

A RESOLUTION

1 Proposing an amendment to the Constitution so as to repeal the prohibition on betting and  
2 gambling in this state; to provide for the regulation of such activities by the Georgia General  
3 Assembly; to provide for related matters; to provide for the submission of this amendment  
4 for ratification or rejection; and for other purposes.

5 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Article I, Section II of the Constitution is amended by revising Paragraph VIII as follows:

8 "Paragraph VIII. ~~Lotteries, and nonprofit bingo games.~~ Lotteries, bingo games, sports  
9 betting, gambling, and raffles. (a) ~~Except as herein specifically provided in this Paragraph~~  
10 ~~VIII, all~~ All lotteries, ~~and the sale~~ sales of lottery tickets, and all forms of ~~pari-mutuel~~  
11 ~~betting, bingo games, sports betting, and casino gambling, and raffles~~ are hereby  
12 ~~prohibited, and this prohibition shall be enforced by penal laws~~ shall be lawful if so  
13 permitted by the General Assembly as provided by law.

14 (b) The General Assembly may by law provide that the operation of a nonprofit bingo  
15 game shall not be a lottery and shall be legal in this state. The General Assembly may by  
16 law define a nonprofit bingo game and provide for the regulation of nonprofit bingo games.

## **Enabling Legislation- Sports Betting – LC 35 5238S**

### **GOALS:**

1. Provide licensing qualifications and overall regulatory framework for mobile and retail sports betting in the State.
2. Establishes Georgia Sports Betting Commission to provide regulatory oversight of sports betting.
3. Eligibility for mobile and retail sports betting licenses limited to (a) pro teams (Braves, Dream, Hawks, Falcons, Atlanta United), (b) Atlanta Motor Speedway, (c) the Masters, and (d) PGA Tour (so long as two events are in Georgia).
4. Additional source of revenue for GLC from sports betting terminals located in bars/taverns and premises of certain Class B COAM licensees.
5. Provide resources for treatment of gambling disorders.
6. Exempt sports bets from sales and uses taxes.
7. Set forth fines and penalties for sports betting violations.
8. Effective date of January 1, 2023 provided C.A. is ratified by the voters in the 2022 general election.

### **Four Parts:**

- Part 1: Revisions to sections specifically related to Georgia Lottery Corporation
- Part 2: New Article 4 to Title 50, Chapter 27 – Georgia Sports Betting Integrity Act; definitions
- Part 3: Adds sports bets to list of items excluded from sales taxes
- Part 4: Effective Date

**Line numbers refer to LC 36 5238S**

- **Lines 17-124 (Part 1, Section 1-1)** – Revises certain definitions related to Lottery to incorporate sports betting and sports betting-related terms.
- **Lines 125-194 (Part 1, Section 1-2)** – Leaves intact all language related to general powers of the GLC and adds ability of GLC to offer sports betting.
- **Lines 195-216 (Part 1, Section 1-3)** – For FY 2023, revises the amount of the shortfall reserve within the Lottery for Education Account (“LEA”) to at least 50% of the average amount of the net proceeds deposited into the LEA for the preceding 3 fiscal years. Beginning in FY 2024, if on the last day of the preceding fiscal year the total reserve fund balance exceeds the minimum reserve, 10% of the excess reserve funds shall be appropriated for educational purposes and programs.
- **Lines 217-240 (Part 2, Section 2-1)**– Sets forth the legislative purposes of the enabling sports betting legislation: a) management and oversight by Georgia Sport Betting Commission (the “Commission”), b) net proceeds from sports betting shall be used for purposes authorized by the C.A., and c) sports betting to be conducted with utmost integrity by licensed entities only.
- **Lines 240-433** - Sets forth sports betting-related definitions. Creates two forms of sports betting: Type 1 (online, mobile sports betting) and Type 2 (retail, kiosk-based sports betting).
  - Type 1 licensees – 14 online mobile sports betting licenses are available to national sports betting platforms to offer mobile sports

betting throughout the State, licenses available through 3 paths: (a) reservation for 8 licenses for national sports betting operators to access Georgia markets via long term arrangements with pro sports teams and venues (Braves, Dream, Falcons, Hawks, Atlanta United, the Masters, Atlanta Motor Speedway, and PGA Tour [so long as PGA maintains two events in state]), (b) reservation for up to 3 licenses for national sports betting platforms with significant Georgia nexus (potentially applicable to FanDuel, Hard Rock Online, Rush Street, and Golden Nugget Online Gaming; and (c) reservation for up to 3 licenses for national sports betting platforms who do not receive license through (a) or (b).

- Type 2 licensees only permitted to offer lottery sports betting terminals at retail places of business (alcohol licensed restaurants & bars and Type B COAM licensed convenience stores and retail outlets)
- Type 2 devices could be standalone kiosks or COAM machines adapted to also serve as sports betting terminals; these devices would be distributed by Type 2 licensed distributors, to qualify for this license (5 to 10 will be issued) a party must be a COAM Master B license holder who would be required to meet significant additional licensing requirements related to suitability, probity, experience, and financial disclosures.
- In addition to the Type 1 and 2 sports betting licenses, sports betting suppliers that provide sports betting equipment or sports betting-

related services (e.g., data, software) to licensees must also be licensed.

- **Lines 434-501** – Details sports betting-related powers and duties of the Commission authorized by General Assembly to oversee, license and regulate sports betting activities in the State, using language that largely mirrors existing GLC language.
- **Lines 502-617** – Details license application submission requirements, generally suitability requirements and fees for prospective sports betting licensees. Applicants for a Type 1 license must pay an application fee of \$100,000 and an annual licensing fee of \$1,000,000. Applicants for a Type 2 distributor license must pay an application fee of \$10,000 and an annual licensing fee of \$100,000. Applicants for a Type 2 retail license must pay an application fee of \$500 and an annual licensing fee of \$500.
- **Lines 618-644** – Provides that 14 online Type 1 sports betting licenses will be available through 3 paths: (a) reservation for 8 licenses for national sports betting operators to access Georgia markets via long term arrangements with pro sports teams and venues (Braves, Dream, Falcons, Hawks, Atlanta United, the Masters, Atlanta Motor Speedway, and PGA Tour [so long as PGA maintains two events in state]), (b) reservation for up to 3 licenses for national sports betting platforms with significant Georgia nexus (potentially applicable to FanDuel, Hard Rock Online, Rush Street, and Golden Nugget Online Gaming; and (c) reservation for up to 3 licenses for national sports betting platforms who do not receive license through (a) or (b).

- **Lines 645-682** – Provides between 5 and 10 retail Type 2 lottery sports betting terminal licenses which will be available to COAM Master B license holders who would be required to meet significant additional licensing requirements related to suitability, probity, experience, and financial disclosures. Type 2 licensees must contract with the GLC and such licensees will receive a portion of the State's proceeds from Type 2 sports betting. Type 2 licensees are permitted up to 2 sports betting kiosks (in addition to existing COAM machines which can be adapted to also serve as kiosks) at each place of business. Type 2 licensees may contract with a retail sports betting operator to operate the lottery sports betting terminals on the licensee's behalf if desired.
- **Lines 683-701** - Provides that online management services provider (online/mobile sports betting operators) must be licensed before operating mobile sports betting. Online sports betting operators may each contract with only one Type 1 licensee. Also provides that if the Type 1 licensee cannot be subject to regulatory control, then the Type 1 licensee may contractually appoint the online operator to be the entity under state regulatory oversight/control.
- **Lines 702-704** – All licenses are for 10-year terms.
- **Lines 705-742** - Sets forth persons not eligible to apply for or obtain sports betting licenses.
- **Lines 743-758** - Prohibits certain actions by licensees (allowing minors to place wagers, extending credit to bettors, and targeting minors in advertisements, accepting prohibited wagers, and accepting wagers from

excluded persons) and provides that such conduct is punishable as a misdemeanor.

- **Lines 747-772:** Provides that regulatory authority shall prescribe certain rules and regulations applicable to licensees and licensees' compliance obligations.
- **Lines 773-780:** Provides that persons 21 and older may place bets if physically located in this State and not otherwise excluded under this chapter.
- **Lines 781-834:** Prohibits certain individuals from placing bets on sporting events (employees, members, officers and contractors of the GLC, athletes, owners, employees or officials of teams, etc.) and provides that disqualified individuals who place wagers will be guilty of a misdemeanor.
- **Lines 835-839:** Provides that sports bets placed with licensees shall be deemed enforceable contracts.
- **Lines 840-867:** The regulatory authority shall prohibit betting on injuries, penalties, player discipline ruling or replay reviews. Also provides a process whereby a league or a sporting event operator may submit a request to have certain types of bets restricted or prohibited.
- **Lines 868-929:** Allows players to register and set up a sports betting account remotely and sets forth information that operators must collect from bettors in order to set up an account. Also sets forth acceptable account funding mechanisms, geolocation requirements, customer

verification requirements, and statement operators must include on their websites (illegal to gamble if under 21 years of age).

- **Lines 930-951:** Licensees must allow bettors to exclude themselves from betting; regulatory authority must promulgate rules requiring licensees to implement responsible gambling programs; regulatory authority must submit an annual report outlining problem gambling statistics and responsible gambling programs by January 1 of each year to Governor, Lt. Governor and Speaker of the House.
- **Lines 952-960:** Requires licensees to adopt written policies governing acceptance of bets and payouts; and requires regulatory authority to issue rules regarding same and rules for reporting suspicious bets.
- **Lines 961-1013:** Governs investigations relating to sports betting offenses, suspicious betting activities, and match-fixing allegations.
- **Lines 1014-1064:** Provides that official data not required for bets; and provides process whereby leagues and sporting event operators may request that official data be required for "tier 2" (in-play) wagers if such official data is available on commercially reasonable terms.
- **Lines 1065-1077:** Privilege fee imposed on licensees is 20% of adjusted gross income, paid monthly to the regulatory authority. Fees shall be distributed and uses as provided under the C.A.
- **Lines 1078-1098:** Details reports/information that must be filed by licensees with the regulatory authority on an annual basis.

- **Lines 1099-1105:** Members/employees of the regulatory authority may enter the premises of any licensee during normal business hours to inspect books and records and to inspect licensees' compliance.
- **Lines 1106-1129:** Sets forth fines/monetary penalties imposed on licensees from accepting ineligible/illegal bets, and allows regulator to suspend, revoke or refuse to renew licenses as well.
- **Lines 1130-1161:** Regulatory authority may investigate any alleged violations of this article. Sets forth penalties for violations of this article. Sets forth appeal procedure with respect to decisions made by regulatory authority.
- **Lines 1162-1169:** Provides that violations for transmitting/disclosing material non-public information for the purpose of influencing bets on a sporting event will be punishable as a misdemeanor.
- **Lines 1170-1179:** Licensees may be punished per violation with civil penalties ranging from \$5,000 to \$50,000 per violation; and the Attorney General may seek the recovery of same via a civil action, or seek an injunction enjoining such conduct.
- **Lines 1180-1192 (Parts 3 and 4):** Provides that sports wagers are exempt from state sales and use taxes; provides that if the C.A. is passed by the General Assembly and ratified by voters in the 2022 general election, then the legislation shall become effective on January 1, 2023; and repeals all conflicting laws.