, in writing, to be maintained.

(c) *Retention period.* Notwithstanding anything in this section to the contrary, each accounting record shall be kept by [an operator] a casino sports wagering licensee for a period of not less than five years from date of creation of such record.

### **§ 5329.31. Duties to give evidence.**

It shall be the duty of each [operator] casino sports wagering licensee and each employee or other person associated with each such licensee to report promptly when requested or ordered to do so by any official of the commission in furtherance of an investigation or hearing pursuant to this subchapter and to testify under oath concerning any facts within such licensee's or such person's knowledge and to produce any books, records, written matter or other evidence within such licensee's or such person's possession or control relevant to such matter.

**§ 5329.32. Reporting of compliance.**

Each [operator] casino sports wagering licensee shall, prior to commencing operations, and annually thereafter, perform a system integrity and security assessment conducted by an independent professional selected by [the operator] such licensee, the scope of which assessment shall be subject to the approval of the commission. In addition, the commission, at its discretion, may publish bulletins to specify additional yearly testing requirements. The independent professional's report on the assessment shall be submitted to the commission and shall include:

- (a) scope of review;
- (b) name and company affiliation of each person who conducted the assessment;
- (c) date of the assessment;
- (d) findings;
- (e) recommended corrective action, if applicable; and
- (f) the [operator's] casino sports wagering licensee's response to the findings and recommended corrective action.

**§ 5329.33. Review, examination of records.**

The commission or the commission's designee may:

- (a) conduct periodic examinations of the accounting and financial records of [operators] casino sports wagering licensees;
- (b) review the accounting principles and procedures used by [operators] casino sports wagering licensees;
- (c) review and observe methods and procedures used by [operators] casino sports wagering licensees to count and handle sports wagers made with cash, vouchers, gaming chips or wagering tickets of value;
- (d) examine accounting and financial records of [an operator] a casino sports wagering licensee or a person controlling, controlled by or under common control with such [operator] casino sports wagering licensee;
- (e) obtain copies from the [operator] casino sports wagering licensee of outstanding deposited check instruments, checks returned and held, collection activities taken and settlement of disputed items.

**§ 5329.34. Responsible gaming.**

Each [operator] casino sports wagering licensee and sports pool vendor [licensee] shall comply with the problem gaming, self-exclusion and excluded person requirements set forth in Parts 5325 and 5327 of this subchapter and Part 5402 of this subtitle.

**§ 5329.35. Other regulations apply.**

Unless the context of this Part indicates otherwise, the regulations set forth elsewhere in this subchapter are applicable to sports wagering.

**§ 5329.36. Suspension, fines, revocation and other discipline.**

(a) *Discipline.* Consistent with existing commission authority, and in addition to authority to suspend licenses or registrations of individuals, the commission may suspend or revoke a casino sports [pool] wagering license, sports pool vendor license or a gaming vendor license, or fine or otherwise discipline [an operator or gaming vendor] any such licensee for any reason or combination of reasons set forth in this subdivision:

- (1) violations of article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law, this subchapter or any other applicable law [or regulation], including regulation;
- (2) failure to comply with instructions of the commission concerning a licensed activity;
- (3) conviction of any:
  - (i) felony offense, as such term as defined in Penal Law section 10.00(5), or an equivalent offense committed in another jurisdiction;
  - (ii) a misdemeanor related to gambling, gaming, bribery, fraud or any other offense prejudicial to public confidence;
- (4) failure to file any returns or reports, keep records or to pay any fee or submit revenue as may be required;
- (5) fraud, deceit, misrepresentation or conduct prejudicial to public confidence in gaming;
- (6) whenever the commission finds that the [operator's] experience, character[,] and general fitness of a licensee are such that participation in operating a sports pool is inconsistent with the public interest or convenience; or
- (7) for any other reason within the discretion of the commission.

(b) *Opportunity to be heard.* The commission shall allow [an operator] a casino sports wagering licensee or sports pool vendor an opportunity to be heard before imposing any discipline pursuant to this section. [An operator or sports pool vendor] A licensee that has been disciplined pursuant to this section may request a de novo hearing before a hearing officer, with the matter to be decided by the commission.

**A new Part 5330 is be added to 9 NYCRR, to read as follows:**

**PART 5330**

**Mobile Sports Wagering**

Section

- 5330.1 Applicability and definitions
- 5330.2 Licensing of platform providers and skins
- 5330.3 Term of mobile sports wagering license and renewal
- 5330.4 Vendor licensing
- 5330.5 Reporting of changes
- 5330.6 Licensing of individuals
- 5330.7 Misconduct and improper associations
- 5330.8 Internal controls for mobile sports wagering
- 5330.9 [Reserved]
- 5330.10 System requirements for mobile sports wagering
- 5330.11 [Reserved]
- 5330.12 House rules
- 5330.13 Sports wager types
- 5330.14 [Reserved]
- 5330.15 Layoff wagers
- 5330.16 [Reserved]
- 5330.17 Acceptance of sports wagers
- 5330.18 [Reserved]
- 5330.19 Sports wagering restrictions
- 5330.20 [Reserved]
- 5330.21 Cancellation or rescission of sports wagers
- 5330.22 [Reserved]
- 5330.23 Authorized sports bettor complaints
- 5330.24 Skin reserve requirements
- 5330.25 Prohibited actions
- 5330.26 Duties to report
- 5330.27 Mobile sports wagering integrity; confidential information
- 5330.28 Tax
- 5330.29 Gross gaming revenue reports and reconciliation
- 5330.30 Accounting and financial records
- 5330.31 Duties to give evidence
- 5330.32 Reporting of compliance
- 5330.33 Review, examination of records
- 5330.34 Responsible gaming
- 5330.35 [Reserved]
- 5330.36 Suspension, fines, revocation and other discipline
- 5330.37 Authorized sports bettor account requirements
- 5330.38 Mobile sports wagering promotions
- 5330.39 License fee
- 5330.40 Server and other equipment

- 5330.41 Regulatory costs
- 5330.42 Fee for preparation of statutory report
- 5330.43 Anti-money laundering program
- 5330.44 Geolocation requirements

**§ 5330.1. Applicability and definitions.**

(a) *Applicability.* This Part applies to mobile sports wagering conducted by a mobile sports wagering licensee pursuant to Racing Pari-Mutuel Wagering and Breeding Law sections 1367 and 1367-a.

(b) *Definitions.* Unless the context indicates otherwise, the following definitions and the definitions set forth in Racing, Pari-Mutuel Wagering and Breeding Law sections 1367 and 1367-a are applicable throughout this Part:

(1) *Authorized sports bettor's account or account* means an arrangement between an authorized sports bettor and a skin used to execute a mobile sports wager.

(2) *Automated clearing house* means a network that coordinates electronic payments and automated money transfers.

(3) *Biometric data* means anything that relates to the measurement of a person's physical features and characteristics, including, without limitation, to fingerprint, facial recognition, voice recognition and other methods as approved by the commission.

(4) *Geolocation* means a method used to detect the physical location of an authorized sports bettor attempting to place a mobile sports wager.

(5) *KYC or know your customer* means a process of identifying and verifying the identity of a person who is opening an account.

(6) *Mobile sports wagering licensee* has the meaning set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1367(a) and refers to either a platform provider, a skin or both, as the context requires.

(7) *Mobile sports wagering promotion* means a method by which an authorized sports bettor receives a monetary or odds benefit to be applied to a mobile sports wager or wagers, which may include, without limitation, bonuses, odds boosts, risk-free bets and deposit matches.

(8) *Mobile sports wagering vendor* means a licensed vendor offering goods or services that directly relate to mobile sports wagering activity.

(9) *Multi-factor authentication* means a method approved by the commission that effectively provides greater account security for a user to gain access to a technological resource than a username-and-password combination alone.

(10) *Platform provider*, in addition to the meaning set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1367(1), means an entity operating a mobile sports wagering platform system that, among other functionality, performs the acceptance and registration of all sports wagers; generates all electronic sports wagering tickets; computes sports wagering in the pool and payoffs;

maintains records of all sports wagering activities; and generates or submits all reports required by the commission.

(11) *Prohibited sports bettor* means any person or entity whose participation may undermine the integrity of mobile sports wagering on a sports event or the conduct of such sports event itself, or any person who, or entity that, is prohibited for other good cause, including, without limitation, the following, as prescribed by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(1) and this paragraph:

- (i) any individual placing a mobile sports wager as an agent or proxy;
- (ii) any athlete whose performance may be used to determine, in whole or in part, the outcome of such mobile sports wagering;
- (iii) any person who is an athlete, player, coach, referee or other game official, physician, trainer, sports agent, owner or employee or independent contractor of a team, player union and umpire union personnel, and employee, referee, coach or official of a sports governing body, team employee or governing body employee, in any sports event overseen by such person's sports governing body;
- (iv) any person with access to material, non-public confidential information about a sports event that is the subject of such wagering;
- (v) a person identified to the commission by a sports governing body that the commission agrees is a person who should be a prohibited sports bettor;
- (vi) any person who holds a position of authority or influence sufficient to exert influence over the participants in a sports event that is the subject of a mobile sports wager, if such person is not otherwise described by this subdivision;
- (vii) any principal, key employee or casino gaming employee of a casino and its affiliates, except as may be permitted by the commission;
- (viii) any non-gaming employee at the casino that hosts the server or other equipment of a mobile sports wagering licensee;
- (ix) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, of a casino sports wagering licensee if such person is directly involved in the operation or observation of sports wagering, or the processing of sports wagering claims or payments;
- (x) any employee of a mobile sports wagering licensee and its affiliates, except as may be permitted by the commission;
- (xi) any contractor, subcontractor, or consultant, or officer or employee of a contractor, subcontractor, or consultant, of a mobile sports wagering licensee if such person is directly involved in the operation or observation of mobile sports wagering, or the processing of mobile sports wagering claims or payments;

(xii) any person subject to a contract with the commission if such contract contains a provision prohibiting such person from participating in sports wagering;

(xiii) any spouse, child, sibling or parent residing in the principal place of abode of any of the foregoing persons where the foregoing person is prohibited from participating in mobile sports wagering;

(xiv) any officer or employee of the commission; and

(xv) any minor.

(12) *Skin* means a mobile sports wagering operator, as defined in Racing Pari-Mutuel Wagering and Breeding Law section 1367(1), that is a public-facing operator that accepts sports wagers from authorized sports bettors through a platform provider.

(13) *Wallet* means an instrument maintained by a platform provider or skin that facilitates deposits and withdrawals from an authorized mobile sports wagering bettor and may be used across all skins on a single platform

### **§ 5330.2. Licensing of platform providers and skins.**

(a) *Eligibility.* Only platform providers and associated skins selected by the commission as a result of a competitive request-for-application process conducted by the commission may submit a license application to operate as such.

(b) *Disqualification of applications.* The commission may disqualify any application to become a platform provider and associated skin that:

(1) is not timely;

(2) fails to meet the requirements set forth in the request for applications;

(3) is submitted by an entity that engaged in collusive bidding with another applicant, unless the commission determines that such activity was not made for the purpose of restricting competition or impairing the ability of the commission to make selections that maximize value to the State.

(c) *Selected applicants.* A selected platform provider applicant shall be eligible for licensure by the commission as such. Potential skins associated with selected platform provider applicants shall be eligible for licensure by the commission as skins.

(d) *Commission review of agreements.* Upon execution of an agreement between a skin and its platform provider, the platform provider applicant shall submit such agreement to the commission for review prior to licensure.

(e) *Standards for licensure.* A platform provider, a skin and a mobile sports wagering vendor shall satisfy the standards for licensure equivalent to those set forth for a casino vendor enterprise set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1326 and Parts 5303 and 5307 of this subchapter.

**§ 5330.3. Term of mobile sports wagering license and renewal.**

(a) *Term.* A license granted to a mobile sports wagering licensee shall remain in effect for up to 10 years. See Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(2)(b), establishing a maximum license period.

(b) *Renewal.* The commission shall establish the process and requirements for renewal at an appropriate time that coincides with the ending of such term of license established in subdivision (a) of this Part.

(c) *Reporting of changes.* A mobile sports wagering licensee shall report any changes to its application, as set forth in section 5329.5 of this subchapter, which changes are subject to the approval of the commission.

**§ 5330.4. Vendor licensing.**

Entities offering goods and services that directly relate to gaming activity with a mobile sports wagering licensee, including, without limitation, manufacturers, suppliers, software providers and repair companies, shall submit a mobile sports wagering vendor license application. Each mobile sports wagering vendor shall be licensed as such according to the standards equivalent to those set forth for casino vendor enterprises in Racing Pari-Mutuel Wagering and Breeding Law section 1326 and Parts 5303 and 5307 of this subchapter.

**§ 5330.5. Reporting of changes.**

Each mobile sports wagering licensee and mobile sports wagering vendor shall have a continuing duty to disclose, as soon as practicable, any material change or changes in such entity's business form or activity; information submitted in support of a review pursuant to section 5330.3 of this Part; information provided to authorized sports bettors; information provided to investors; or information provided in an annual report, or statutory duty to provide information, to the commission.

**§ 5330.6. Licensing of individuals.**

(a) *Mobile sports wagering key employees.* A person directly involved in the conduct and operation of mobile sports wagering pursuant to this Part who is determined to be a key employee, whether at a mobile sports wagering licensee or mobile sports wagering vendor, shall be licensed by the commission as a mobile sports wagering key employee according to standards equivalent to those of a casino key employee, as determined by the commission, as guided by the standards set forth in title 3 of article 13 of the Racing, Pari-Mutuel Wagering and Breeding Law and Parts 5303 and 5304 of this subchapter.

(b) *Mobile sports wagering employees.* Each mobile sports wagering licensee shall register with the commission employees involved in the operation of mobile sports wagering pursuant to this Part who are not deemed to be a mobile sports wagering key employee pursuant to subdivision (a) of this section. Registration shall consist of the submission to the commission, quarterly, a roster of such employees that shall identify each employee's name, job title, job location and such other identifying information as the commission may require. Any employee information that has changed or been deleted from the previous quarterly report shall be highlighted.



(c) *Persons requiring access to mobile sports wagering server and other equipment.* A person employed by a mobile sports wagering licensee who requires access to servers and other equipment located at a casino shall be licensed as a mobile sports wagering employee according to standards equivalent to those set forth in section 5304 of this subchapter. Such employees shall be granted access to the casino only for duties as they relate to mobile sports wagering.

**§ 5330.7. Misconduct and improper associations.**

The provisions of section 5329.7 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee and mobile sports wagering vendor licensee.

**§ 5330.8. Internal controls for mobile sports wagering.**

(a) *Submission.* Each mobile sports wagering licensee shall submit to the commission, for approval, internal controls for all aspects of mobile sports wagering operations prior to commencing operations. The submission of internal controls shall be organized to correspond to the subdivisions set forth in this section.

(b) *System requirements.* Internal controls for system requirements shall address:

- (1) user access controls;
- (2) a description of segregation of duties;
- (3) procedures for identifying and reporting fraud and suspicious conduct or activity;
- (4) procedures to prevent sports wagering by patrons prohibited from sports wagering;
- (5) a description of all integrated third-party systems;
- (6) procedures on how to maintain the integrity of sports wagering platforms, authorized sports bettor's data and sports wagering data storage in the case of a system failure;
- (7) description of the secure method to control remote access to the sports wagering platform using firewalls or other protections and maintaining secure logs;
- (8) all data sources used in sports wager determination. Official data from a sports governing body shall be used to determine all sports wagers, unless a skin (through its data provider vendor, if applicable) demonstrates to the satisfaction of the commission that sports wagers for such sports wager type may be determined reliably, accurately and timely by an alternative data source. If the commission determines that an alternative data source for a type of wager is acceptable, then each skin shall be permitted to use such alternative data source to settle such wager types. See Racing, Pari-Mutuel Wagering and Breeding Law section 1367(14);
- (9) the method in which the mobile sports wagering licensee shall implement the statewide voluntary self-exclusion database and other prohibited sports bettors into its system; and

(10) where the mobile sports wagering licensee plans to list, on a website or mobile application, information concerning assistance for compulsive play in New York State, including a toll-free number directing callers to reputable resources, free of charge to the caller.

(c) *Authorized sports bettor account requirements.* Internal controls for authorized sports bettor account requirements shall address:

(1) controls in place to limit each authorized sports bettor to one active account per skin, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(4)(a)(i);

(2) the multi-factor authentication method to be used;

(3) the mechanism for an authorized sports bettor to establish daily, weekly or monthly deposit limits, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(4)(a)(xii);

(4) controls in place to prohibit anyone under the age of 21 from participating in mobile sports wagering;

(5) the mechanism, if any, the platform provider or skin will use to create a wallet to be used by authorized sports bettors across multiple skins associated with such platform provider;

(6) the systems and procedures in place to maintain the security of authorized sports bettors' accounts, including the encryption of personally identifiable information and biometric data, Social Security number, account personal identification number and/or password and methods of account funding;

(7) how the mobile sports wagering licensee intends to meet all requirements set forth in section 5330.4 of this Part;

(8) procedures for issuing a form W-2G, if such thresholds are met;

(9) procedures for authorized sports bettors to obtain a year-end win-loss statement;

(10) the mechanism for allowing an authorized sports bettor to close an account;

(11) a procedure for when an authorized sports bettor's lifetime deposits reach \$2,500, and every year thereafter, for such bettors to acknowledge the bettor has met the deposit threshold and may elect to establish limits or close such account and that the bettor has received disclosures that include problem gaming resources, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(4)(a)(xiii); and

(12) how a dormant account is defined and what the process is for reconciliation of such accounts.

(d) *Prevention of circumvention of sports wagering amount acknowledgments.* A skin shall provide the acknowledgment set forth in paragraph (11) of subdivision (c) of this section whenever such skin knows or should know that an authorized sports bettor has taken or is attempting to take action designed to circumvent the monetary threshold set forth in such paragraph.

(e) *Operational requirements.* Internal controls for operational requirements shall address:

- (1) a description of how the skin intends to segregate sports bettors' funds from operating funds;
- (2) procedures to ensure no sports wagering shall be based on a prohibited sports event;
- (3) a description of anti-money laundering compliance standards;
- (4) a description of the monitoring system that identifies and reports suspected structured sports wagers and unusual or suspicious wagering activity;
- (5) procedures for the skin reconciling gross gaming revenue and remitting such amount to the platform provider for the payment of taxes and fees to the commission; and
- (6) in the event of changes and upgrades to the mobile sports wagering server or other hardware and software used to execute mobile sports wagering, procedures the mobile sports wagering licensee intends to follow in order to receive approval from the commission, including recertification of such sports wagering components.

(f) *Amendments to internal controls.* A mobile sports wagering licensee shall submit to the commission any proposed amendment to such licensee's approved internal controls at least 30 days in advance of the date the proposed amendment is intended to take effect. If a proposed amendment is requested to take effect in fewer than 30 days, the mobile wagering licensee shall submit an expedited amendment request to the commission.

**§ 5330.9. [Reserved]**

**§ 5330.10. System requirements for mobile sports wagering.**

(a) *Submission to laboratory.* Prior to conducting mobile sports wagering, all equipment and software used in conjunction with its operation shall be submitted to a licensed independent gaming test laboratory for review and certification for compliance with the standards set forth in this Part and any additional technical requirements the commission establishes.

(b) *Server location.* The platform, servers and other equipment to accept sports wagers shall be located within a casino, as the commission shall direct and facilitate. A casino at which such equipment is located shall ensure that access to such equipment is granted to licensed employees of the mobile sports wagering licensee whose equipment is located there.

(c) *Platform provider requirements.* The systems of a platform provider shall be able to provide the following, at a minimum:

- (1) acceptance and registration of all sports wagers;
- (2) generation of all electronic sports wagering tickets;
- (3) computation of sports wagering and payoffs;
- (4) maintenance of records of all sports wagering activities;
- (5) generation of all reports;

(6) maintenance of the integrity of sports wagering platforms, authorized sports bettors' data and sports wagering data storage in the case of a system failure, using methods outlined in the approved internal controls of the platform provider;

(7) creation of a secure method to control remote access to the platform using firewalls or other protections and maintenance of secure logs outlined in the approved internal controls of the platform provider;

(8) maintenance of all transactional sports wagering data for a period of five years, to which each authorized sports bettor shall have ready access with respect to each sports bettor's own data and which shall be capable of being provided to such bettor through a customer service inquiry within 10 days of such request, all at no cost to such bettor; and

(9) establishment of a wallet that authorized sports bettors may use across all skins in New York State associated with such platform provider, so long as the commission has approved such establishment.

(d) *Skin requirements.* The systems of a skin shall be responsible for the following, at a minimum:

(1) establishment of public-facing markets and odds for display to an authorized sports bettor holding an account with such skin;

(2) guarantee of the payment of winning sports wagers;

(3) creation of a mechanism for an authorized sports bettor to establish daily, weekly or monthly deposit limits;

(4) limitation of each authorized sports bettor to one active account per skin;

(5) prohibition of anyone under the age of 21 from participating in mobile sports wagering;

(6) employment of systems and procedures to maintain the security of authorized sports bettors' accounts and information from tampering or unauthorized access, using the minimum standard encryption of AES 256 or other NIST standards. Such information to be secured shall include:

(i) personally identifiable information, including Social Security number;

(ii) biometric data, including account personal identification number and/or password;

(iii) methods of account funding, including credit card numbers, bank account numbers or other personal financial information; and

(iv) sports wagering data, accounts, reports, significant events or other sensitive information obtained through the operation of mobile sports wagering;

(7) creation of logs that can be exported in regard to player activity and sports wagering information, as may be required by the commission;

(8) ensuring that no sports wagering is based on a prohibited sports event;

(9) implementation of a monitoring system that identifies and reports suspected structured sports wagers and unusual or suspicious wagering activity; and

(10) establishing procedures for the temporary suspension of an account, at the request of an account holder or on the initiative of the skin.

(e) *Third-party communications.* If a mobile sports wagering licensee communicates with a third-party system, such licensee shall ensure the integrity of such communications through encryption or the use of secure communications protocols.

(f) *Information recording.* A mobile sports wagering system provided by a mobile sports wagering licensee shall be capable of recording the following information for each sports wager made in the system:

(1) description of event;

(2) sports wager selection;

(3) type of sports wager;

(4) amount of sports wager;

(5) date and time of sports wager; and

(6) unique sports wager identifier.

(g) *Past posting and known-event outcomes.* A skin shall prevent past posting of sports wagers and the voiding or cancellation of sports wagers after the outcome of an event is known.

(h) *Self-authentication.* A skin shall, at least once every 24 hours, perform a self-authentication process on all software used in the mobile sports wagering system to offer, record and process sports wagers to ensure there have been no unauthorized modifications. In the event that an unauthorized modification is identified as a result of this process, a skin shall notify the commission promptly. The mobile sports wagering system shall record the results of all self-authentication attempts and maintain such record for a period of not less than 90 days.

(i) *Controls.* A skin shall have controls in place to review the accuracy and timeliness of any data feeds used in its mobile sports wagering system to offer or settle sports wagers. In the event that an incident or error occurs that results in a loss of communication with data feeds, such error shall be recorded in a log capturing the date and time of the error and the nature of the error. Errors shall be submitted to the commission within 48 hours of occurrence. Such information shall be maintained by the reporting skin for a period of not less than six months.

(j) *Commission access to systems and data.* Consistent with existing commission authority and in a manner approved by the commission, a skin shall provide the commission with access to servers and other software used in creation of sports wagers, sports wagering transactions and related data the commission may deem necessary.

**§ 5330.11. [Reserved]**

**§ 5330.12. House rules.**

The provisions of section 5329.12 of this subchapter are incorporated herein and shall apply also to each skin.

**§ 5330.13. Sports wager types.**

The provisions of section 5329.13 of this subchapter are incorporated herein and shall apply also to each skin.

**§ 5330.14. [Reserved]**

**§ 5330.15. Layoff wagers.**

A skin may, in its discretion, accept a layoff wager from another New York State licensed skin or a casino sports wagering licensee, as casino sports wagering licensee is defined in section 5329.1 of this subchapter. Any such wager shall be placed in the name of the skin or casino sports wagering licensee itself that is placing the layoff wager. A layoff wager and, if applicable, a resultant payout shall not be included in the calculation of mobile sports wagering gross gaming revenue. Each layoff wager shall be reported to the commission, if possible, prior to the placement of such wager. If not possible, a skin or casino sports wagering licensee shall submit the details of the layoff wager to the commission's division of gaming within 24 hours of the placement of such wager. Layoff wagers shall not be executed with operators in other jurisdictions unless all Federal law requirements are met as well.

**§ 5330.16. [Reserved]**

**§ 5330.17. Acceptance of sports wagers.**

No mobile sports wager shall be valid until such sports wager is accepted at a server or other electronic equipment located at a casino.

**§ 5330.18. [Reserved]**

**§ 5330.19. Sports wagering restrictions.**

The provisions of section 5329.19 of this subchapter are incorporated herein and shall apply also to each skin.

**§ 5330.20. [Reserved]**

**§ 5330.21. Cancellation or rescission of sports wagers.**

The provisions of section 5329.21 of this subchapter are incorporated herein and shall apply also to each skin.

**§ 5330.22. [Reserved]**

**§ 5330.23. Authorized sports bettor complaints.**

(a) *Incorporation.* The provisions of section 5329.23 of this subchapter are incorporated herein and shall apply also to each skin.

(b) *Additional requirements.* In addition, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(5):

(1) a skin shall develop procedures, a link to which shall be prominently displayed on the main page of such skin's platform, for the filing of a complaint by an authorized sports bettor against a mobile sports wagering licensee;

(2) a skin shall acknowledge receipt to the complainant within 48 hours of receipt;

(3) a skin shall provide the complainant a complete response within 10 business days; and

(4) a complainant who believes the complaint has not been resolved satisfactorily may file a complaint with the commission, which shall have the discretion to intervene in the resolution of the complaint and to take action against a licensee in the event the commission concludes that such licensee violated a law, including regulation.

**§ 5330.24. Skin reserve requirements.**

The provisions of section 5329.24 of this subchapter are incorporated herein and shall apply also to each skin.

**§ 5330.25. Prohibited actions.**

The provisions of section 5329.25 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee.

**§ 5330.26. Duties to report.**

The provisions of section 5329.26 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee and its employees and each mobile sports wagering vendor licensee and its employees.

**§ 5330.27. Mobile sports wagering integrity; confidential information.**

The provisions of section 5329.27 of this subchapter, except subdivision (g) thereof (the substance of which is addressed elsewhere in this Part), are incorporated herein and shall apply also to each skin and, as the context requires, platform provider, and its respective employees and each mobile sports wagering vendor licensee and its employees.

**§ 5330.28. Tax.**

(a) *Tax rate.* For the privilege of conducting sports wagering in this State, each platform provider shall be taxed pursuant to the rate established pursuant to the process set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1367(7).

(b) *Payment.* Tax attributable to mobile sports wagering, including any applicable interest and penalties, shall be transmitted weekly by electronic funds transfer to the commission at such times and in such manner as the commission may direct. All gross gaming taxes are the responsibility of and shall be submitted by the platform provider.

(c) *Reports.* All weekly mobile sports wagering tax reports filed with the commission pursuant to this section shall reflect mobile sports wagering gross gaming revenue and tax revenue remitted to the State received by the skins associated with a platform provider for the period of the return. Each platform provider shall clearly delineate funds received from each skin.

(d) *Additional tax or refunds.* When the commission finds that a platform provider is required to pay additional taxes or finds that a platform provider is entitled to a refund of taxes, the commission shall report to such platform provider its findings, along with the basis on which such findings are made.

### **§ 5330.29. Gross gaming revenue reports and reconciliation.**

(a) *Gross gaming revenue.* Gross gaming revenue generated pursuant to this Part shall equal the total of all sports wagers received less voided sports wagers, cancelled sports wagers and amounts paid out for winning sports wagers. The amounts of sports wagers placed by a skin and amounts received by a skin as payments on layoff wagers made pursuant to section 5329.15 of this subchapter or section 5330.15 of this Part shall not affect the computation of gross gaming revenue as reported to the platform provider.

(b) *Daily gross gaming revenue.* A platform provider's accounting or finance department member shall determine the daily gross gaming revenue amount as set forth in such platform provider's internal controls. Each skin shall also detail the reporting mechanism to the associated platform provider in such skin's internal controls.

(c) [Reserved]

(d) *Forfeiture of winnings.* Forfeiture of winnings as set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1345 and gross gaming tax as prescribed in Racing, Pari-Mutuel Wagering and Breeding Law section 1367(7), including any applicable interest and penalties, shall be transmitted weekly by electronic funds transfer to the commission. Such transmissions are the responsibility of, and shall be made by, the platform provider.

(e) *Calendar year recap.* Each platform provider shall submit a report to the commission on or before February 28<sup>th</sup> of each year, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367(6)(a), detailing for its platform:

- (1) the total amount of sports wagers received in currency and number of bets placed;
- (2) the total amount of sports wagers won by authorized sports bettors in currency and number of bets;
- (3) the total amount of gross gaming revenue won by skins associated with such platform provider;
- (4) the total amount wagered on each sports governing body's events;



(5) the number of accounts held by authorized sports bettors;

(6) average account balance;

(7) the total number of new accounts established in the previous year, as well as the total number of accounts permanently closed in the previous year; and

(8) the total number of voluntary self-exclusions in the previous year.

(f) *Examination by commission.* Each platform provider shall permit duly authorized representatives of the commission to examine such licensee's accounts and records for the purpose of certifying gross revenue.

(g) *Promotions.* Promotional spend shall not be deducted from revenue or added to loss when calculating gross gaming revenue.

### **§ 5330.30. Accounting and financial records.**

The provisions of section 5329.30 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee.

### **§ 5330.31. Duties to give evidence.**

The provisions of section 5329.31 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee.

### **§ 5330.32. Reporting of compliance.**

The provisions of section 5329.32 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee.

### **§ 5330.33. Review, examination of records**

The provisions of section 5329.33 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee.

### **§ 5330.34. Responsible gaming.**

(a) *Publicly accessible internet page.* A skin shall maintain a publicly accessible internet page dedicated to responsible play, a link to which must appear on the skin's website and in any mobile application or electronic platform on which an authorized sports bettor may place sports wagers through such skin, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(4)(a)(xiv). The responsible play page shall include:

(1) a statement of the skin's policy and commitment to responsible gaming;

(2) information in regard to, or links to information in regard to, the risks associated with gambling and the potential signs of problem gaming;

(3) the availability of self-imposed responsible gaming limits within each skin's website or mobile application;

(4) a link to an appropriate problem-gaming webpage maintained by the office of addiction services and supports; and

(5) such other information as the commission may direct.

(b) *Problem-gaming plan.* A skin shall submit annually on or before September 1<sup>st</sup> to the commission for approval, as required by Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(4)(a)(xv), a problem-gaming plan that includes, at a minimum:

(1) the objectives of and timetables for implementing the plan;

(2) identification of the persons responsible for implementing and maintaining the plan;

(3) procedures for identifying users with suspected or known problem-gaming behavior;

(4) procedures for providing information to users concerning problem-gaming identification and resources;

(5) procedures to prevent gaming by minors and self-excluded persons; and

(6) such other information as the commission may direct.

(c) *Other regulatory requirements.* Each skin shall comply with the problem gaming, self-exclusion and excluded person requirements, including trainings, set forth in Parts 5325 and 5327 of this subchapter as if such licensee were a gaming facility licensee and with Part 5402 of this subtitle.

#### **§ 5330.35. [Reserved]**

#### **§ 5330.36. Suspension, fines, revocation and other discipline.**

The provisions of section 5329.36 of this subchapter are incorporated herein and shall apply also to each mobile sports wagering licensee, mobile sports wagering key employee, mobile sports wagering employee and person having access to a mobile sports wagering server.

#### **§ 5330.37. Authorized sports bettor account requirements.**

(a) *Opening an account.* Prior to an authorized sports bettor placing a sports wager, the following information, at a minimum, shall be provided by a potential authorized sports bettor and verified through the mobile sports wagering KYC identity-verification software or other remote multi-factor authentication, before status as an authorized sports bettor may be confirmed:

(1) full name;

(2) physical residential address;

(3) date of birth;

(4) last four digits of Social Security number, unless such authorized sports bettor willingly provides all nine digits, the potential authorized sports bettor's driver license, or an equivalent identification number for a person who has no Social Security number, such as a passport or taxpayer identification number; and

(5) email address and telephone number.

(b) *Confirmation required.* Upon verification of an individual's identity, the authorized sports bettor shall confirm, at a minimum, the following:

(1) the authorized sports bettor is at least 21 years of age;

(2) the account holder is not a prohibited sports bettor;

(3) the information provided upon registering for an account is accurate and that only the account holder shall have access to such account;

(4) the account is the only mobile sports wagering account the authorized sports bettor owns with the particular skin and that the account is not transferable;

(5) all mobile sports wagers made on the account shall not be made by computerized software or other automated mechanism; and

(6) the authorized sports bettor accepts the terms and conditions of opening an account.

(c) *Multi-Factor authentication.* Each authorized sports bettor shall be required to use a username and one or more of the following methods of authentication to verify such person's identity:

(1) password or other commonly used mobile phone login mechanism;

(2) answer previously provided security questions;

(3) biometric data, including fingerprint, facial or voice recognition;

(4) an authorization code sent by phone call, text message or email to the appropriate contact information provided at the opening of the account; or

(5) any other authorization types as approved by the commission.

(d) *Funding.* An authorized sports bettor shall have the ability to deposit funds, which shall not be transferable between platforms, into such bettor's account with a skin using the following mechanisms, as permitted and restricted in Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(5)(b):

(1) debit card;

(2) credit card, up to \$2,500 per year in any single account;

(3) pre-paid card;

- (4) automated clearing house or electronic funds transfer from such authorized sports bettor's personal bank account;
- (5) wire transfer from such authorized sports bettor's personal bank account;
- (6) free bet, promotional credit, bonus credit or complimentary issued by the skin;
- (7) personal check delivered to the skin;
- (8) in-person cash deposit at a casino or other locations, if the skin, with the approval of the commission, chooses to provide such functionality;
- (9) transfer from an account with another skin that uses the same platform provider;
- (10) gift cards;
- (11) e-wallets; and
- (12) other forms of funding, as may be approved by the commission.

(e) *Withdrawals.*

(1) Unless paragraph (2) of this subdivision applies, an authorized sports bettor requesting a withdrawal shall receive the requested funds within seven days of such request by one of the following mechanisms, as permitted Racing, Pari-Mutuel Wagering and Breeding Law section 1367-a(5)(b):

- (i) crediting the authorized sports bettor's debit card;
- (ii) crediting a pre-paid card, after the skin verifies that such card belongs to the authorized sports bettor;
- (iii) an automated clearing house or electronic funds transfer to the authorized sports bettor's personal bank account;
- (iv) a wire transfer to the authorized sports bettor's personal bank account;
- (v) a check made payable to the authorized sports bettor;
- (vi) in cash at a casino or other locations, if the skin, with the approval of the commission, chooses to provide such functionality; or
- (vii) other forms of withdrawals as may be approved by the commission.

(2) An authorized sports bettor's request for withdrawal of funds may be delayed if any of the following factors occur:

- (i) if a skin believes an authorized sports bettor has engaged in unusual or suspicious wagering activity, or if a skin has informed the authorized sports bettor that an investigation has begun

into the unusual or suspicious wagering activity, in which case there may be a delay of up to 14 days, which period may be extended if the skin requests in writing and is granted by the commission additional delay;

(ii) an ongoing dispute between the authorized sports bettor and the skin, in which case, the skin shall notify the commission;

(iii) funds are requested to be withdrawn before the chargeback period of the transaction ends;  
or

(iv) the authorized sports bettor requests a check by mail.

(f) *Account closure.* A skin shall place the method for an authorized sports bettor to close an account prominently on a webpage or mobile application page labelled “player’s account,” or a similar label. If funds exist in the account upon account closure, the authorized sports bettor shall be prompted to provide the bettor’s preference for how the funds shall be withdrawn.

### **§ 5330.38. Mobile sports wagering promotions.**

(a) *Requirements for promotions.* A skin shall submit to the commission all mobile sports wagering promotions for approval a minimum of 15 days prior to the intended commencement of such promotion. Any such proposed promotion shall:

(1) detail the type of promotion, dates the promotion will occur, minimum and maximum awards, the anticipated liability and any other information pertinent to the promotion;

(2) include terms and conditions that are full, accurate, clear, concise and do not contain misleading information;

(3) disclose applicable terms if the authorized sports bettor must risk or lose the bettor’s own funds as part of the promotion, or if such promotion has conditions that a bettor’s own funds must be used to qualify for such promotion;

(4) not be described as risk-free if the authorized sports bettor needs to incur any loss or risk the bettor’s own money to use or withdraw winnings from the risk-free bet;

(5) not restrict the authorized sports bettor from withdrawing the bettor’s own funds or withdraw winnings from bets placed using the bettor’s own funds; and

(6) ensure advertisements of such promotions shall conform to the rules set forth in 5325.6 of this subchapter, as if a skin were a gaming facility licensee.

(b) *Relationship of promotions to gross gaming revenue.* See subdivision (g) of section 5330.29 of this Part.

### **§ 5330.39. License fee.**

As a condition of licensure, a platform provider shall pay to the commission the one-time fee set forth in Racing, Pari-Mutuel Wagering and Breeding Law 1367-a(3). Such fee shall be paid no later than 30

days after the commission selects such platform provider for potential licensure, as set forth in Racing, Pari-Mutuel Wagering and Breeding Law 1367-a(3).

**§ 5330.40. Server and other equipment.**

(a) *Installation of server.* The commission shall determine where, including at which casino, a mobile sports wagering licensee's servers and other equipment used in accepting a mobile sports wager shall be located. Such servers and equipment shall be:

(1) in an area limited to sports-wagering-related activities with appropriate access and security measures, as approved by the commission. Access to such area shall be logged electronically and kept for a period of not less than five years; and

(2) accessible to licensed mobile sports wagering licensee employees authorized to access such servers and equipment, the mechanism of such access to be agreed upon by the casino and the mobile sports wagering licensee and set forth in the casino's standard operating procedures, as approved by the commission. Access to servers and equipment shall be limited to specific licensed casino employees authorized by the commission.

(b) *Payment for housing of server and other equipment.*

(1) Each casino shall receive an annual hosting fee in the amount set forth in Racing, Pari-Mutuel Wagering and Breeding Law section 1311(3). The aggregate annual hosting fees shall be divided equally among the platform providers, each of which shall then pay its share either to the commission or to casinos, at such times and in such amounts as the commission may direct. If the commission directs that such fees from platform providers are first payable to the commission, the commission shall then distribute to each casino the annual hosting fee to which such casino is entitled by statute.

(2) A casino shall bill, each calendar quarter, the platform provider for the reasonable and actual costs for the prior calendar quarter of housing and securing the server and other equipment as set forth in subdivision (b) of this section, including, without limitation:

(i) modifications, upgrades or improvements to the casino required to physically locate and secure the platform provider's servers and other equipment;

(ii) any ongoing utility and infrastructure costs incurred by the casino that are reasonably attributable to the operations of the platform provider and associated skins at such casino; and

(iii) regulatory costs the casino was assessed pursuant to section 5330.41 of this Part.

(3) The commission shall have the ability to consider whether the costs of housing and securing the server and other equipment are commercially reasonable.

(c) *Exclusive use for mobile sports wagering.* A server or other equipment that a platform provider locates at a casino shall be used exclusively in support of mobile sports wagering.

**§ 5330.41. Regulatory costs.**

Any costs of the commission necessary to maintain regulatory control over mobile sports wagering shall be assessed annually on each casino in proportion to the aggregate mobile sports wagering gross revenue in this State of the skins associated with the platform provider whose server is located at such casino compared to the aggregate mobile sports wagering gross revenue in this State for the period billed. Each casino shall pay the amount assessed against it within 30 days after the date of the notice of assessment from the commission. Nothing in this section shall prevent a casino from recouping the cost of such assessments pursuant to paragraph (2) of subdivision (b) of section 5330.40 of this Part.

**§ 5330.42. Fee for preparation of statutory report.**

The commission, on or before September 1<sup>st</sup> of each year, shall assess platform providers aggregate fees in the amount of the commission's costs to produce the annual report required by Racing, Pari-Mutuel Wagering and Breeding Law 1367-a(6). The fee assessed against each platform provider shall be the commission's cost multiplied by the aggregate gross gaming revenue of such platform provider's associated skins for the period and divided by the aggregate gross gaming revenue of all skins in this State for the same period.

**§ 5330.43. Anti-money laundering program.**

A skin shall comply with the anti-money laundering requirements set forth in section 5315.17 of this subchapter as if such skin were a gaming facility licensee.

**§ 5330.44. Geolocation requirements.**

(a) *Independent testing laboratory and requirements.* Geolocation software used by mobile sports wagering licensees shall be approved by a licensed independent testing laboratory, including applicable field testing, before the software is deployed in this State. Geolocation requirements include:

- (1) ensuring that authorized sports bettors shall be physically located within the State of New York when engaging in mobile sports wagering;
- (2) the systems used to reasonably detect the physical location of an authorized sports bettor attempting to place a sports wager with the skin and block unauthorized attempts to access the licensee's platform throughout the duration of the wagering session;
- (3) detection of any mechanisms a bettor may use to circumvent the requirement that the bettor be physically located within the State of New York;
- (4) ensuring the integrity of the bettor's account and the bettor's device by blocking sports wagers from devices that indicate tampering;
- (5) discovery and updating of the internet protocol address of the bettor if such changes during a session and how physical location would then be detected;
- (6) blocking any attempt to make a sports wager the geolocation software determines is being attempted from a physical location outside of the State of New York, logging any identifying

information relating to such attempt, and making such information available to the skin and the commission upon request;

(7) how the geolocation system shall alert the mobile sports wagering licensee of potential risks and fraudulent activity and grant the licensee and the commission access to real-time data feeds of geofencing feeds and potential risks; and

(8) how the skin shall ensure that a mobile sports wagering vendor license is obtained by any geolocation vendor.

(b) *Additional requirements by bulletin.* The commission, at its discretion, may publish bulletins to specify additional geolocation requirements.