

New York



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: The New York State Gaming Commission oversees VLT operations at racetracks and commercial gaming at casino gaming facilities. The lottery is only responsible for promotional activities related to VLTs.

TRIBAL GAMING

Governing Body: New York currently has three compacted tribes: the Seneca Nation of Indians, the Oneida Indian Nation of New York and the St. Regis Mohawk Tribe.

The tribal gaming commissions have the primary responsibility for the on-site regulation, control and security of the gaming operation.

The New York Gaming Enforcement Division has the limited authority to monitor and inspect the gaming operations to ensure that the gaming operation is conducted in compliance with the compact and applicable regulations.

The Oneida Nation and the St. Regis Mohawk Tribe compacts contain no limit on gaming venues and allow the tribes to operate an unlimited number of gaming machines. The Seneca Nation compact allows for up to three gaming venues and an unlimited number of gaming machines.

The Oneida Nation compact and the St. Regis Mohawk compact remain in effect until terminated by written agreement of both parties. The Seneca Nation compact expires in November 2016 and may be renewed for an additional seven-year period.



Licensing

COMMERCIAL GAMING

Operator: Racetracks - The Division of Gaming Enforcement oversees the licensing procedure for New York racetracks that offer video lottery gaming. Under the applicable regulations, for tracks to maintain their licenses to conduct video lottery gaming, they must comply with all state and local fire and safety codes; racetrack employees involved in the operation of video lottery gaming are licensed by the state's racing and wagering board; and must operate in accordance with similar infrastructure. The act prohibits any tracks from maintaining video lottery gaming equipment within a "temporary" enclosure for longer than 18 months.

New York's licensing structure is unique. Unlike most other commercial gaming states, video lottery gaming agents (racetracks operating VLTs) are not required to pay any annual fees to continue operating VLTs. Instead, costs for applications, licensing and renewals of licenses are paid for under revenue generated from the VLT facilities.



New York

Casinos - The New York State Gaming Commission oversees the licensing procedure for New York commercial casino gaming facilities. An applicant to develop and operate a gaming facility must pay the non-refundable application fee of \$1 million. Within 30 days of the license award effective date, the gaming facility must pay a license fee ranging from \$20,000-\$50,000. In addition, operators must pay an annual license fee of \$500 for each slot machine and table approved by the commission. A license issued by the commission is valid for an initial 10-year period and is renewable thereafter for a period of at least 10 years.

Supplier License: VLT Operations - Any vendor who offers goods or services, which directly relate to a video lottery gaming activity at any video lottery gaming facility, including, without limitation, those who intend to manufacture, sell, distribute, maintain and repair video lottery gaming terminals and related equipment, or who intend to provide management services, or who intend to provide a central system for the operation of video lottery gaming within the state, together with such vendor's principal(s) and key employee(s), must be licensed. As with video lottery agents, gaming vendors are not required to pay any annual fees to continue operating VLTs. Instead, costs for applications, licensing and renewals of licenses are paid for under revenue generated from the VLT facilities. Casinos-All companies seeking to supply gaming machines or table games equipment to New York casinos are required to obtain a casino vendor enterprise license. A casino vendor license is valid for five years. The New York State Gaming Commission does not currently charge a casino vendor license fee.

TRIBAL GAMING

Operator: The tribes are required to reimburse the state for certain costs associated with the oversight of the compact.

Gaming Service Enterprise: Gaming service enterprises must be licensed by the tribal gaming commission. License fees are set by each tribe and are not listed in the tribal-state gaming compacts or gaming ordinances

Gaming service enterprise is defined by the compacts as "an entity or individual, other than a Class III gaming employee, that provides Class III gaming services, Class III gaming supplies or Class III gaming equipment to a gaming facility."



Taxation & Tribal Revenue Sharing

COMMERCIAL GAMING

Gaming Tax Rate: Racetracks - In general, lottery gaming facilities are subject to an effective tax rate of ~54.65%.

New York

Casinos - Casinos in the state are subject to a tax on gross electronic gaming device revenue ranging from 30-45%. All casinos are also subject to a 10% tax on gross table game revenue.

Any gaming facility licensee who also possesses a pari-mutuel wagering franchise or license, or who possessed a pari-mutuel wagering franchise or license in 2013, must maintain payments made from VLT operations to the relevant horsemen and breeders' organizations at the same amount realized in 2013.

Tax Allocation:

Racetracks-Tax revenue is divided between state education funds, agent commissions, gaming administration, and marketing allowances.

Casinos- All taxes and fees are deposited in the Commercial Gaming Revenue Fund.

Promotional Credits: Promotional (free play credits up to a maximum of 15 percent of a facility's net win are excluded from revenue calculations.

Withholding Tax on Gambling Winnings: Yes. Residents of New York are subject to an 8.82 percent withholding on prizes of \$5,000 or more.

TRIBAL GAMING

Revenue Share: Tribes in New York have agreed to pay 25 percent of any net win with respect to gaming devices operated by the tribe in exchange for exclusivity in a specific geographic area.

State Use of Revenue: Not publicly available.

Tribal Use of Revenue: As required under IGRA, tribes must use tribal gaming funds:

1. To fund tribal government operations or programs;
2. To provide for the general welfare of the tribe and its members;
3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies.

Promotional Credits Effect on Revenue Sharing: Promotional credits do not affect revenue sharing in the state.

Withholding on Winnings: New York does not withhold a percentage of gambling winnings from gambling winnings. However, federal law may require tribal casinos to issue a W-2G form to persons and may withhold winnings if certain conditions are met. For more information click [here](#).

New York



Responsible Gaming

COMMERCIAL GAMING

Statutory Requirement: The commercial gaming revenue fund provides funding for responsible gambling programs in the state.

Self-exclusion: State law requires the New York State Gaming Commission to provide for the establishment of a list of persons self-excluded from gaming activities at all licensed gaming facilities in the state. The commission must establish procedures for the transmittal of identifying information concerning self-excluded persons to licensed gaming facilities, and must require licensed gaming facilities to establish procedures designed, at a minimum, to remove self-excluded persons from targeted mailings or other forms of advertising or promotions and deny self-excluded persons access to credit, complimentaries, check cashing privileges, club programs, and other similar benefits. Individuals wishing to self-exclude may choose from a period of one-year, three-years, five-years, or a lifetime ban.

Alcohol use: New York allows VLT facilities to offer complimentary alcohol use to patrons.

Advertising Restrictions: Racetracks - Approved advertising criteria are published from time to time by the gaming commission. Gaming regulations prohibit the use of any information, representation, or description that contrasts or compares video lottery gaming agents or facilities with regard to total payout.

Casinos - Each advertisement must clearly and conspicuously state a problem gambling hotline number. In addition, no advertising on behalf of a gaming facility licensee may depict any person under the age of 21 engaging in gaming and related activities. Lastly, each direct advertisement must, clearly and conspicuously, describe a method or methods by which an individual may designate that the individual does not wish to receive any future direct advertisement.

On-Premise Display Requirement: Racetracks - Responsible gaming information must be prominently displayed at the video lottery gaming facility, and problem gambling information must be posted on each video lottery gaming agent's website and on each video lottery terminal.

Casinos - A gaming facility licensee must post signs that include a statement that is similar to the following: "It is unlawful for any individual under 21 years of age to enter or remain in any area where gaming is conducted. It is unlawful for any individual under 21 years of age to wager, play or attempt to play a slot machine or table game. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution." Such signs shall be posted prominently at each entrance and exit of the gaming floor.

Restrictions on Minors on the Gambling Premises: Racetracks - Gaming regulations prohibit persons under the age of 18 from loitering or remaining on the gaming floor.

Casinos - A gaming facility licensee may not allow or permit any person who is under the age of 21 to make any wager or be present on the gaming floor.

New York

TRIBAL GAMING

Statutory Funding Requirement: There are no statutory funding requirements outlined in the tribal-state gaming compacts or tribal gaming ordinances.

Self-exclusion: The tribal-state gaming compacts and tribal gaming ordinances do not outline requirements for self-exclusion programs. However, voluntary self-exclusion is available at Seneca casinos and at the Turning Stone Resort and Casino (both owned by the Oneida Nation Casino). Patrons who wish to enroll in the voluntary self-exclusion program must self-exclude for a minimum of one year.

Complimentary Alcoholic Drinks: Complimentary alcoholic drinks are offered at tribal casinos in New York.

Advertising Restrictions: There are no advertising restrictions outlined in the tribal-state gaming compacts or tribal gaming ordinances.

On-Premise Display Requirement: There are no on-premise display requirements in the tribal-state gaming compacts or tribal gaming ordinances.

Prevention of Underage Gambling: Individuals must be 18 years of age to participate in Class III gaming.

Operation on Holidays: Tribal casinos in the state may operate 24 hours a day, seven days a week, including on holidays.



Other Regulations

COMMERCIAL GAMING

Testing Requirements: Racetracks - Testing of the central system, VLTs and associated equipment must be tested and approved at the commission's discretion.

Casinos - The commission must utilize the services of an independent testing laboratory that has been qualified and approved by the commission to perform the testing of slot machines and other gaming equipment.

AML Requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes in order to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: Before any VLT is transported from one authorized location to another authorized location, the person causing such VLT to be transported must notify the gaming commission in writing.

Credit Offered to Patrons: Casinos in the state may not extend credit to patrons.

Political Contributions: There are no restrictions on political contributions from parties with gaming interests.

New York

TRIBAL GAMING

Testing Requirements: Under the compacts, gaming devices must be approved and certified by an independent gaming test laboratory. Under the compacts, the selection of the independent gaming test laboratory is subject to the consent of the state, but the state may not withhold its consent if the independent gaming test laboratory holds a license in good standing in New Jersey, Nevada or Mississippi.

AML requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes in order to prevent money laundering activities and other financial crimes, including terrorism.

Shipping Requirements: Under federal U.S. law, all gambling devices and all packages containing gambling devices, when shipped or transported, must be plainly and clearly labeled and marked so that the name and address of the shipper and the consignee and the contents of the package may be readily ascertained on an inspection of the package.

Restrictions on Political Contributions: There are no compact restrictions on political contributions from parties with gaming interests. Under federal law, tribes are considered “persons” and are subject to regulation by the Federal Election Commission when making federal contributions.

Credit: Tribal casinos in New York may offer credit to patrons. Credit procedures are not outlined in the tribal-state gaming compacts or gaming ordinances.



Sports Betting

Authorized Operators: Licensed casinos in good standing are eligible to obtain a sports pool license. A casino that wishes to operate sports pools must obtain a sports pool license from the New York State Gaming Commission, which is in addition to the casino’s gaming facility license.

In addition, sports betting is permitted at tribal casinos. Under New York’s tribal-state gaming compacts, the state’s three federally-recognized Indian tribes can offer any form of so-called “Class III” casino gaming activity — a category that includes sports betting — that is authorized by the state of New York, provided the tribes conduct the games in accordance with state-approved “specifications.”

Mobile/Online: State-wide mobile sports betting was signed into law in April 2021 and final regulations regarding the same were adopted by the state gaming commission in November 2021. Mobile sports betting is expected to be fully operational in early 2022.

Taxes & Fees: Casinos are not required to pay any initial licensing fee or renewal fees for the right to hold a sports pool license. Once issued, licenses are valid for the period of the casino’s gaming facility license.

Mobile sports betting platform providers are required to pay a \$25m license fee. In addition, providers are also required to make \$5m annual payments to a licensed land-based commercial casino to house servers and other required equipment for mobile wagering.

New York

Land-based sports betting is subject to a 10 percent tax on gross gaming revenue. Mobile sports betting is subject to a 51 percent tax on gross gaming revenue. Additionally, wagers are subject to a 0.25 percent federal excise tax on handle. See 26 U.S.C. §§ 4401.

Amateur Restrictions: Operators may not offer wagers on any amateur or youth sports event, except collegiate sports events approved by the commission.

Official Data Mandate & Integrity Fee: Sports betting regulations in New York do not mandate the use of official league data or provide an integrity fee to sports leagues.