



March 31, 2024

To: The Honorable Kathy Hochul
Members of the New York State Legislature

On behalf of the New York State Gaming Commission and the Office of Addiction Services and Supports (OASAS), we respectfully submit this annual report as required by N.Y. Racing, Pari-Mutuel Wagering and Breeding Law Section 1367-a(6).

The statute requires the Gaming Commission (Commission) and OASAS to submit an annual report to the Governor and Legislature “on the impact of mobile sports wagering on problem gamblers in New York, including, to the extent practicable, an analysis of demographics which are disproportionately impacted by the problem gambling.”

New York has completed the second full year of mobile sports wagering operation. This year’s report includes a summary of the available data on the impact of problem gambling in New York. The Commission requested various additional datasets from mobile sports wagering operators (“operators”). Unfortunately, many operators did not maintain or provide standardized data points, thus limiting the ability to analyze the data on mobile sports wagering in a meaningful way. Therefore, at the close of this report, we jointly provide recommendations including creating regulations to require operators to collect data to enable the Commission and OASAS to accurately report and analyze the social and health impact of mobile sports wagering in New York State.

The Commission and OASAS continue to collaborate on how to best establish this procedure so that future reports will include a more consistent and detailed analysis.

Respectfully Submitted,

Robert Williams
Executive Director
New York State Gaming Commission

Chinazo Cunningham, M.D.
Commissioner
NYS Office of Addiction Services and Supports

N.Y. Racing, Pari-Mutuel Wagering and Breeding Law § 1367-a(6).

The commission, in conjunction with the office of addiction services and supports, shall annually cause a report to be prepared and distributed to the governor and the legislature on the impact of mobile sports wagering on problem gamblers in New York, including, to the extent practicable, an analysis of demographics which are disproportionately impacted by the problem gambling. The costs associated with the preparation and distribution of the report shall be borne by mobile sports wagering licensees and the commission shall be authorized to assess a fee against mobile sports wagering licensees for these purposes. The commission, or in the case that an independent integrity monitor has been established, such independent integrity monitor shall also report biannually to the governor and the legislature on the effectiveness of the statutory and regulatory controls in place to ensure the integrity of mobile sports wagering operations.

N.Y. Mental Hygiene Law § 19.07(a).

The office of alcoholism and substance abuse services is charged with the responsibility for assuring the development of comprehensive plans, programs, and services in the areas of research, prevention, care, treatment, rehabilitation, including relapse prevention and recovery maintenance, education, and training of persons who abuse or are dependent on alcohol and/or substances and their families. Such plans, programs, and services shall be developed with the cooperation of the office, the other offices of the department where appropriate, local governments, consumers and community organizations and entities. The office shall provide appropriate facilities and shall encourage the provision of facilities by local government and community organizations and entities. The office is also responsible for developing plans, programs and services related to compulsive gambling education, prevention and treatment consistent with section 41.57 of this chapter.

Background

Chapter 59 of the Laws of 2021 amended N.Y. Racing, Pari-Mutuel Wagering and Breeding Law § 1367 and added § 1367-a to authorize mobile sports wagering when the sports wager is made through virtual or electronic means from a location within New York and is transmitted to and accepted by electronic equipment located at a licensed commercial casino gaming facility. The statute also directed the Gaming Commission to conduct a competitive bidding process to award mobile sports wagering licenses. The Commission unanimously accepted the review committee's recommendations and awarded nine platform providers and operators with 10-year licenses at a tax rate of 51 percent. The first mobile sports wager in New York State was placed January 8, 2022.

OASAS oversees a continuum of care for addiction services that includes prevention, treatment, harm reduction and recovery support. Access to both inpatient and outpatient services for those affected by harms related to gambling, including for those who have been diagnosed with gambling disorder, are available throughout the state. Further, there are a range of community-based prevention efforts both to raise the awareness about problem gambling and to prevent problem gambling and gambling disorder. Further, OASAS seeks to mitigate potential harms

associated with gambling by promoting harm reduction strategies such as setting additional time and money wagered limits, and limiting alcohol and drug use while gambling.

The Commission ensures that all lawful gaming conducted in this State is of the highest integrity, credibility and quality. The Commission serves the best interests of the public by providing responsive and effective state gaming regulation and strives to ensure that all stakeholders in the gaming industry, including the consumers who wager on activities regulated or operated by the Commission, are treated in an equitable and responsible manner. The Commission seeks to ensure fair and strict regulation of all gaming activity while reducing costs and regulatory burdens to the gaming industry. The Commission aspires to provide the regulatory structure necessary for New York gaming activity to operate effectively in a global, evolving and increasingly competitive marketplace to generate revenue for aid to education and for the support of government, and to contribute to overall economic development and job creation in New York.

Revenue for Problem Gambling Treatment & Education

Currently, \$6 million annually from New York State's tax imposed on mobile sports wagering is dedicated for problem gambling education and treatment purposes, pursuant to N.Y. Racing, Pari-Mutuel Wagering and Breeding Law § 1367(8).

In addition to revenue from sports wagering operators, commercial casino operators, of which there are currently four in New York State, pay an annual fee of \$500 per slot machine and table to the State for OASAS-directed problem gambling treatment and education. New York State has begun the process to site up to three additional commercial casinos in the New York Metro Region. By statute, any casino sited in the New York Metro Region must pay a \$750 annual fee per slot machine and table to the state for problem gambling treatment and education.

Marketing and Advertising Regulations

Mobile sports wagering regulations in New York:

- Hold licensees responsible for the content of their advertising, marketing and branding
- Require all public-facing advertisements to clearly include the HOPEline to increase awareness and availability of problem gambling treatment, support and education services
- Prohibit false, deceptive, or misleading statements
- Require that material facts and terms and conditions in all marketing and promotions be clearly and conspicuously disclosed
- Allow customers to opt-out of receiving future direct advertisements
- Prohibit advertisements to underage persons or design elements that appeal primarily to underage persons
- Prohibit sports wagering from being promoted or advertised in college or university-owned news assets such as school newspapers, radio, or television broadcasts

The Commission's Gaming Division and Compliance unit review all operators' proposed marketing and advertising materials to ensure they are in compliance with these regulations.

Licensed Mobile Sports Wagering Operators – 2023:

- FanDuel

- Bally Bet*
- BetMGM
- DraftKings
- Rush Street Interactive
- Caesars Sportsbook
- WynnBET
- Resorts World Bet
- Fanatics/PointsBet**

*Bally Bet did not offer wagers in New York State between July 2 and November 19, 2023.

**Fanatics purchased PointsBet on June 29, 2023. The Commission approving Fanatics' acquisition of PointsBet's license on October 3, 2023.

Statistics & Demographics

Wager Determination: The Commission currently permits wagers on the following sports:

| Sport | Leagues, Levels or Sanctioning Bodies | Wager Variations Allowed |
|---------------|--|---------------------------------|
| Auto racing | 9 | 31 |
| Baseball | 5 | 143 |
| Basketball | 14 | 154 |
| Boxing | 6 | 20 |
| Cycling | 2 | 3 |
| Combat sports | 2 | 8 |
| Football | 4 | 261 |
| Golf | 8 | 112 |
| Hockey | 9 | 53 |
| Lacrosse | 1 | 5 |
| Rugby | 2 | 10 |
| Soccer | 37 | 124 |
| Softball | 1 | 5 |
| Tennis | 5 | 70 |
| Volleyball | 1 | 2 |
| Total | 106 | 1,001 |

Sports with Limited Menu and Restricted Wagering (\$500 max) set by Commission:

- Athletes Unlimited
- Cornhole
- National Lacrosse League and NCAA Division I
- Professional Fighters League
- USFL and Indoor Football League
- Cricket
- Professional Darts

- Snooker
- Table Tennis

Sports with Limited Menu/Wagers set by operator house rules w/Commission approval:

- Aussie Rules Football
- Auto Racing
- Baseball
- Basketball
- Cycling
- Fighting
- Football
- Golf
- Hockey
- Lacrosse
- Rugby
- Soccer
- Tennis
- Volleyball

Sports Wagering Regulation

Mobile sports wagering is codified in New York State Racing, Pari-Mutuel Wagering and Breeding Law § 1367. The Commission’s regulation of mobile sports wagering is covered by section 5330.

Geolocation: State law defines an authorized sports bettor as “an individual who is physically present in this state when placing a sports wager...” Part 5330 of the Commission’s regulations require licensed operators to obtain Commission-approved geolocation services to ensure that all wagering account activity takes place within New York’s borders (§ 5330.44).

According to geolocation services provider GeoComply: More than 3.6 million unique sports betting accounts were created between January 8, 2023 and January 7, 2024, conducting more than 1.4 billion transactions within New York State. Generally, the specific location of account activity within the state was consistent with population density across the state.

Operator-Provided Data: The Commission sought to obtain additional statistical and demographic information from licensed operators relating to voluntary self-exclusions, “cooling off” periods, responsible gaming-related interactions with accountholders, and other data points. Operator maintenance and reporting of such information to the Commission is not currently a regulatory requirement.

The Commission requested that operators provide such information voluntarily with the understanding that it would be used for research purposes and be subject to the exemptions from disclosure detailed in New York State’s Freedom of Information Law (FOIL). Upon receipt of the submitted material, the Commission removed any potentially exempt information, including language that would identify the operator or any personally identifiable information.

Responses to the inquiry were varied. Several operators informed the Commission that much of the requested information was not available or was not being maintained by the operator.

Underage Access: N.Y. Racing, Pari-Mutuel Wagering and Breeding Law § 1367-a(4)(a)(iii) obligates each mobile sports wagering operator to implement measures to prohibit minors from participating in any sports wagering activity.

Additionally, as part of Commission Rule 5325.2(b)(3)(x) and N.Y. Racing, Pari-Mutuel Wagering and Breeding Law § 1367-a(4)(a)(xv), applied through Commission Rules 5329.34 and 5330.34, each operator was obligated to submit for approval, a problem-gaming plan that includes procedures to prevent gaming by minors. Through the end of 2023, the Commission was informed of 54 alleged occasions of underage participation through lawfully created accounts. In all circumstances, the subject account was closed.

Voluntary Self-Exclusion: New York State has a robust voluntary self-exclusion program for those individuals who recognize that they should no longer participate in legal gambling. An individual who believes they have a problem may self-exclude from all forms of gaming regulated by the Commission, pursuant to Part 5402 of the Commission's rules. For those wishing to voluntarily self-exclude, OASAS supports a program that provides assistance in understanding the process and filling out the application as well as providing connections to local community-based services.

HOPEline: The 24/7 confidential HOPEline is funded by OASAS and is often the first point of contact for someone who is experiencing harm related to gambling. The HOPEline is answered by Bachelor's- and Master's-level clinicians who provide support and referrals to local community-based services, as well as immediate crisis intervention. Calls to the HOPEline have remained steady since the introduction of Mobile Sports Wagering in 2022. Prior to 2022, the top three types of gambling that those who called the HOPEline seeking assistance identified were casinos, the Lottery and online wagering. Since 2022, callers have cited online wagering as their top concern. The demographic group contacting the HOPEline the most was males between the ages of 25-34.

Looking Forward

Mobile sports wagering operators are deficient in adequately collecting appropriate datapoints. Despite mobile sports wagering taking place on entirely digital platforms which collect user data, many mobile sports wagering operators do not track or maintain neither quantitative nor qualitative information regarding who is participating in mobile sports wagering. The lack of data prevents the Commission and OASAS from accurately measuring the impact of mobile sports wagering on the gambling behavior of New Yorkers and prevents the appropriate focusing of public campaigns, outreach, and education efforts to those at high risk for experiencing gambling harms.

New York has updated its voluntary self-exclusion program to capture additional data, including: Name and any aliases; mailing address; phone number and email address, social security number or equivalent government ID number; date of birth; gender, height, weight, hair and eye color; race; selected self-exclusion duration (1, 3, 5 years or lifetime); and the type(s) of gaming most often played by the individual requesting exclusion.

The Mobile Sports Wagering industry is coalescing around improving responsible gaming practices. The recently launched [Responsible Online Gaming Association \(ROGA\)](#), consisting of the seven largest online sports betting operators in the country, provides regulators and other stakeholders an opportunity to coordinate best practices on the reporting of such data. The Commission and OASAS will engage ROGA to discuss how to best capture this information from the industry.

Additionally, the Commission and OASAS are working together to develop potential regulatory requirements for the tracking, standardization and reporting of such data, which would also be subject to the exemptions detailed in FOIL.

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