

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to authorize and provide for the regulation and taxation of sports betting in this state;
3 to provide for additional powers and duties of the Georgia Lottery Corporation; to change
4 certain provisions relating to the shortfall reserves maintained within the Lottery for
5 Education Account; to increase funding to the state's Pre-K programs; to provide for the
6 corporation to engage in certain activities related to sports betting; to provide for a short title;
7 to provide for legislative findings; to revise and provide for definitions; to provide for the
8 corporation's powers and duties relative to sports betting; to provide for the procedures,
9 limitations, requirements, and qualifications of the licensing of any person offering,
10 operating, or managing sports betting in this state; to provide for rules and regulations
11 promulgated by the corporation; to provide for a privilege tax; to require certain reports; to
12 regulate wagers and provide requirements for bettors; to provide for bettors to restrict
13 themselves from placing certain wagers; to provide certain resources for individuals with
14 problem gambling or a betting or gambling disorder; to provide for the collection and
15 disposition of fees and fines; to prohibit certain conduct by the corporation, employees of the
16 corporation, licensees, and other persons; to provide for certain penalties; to provide for
17 construction; to amend Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of
18 Georgia Annotated, relating to gambling, so as to exclude any consideration paid to a sports

betting licensee from the definition of "bet"; to provide for the exemption of persons licensed for online sports betting from regulations and restrictions regarding gambling information; to amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, so as to exempt wagers placed as part of sports betting; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I

SECTION 1-1.

Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended in Code Section 50-27-3, relating to definitions for the "Georgia Lottery for Education Act," by revising paragraphs (13) and (20) and adding a new paragraph to read as follows:

"(13) 'Lottery,' 'lotteries,' 'lottery game,' or 'lottery games' means any game of chance approved by the board and operated pursuant to this chapter, including, but not limited to, instant tickets, ~~on-line~~ online games, online sports betting, and games using mechanical or electronic devices but excluding pari-mutuel betting and casino gambling as defined in this Code section."

"(20) 'Pari-mutuel betting' means a method or system of wagering on actual races involving horses or dogs at tracks which involves the distribution of winnings by pools. Such term shall not mean lottery games which may be predicated on a horse racing or dog racing scheme that does not involve actual track events. Such term shall not mean the lottery game of sports betting or traditional lottery games which may involve the distribution of winnings by pools."

"(23.1) 'Sports betting' shall have the same meaning as provided in Code Section 50-27-122."

SECTION 1-2.

Said title is further amended in Code Section 50-27-9, relating to general powers of the Georgia Lottery Corporation, by revising paragraphs (18) and (19) of subsection (a) and adding a new paragraph to read as follows:

"(18) To act as a retailer, to conduct promotions which involve the dispensing of lottery tickets or shares, and to establish and operate a sales facility to sell lottery tickets or shares and any related merchandise; ~~and~~

(19) To perform any actions and carry out any responsibilities provided for in Article 4 of this chapter; and

~~(19)~~(20) To adopt and amend such regulations, policies, and procedures as necessary to carry out and implement its powers and duties, organize and operate the corporation, regulate the conduct of lottery games in general, and any other matters necessary or desirable for the efficient and effective operation of the lottery or the convenience of the public. The promulgation of any such regulations, policies, and procedures shall be exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative Procedure Act.'"

SECTION 1-3.

Said title is further amended in Code Section 50-27-13, relating to disposition of lottery proceeds, budget report by Governor, appropriations by General Assembly, and shortfall reserve subaccount, by revising paragraph (3) of subsection (b) as follows:

"(3)(A) Beginning in Fiscal Year 2025, a ~~A~~ shortfall reserve shall be maintained within the Lottery for Education Account in an amount equal to at least 50 percent of net proceeds deposited into such account for the preceding fiscal year of the average amount of net proceeds deposited into such account for the preceding three fiscal years, hereinafter referred to as the minimum reserve. Beginning in Fiscal Year 2025 and for each fiscal year thereafter, if on the last day of the preceding fiscal year the total reserve

fund balance exceeds the minimum reserve, an amount equal to 10 percent of the excess reserve funds, meaning the amount that the total reserve fund balance exceeds the minimum reserve, shall be appropriated for educational purposes and programs.

(B) If the net proceeds paid into the Lottery for Education Account in any year are not sufficient to meet the amount appropriated for ~~education~~ educational purposes and programs, the shortfall reserve may be drawn upon to meet the deficiency and any amount so drawn may count for purposes of appropriations in subparagraph (A) of this paragraph.

(C) If ~~In the event~~ the shortfall reserve is drawn upon and falls below 50 percent of the average amount of net proceeds deposited into such account for the preceding ~~three~~ year years, the shortfall reserve shall be replenished to the level required by subparagraph (A) of this paragraph in the next fiscal year and the ~~lottery-funded~~ lottery funded programs shall be reviewed and adjusted accordingly."

PART II

SECTION 2-1.

Said title is further amended by adding a new article to Chapter 27, relating to the "Georgia Lottery for Education Act," to read as follows:

"ARTICLE 4

Part 1

50-27-120.

This article shall be known and may be cited as the 'Georgia Lottery Game of Sports Betting Act.'

91 50-27-121.

92 The General Assembly finds that:

93 (1) Article I, Section II, Paragraph VIII(c) of the Constitution of the State of Georgia
94 authorizes the General Assembly to provide by law for any matters relating to purposes
95 or provisions of that subparagraph, which purposes and provisions include the operation
96 and regulation of a lottery or lotteries and which purposes and provisions may encompass
97 sports betting as a game or games offered by the Georgia Lottery Corporation;

98 (2) Sports betting shall be overseen and regulated, and may also be offered, by the
99 Georgia Lottery Corporation in a manner that provides continuing entertainment to the
100 public, maximizes revenues, protects consumers, and ensures that sports betting is
101 operated in this state with integrity and dignity and free of political influence;

102 (3) The corporation shall be accountable to the General Assembly and to the public for
103 the management and oversight of sports betting in this state through a system of audits
104 and reports;

105 (4) The ability to offer sports betting in this state under a license issued in accordance
106 with this article constitutes a taxable privilege and not a right;

107 (5) Net proceeds of sports betting conducted pursuant to this article shall be used for the
108 purposes authorized by Article I, Section II, Paragraph VIII(c) of the Constitution; and

109 (6) In accordance with Code Section 50-27-2, sports betting shall be conducted in a
110 manner so as to safeguard the fiscal soundness of the state, to enhance public welfare, and
111 to support the funding authorized by Article I, Section II, Paragraph VIII(c) of the
112 Constitution.

113 50-27-122.

114 As used in this article, the term:

(1) 'Adjusted gross income' means a licensee's gross sports betting income minus federal excise taxes and minus the total amount paid out to winning bettors, including the cash value of merchandise awarded as winnings.

(2) 'Applicant' means any person that applies for a license under this article.

(3) 'Bettor' means an individual who is:

(A) Physically present in this state when placing a wager with a licensee;

(B) Twenty-one years of age or older; and

(C) Not prohibited from placing a wager or bet under Code Section 50-27-162.

(4) 'Bond' means a bond held in escrow for the purpose of maintaining adequate reserves to account for losses suffered by a licensee and owed to bettors.

(5) 'Cheating' means improving the chances of winning or altering the outcome through deception, interference, or manipulation of a sporting event or of any equipment, including software, pertaining to or used in relation to the equipment used for or in connection with the sporting event on which wagers are placed or invited. Such term shall include match fixing and attempts and conspiracy to cheat.

(6) 'Collegiate sporting event' means a sporting or athletic event involving a sports or athletic team of a public or private institution of higher education.

(7) 'Esports event' means an organized video game competition between players who play individually or as teams.

(8) 'Fantasy or simulated contest' means a game or event in which one or more players compete based on winning outcomes that reflect the relative knowledge and skill of the players and are determined predominately by accumulated statistical results of the performance of individuals, including, but not limited to, athletes in sporting events.

(9) 'Fixed-odds betting' means bets made at predetermined odds or on the spread where the return to the bettor is unaffected by any later change in odds or the spread.

(10) 'Futures wager' means a wager made on the occurrence of an event in the future relating to a sporting event.

(11) 'Gross sports betting income' means the total of all moneys paid by bettors to a licensee as wagers, but does not include the value of promotional credits used to place wagers.

(12) 'Institutional investor' means:

(A) A retirement fund administered by a public agency for the exclusive benefit of federal, state, or local public employees;

(B) An investment company registered under the Investment Company Act of 1940;

(C) A chartered or licensed life insurance company or property and casualty insurance company;

(D) A banking and other chartered or licensed lending institution;

(E) An investment advisor registered under the Investment Advisers Act of 1940; or

(F) A pension investment board.

(13) 'License' means any of the licenses issued by the corporation under this article.

(14) 'Licensee' means a person that holds a license issued by the corporation under this article.

(15) 'Master sports betting licensee' means the Georgia Lottery Corporation.

(16) 'Material nonpublic information' means information that has not been disseminated publicly concerning an athlete, contestant, prospective contestant, or athletic team, including, without limitation, confidential information related to medical conditions or treatment, physical or mental health or conditioning, physical therapy or recovery, discipline, sanctions, academic status, education records, eligibility, playbooks, signals, schemes, techniques, game plans, practices, strategies, assessments, systems, drills, or recordings of practices or other athletic activities.

(17) 'Merchandise' means any goods or services provided to bettors free of charge, at a discounted rate, or in the form of a rebate or credit.

(18) 'Minor' means an individual who is less than 21 years of age.

168 (19) 'Moneyline wager' means the fixed odds in relation to a dollar amount that a team
169 or person participating in a sporting event will win outright regardless of the spread.

170 (20) 'Official event data' means statistics, results, outcomes, and other data related to a
171 sporting event obtained pursuant to an agreement with the relevant sporting events
172 operator whose corporate headquarters is based in the United States or an entity expressly
173 authorized by such sporting events operator to provide such information to licensees for
174 purposes of determining the outcome of tier 2 sports wagers on such sporting event.

175 (21) 'Official league data' means statistics, results, outcomes, and other data related to
176 a sporting event obtained pursuant to an agreement with the relevant professional sports
177 governing body whose corporate headquarters is based in the United States or an entity
178 expressly authorized by such professional sports governing body to provide such
179 information to licensees for purposes of determining the outcome of tier 2 sports wagers.

180 (22) 'Online sports betting' means a wager on a sporting event that is placed via the
181 internet through any electronic device and accepted through an online sports betting
182 platform.

183 (23) 'Online sports betting platform' means the combination of hardware, software, and
184 data networks used to manage, administer, or control online sports betting and any
185 associated wagers accessible by any electronic means.

186 (24) 'Online sports betting services provider' means a person that contracts with the
187 master sports betting licensee or a Type 1 sports betting licensee under Code Section
188 50-27-133 to operate online sports betting on behalf of such licensee and that is licensed
189 by the corporation.

190 (25) 'Over/under wager' means a single wager that predicts whether the combined score
191 of the two persons or teams engaged in a sporting event will be lower or higher than a
192 predetermined number.

193 (26) 'Parlay wager' means a single wager that incorporates two or more individual bets
194 for purposes of earning a higher payout if each bet incorporated within the wager wins.

195 (27) 'Person' means an individual or entity.

196 (28) 'Principal owner' means a person that owns an interest of 10 percent or more of the
197 entity.

198 (29) 'Professional sporting event' means an athletic or sporting event involving at least
199 two competitors who have the opportunity to receive compensation for participating in
200 such event.

201 (30) 'Professional sports governing body' means the organization, league, or association
202 whose corporate headquarters is based in the United States that oversees a sport and
203 prescribes final rules and enforces codes of conduct with respect to such sport and
204 participants therein.

205 (31) 'Professional sports team' means a major league professional team:

206 (A) Based in this state;

207 (B) That plays baseball, football, men's basketball, soccer, or women's basketball; and

208 (C) Whose regular season games have had the highest attendance for its respective
209 professional sport in the state during the past five years.

210 (32) 'Proposition wager' means a wager on a single specific action, statistic, occurrence,
211 or nonoccurrence to be determined during a sporting event and includes any such action,
212 statistic, occurrence, or nonoccurrence that does not directly affect the final outcome of
213 the sporting event to which it relates.

214 (33) 'Relative' means a spouse, father, mother, son, daughter, grandfather, grandmother,
215 brother, sister, uncle, aunt, cousin, nephew, niece, father-in-law, mother-in-law,
216 son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother,
217 stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

218 (34) 'Sporting event' means any:

219 (A) Professional sporting or professional athletic event, including motor sports
220 sanctioned by a national or international organization or association;

221 (B) Collegiate sporting event;

(C) Olympic sporting or athletic event;

(D) Sporting or athletic event sanctioned by a national or international organization or association;

(E) Sporting or athletic event conducted or organized by a sporting events operator;

(F) Esports event; or

(G) Other event authorized by the corporation.

Such term shall not include a nonprofessional, noncollegiate, or non-Olympic sporting or athletic event if the majority of the participants are under the age of 18 years.

(35) 'Sporting events operator' means a person that conducts or organizes a sporting event for athletes or other participants that is not held or sanctioned as an official sporting event of a professional sports governing body.

(36) 'Sports betting' means online sports betting.

(37) 'Sports betting equipment' means any of the following that is directly used in connection with the operation of sports betting:

(A) Any mechanical, electronic, or other device, mechanism, or equipment;

(B) Any software, application, components, or other goods; or

(C) Anything to be installed or used on a personal electronic device.

(38)(A) 'Sports betting supplier' means a person that provides sports betting equipment necessary for the creation of sports betting markets and the determination of bet outcomes, directly to any licensee involved in the acceptance of bets, including any of the following:

(i) Providers of data feeds and odds services;

(ii) Platform providers;

(iii) Risk management providers;

(iv) Integrity monitoring providers; and

(v) Other providers of sports betting supplier services as determined by the corporation.

(B) Such term shall not include a professional sports governing body that:

(i) Provides official league data concerning its own sporting event to a sports betting licensee solely on that basis; or

(ii) Provides raw statistical match data to one or more designated and licensed suppliers of data feeds and odds services solely on that basis.

(39) 'Spread' means the predicted scoring differential between two persons or teams engaged in a sporting event.

(40) 'Supervisory employee' means a principal owner or employee having the authority to act on behalf of a licensee whose judgment is relied upon to manage and advance the sports betting business operations of a licensee.

(41) 'Tier 1 sports wager' means a sports wager that is determined solely by the final score or final outcome of the sporting event and is placed before the sporting event has begun.

(42) 'Tier 2 sports wager' means a wager that is not a tier 1 sports wager.

(43) 'Type 1 eligible entity' means any of the following:

(A) Any professional sports team;

(B) A professional sports governing body that holds one or more sanctioned annual golf tournaments on a national tour of professional golf in this state, and has held one or more of the same or different sanctioned annual golf tournaments on a national tour of professional golf in this state for at least 30 years;

(C) The owner of a facility in this state that has held an annual invitational golf tournament for professional and amateur golfers for at least 30 years;

(D) The owner of a facility located in this state that hosts automobile races on a national association for stock car racing national tour or a wholly owned for-profit subsidiary of the owner of such a facility, if the owner is a nonprofit corporation or nonprofit organization; and

(E) The Georgia Lottery Corporation.

(44) 'Type 1 sports betting licensee' means the master sports betting licensee, an online sports betting services provider awarded a Type 1 license via the public procurement process by the master sports betting licensee, or a Type 1 eligible entity licensed or authorized by the corporation to directly or indirectly offer online sports betting.

(45) 'Wager' or 'bet' means a sum of money that is risked by a bettor on the unknown outcome of one or more sporting events or portions of sporting events. Such term shall include single-game wagers, futures wagers, tier 1 or tier 2 wagers, teaser wagers, parlay wagers, over/under wagers, moneyline wagers, pools, exchange wagering, in-game wagering, in-play wagers, proposition wagers, straight wagers, fixed-odds betting, and any other bet or wager approved by the corporation. Such term shall not include a pari-mutuel bet or wager or an entry fee paid to participate in a fantasy or simulated contest.

50-27-123.

(a) The corporation shall have all powers and duties necessary to carry out the provisions of this article and to exercise the control of the lottery game of sports betting in this state as authorized by this article. Such powers and duties shall include, but shall not be limited to, the following:

(1) To have jurisdiction, supervision, and regulatory authority over sports betting, including, but not limited to, regulation, licensure, and offering of sports betting on mobile applications available state wide via the internet and through a limited number of licenses to be awarded to Type 1 sports betting licensees;

(2) To appoint and employ such persons as the corporation deems essential to perform its duties under this article and to ensure that such sports betting is conducted with order and the highest integrity. Such employees shall possess such authority and perform such duties as the corporation shall prescribe or delegate to them. Such employees shall be compensated as provided by the corporation;

302 (3) To enter upon, investigate, and have free access to all places of business of any
303 licensee under this article and to compel the production of any books, ledgers, documents,
304 records, memoranda, or other information of any licensee to ensure such licensee's
305 compliance with the rules and regulations promulgated by the corporation pursuant to this
306 article;

307 (4) To promulgate any rules and regulations as the corporation deems necessary and
308 proper to administer the provisions of this article; provided, however, that the initial rules
309 and regulations governing sports betting shall be promulgated, provided for a period of
310 public comment, and adopted by the corporation within 90 days of the effective date of
311 this article. Such initial rules and regulations and all other rules and regulations of the
312 corporation promulgated and adopted pursuant to this article shall not be subject to
313 Chapter 13 of this title, the 'Georgia Administrative Procedure Act';

314 (5) To issue subpoenas for the attendance of witnesses before the corporation, administer
315 oaths, and compel production of records or other documents and testimony of witnesses
316 whenever, in the judgment of the corporation, it is necessary to do so for the effectual
317 discharge of the duties of the corporation under this article;

318 (6) To compel any person licensed by the corporation to file with the corporation such
319 data, documents, and information as shall appear to the corporation to be necessary for
320 the performance of the duties of the corporation under this article, including, but not
321 limited to, financial statements and information relative to stockholders and all others
322 with a pecuniary interest in such person;

323 (7) To prescribe the manner in which books and records of persons licensed or permitted
324 by the corporation under this article shall be kept;

325 (8) To enter into arrangements with any foreign or domestic government or
326 governmental agency for the purposes of exchanging information or performing any other
327 act to better ensure the proper conduct of betting under this article;

(9) To order such audits, in addition to those otherwise required by this article, as the corporation deems necessary and desirable;

(10) Upon the receipt of a complaint of an alleged criminal violation of this article, to immediately report such complaint to the appropriate law enforcement agency with jurisdiction to investigate criminal activity;

(11) To provide for the reporting of the applicable amount of state and federal income tax of persons claiming a prize or payoff for a winning wager under this article;

(12) To establish and administer programs for providing assistance to individuals with problem gambling or a betting or gambling disorder, including, but not limited to:

(A) Educating potential gamblers of methods and types of bets and fairly informing potential gamblers of the odds or likelihood of winning such bets;

(B) Establishing and administering programs for educating potential gamblers about responsible gambling, the warning signs of problem gambling or betting or gambling disorders and how to prevent and treat problem gambling or betting or gambling disorders;

(C) Developing and funding responsible gaming education campaigns coupled with prevention and education efforts within communities that raise awareness of potential signs or risk factors of problem gambling or betting or gambling disorders;

(D) Encouraging the use of harm-minimizing measures by bettors, such as utilizing limit-setting tools and reviewing personal data and information to make informed decisions about gambling;

(E) Promulgating rules and regulations that enable bettors to self-limit with a licensee and self-exclude from sports betting activities state wide. Any such rules or regulations related to self-exclusion shall require the individual seeking self-exclusion to provide identifying information, including, at a minimum, full name, address, date of birth, and social security number;

354 (F) Adopting processes for individuals to express concerns related to problem
355 gambling or betting or gambling disorders to the corporation;

356 (G) Developing state-wide advertising guidelines to ensure that the marketing of sports
357 betting is not targeted to minors and does not include content, themes, and promotions
358 that have special appeal to individuals with problem gambling or a betting or gambling
359 disorder;

360 (H) Requiring the electronic posting of signs or notifications on online sports betting
361 platforms that bear the 1-800-GAMBLER toll-free number, which provides or directs
362 callers to assistance and resources for individuals with problem gambling or a betting
363 or gambling disorder; and

364 (I) To require licensees to implement systems to monitor their customers' betting and
365 provide customers with guidance, information, and options when their betting may be
366 problematic;

367 (13) To keep a true and full record of all proceedings of the corporation under this article
368 and preserve at the corporation's general office all books, documents, and papers of the
369 corporation; and

370 (14) To adopt rules and regulations specific to the manner in which a licensee may
371 advertise its business operations as authorized by this article.

372 (b) The corporation shall not have the power to prescribe a licensee's maximum or
373 minimum payout or hold percentage.

374 50-27-124.

375 (a) The corporation shall prescribe by rules and regulations:

376 (1) The reserves that must be kept by licensees to comply with subparagraph (c)(7)(A)
377 of Code Section 50-27-130 to pay off bettors;

378 (2) Any insurance requirements for a licensee;

(3) Minimum requirements by which each licensee shall exercise effective control over its internal fiscal affairs, including, without limitation, requirements for:

(A) Safeguarding assets and revenues, including evidence of indebtedness;

(B) Maintaining reliable records relating to accounts, transactions, profits and losses, operations, and events; and

(C) Global risk management;

(4) Requirements for internal and independent audits of licensees;

(5) The manner in which periodic financial reports shall be submitted to the corporation from each licensee, including the financial information to be included in the reports;

(6) The type of information deemed to be confidential financial or proprietary information that is not subject to any reporting requirements under this article;

(7) Policies, procedures, and processes designed to mitigate the risk of cheating and money laundering; and

(8) Any post-employment restrictions necessary to maintain the integrity of sports betting in this state.

Part 2

50-27-130.

(a) Any person offering, operating, or managing sports betting in this state shall be licensed by the corporation.

(b) The corporation shall issue licenses to qualified applicants able to meet the duties of a license holder under this article and that the corporation determines will best satisfy the following criteria:

(1) Expertise in the business of online sports betting;

(2) Integrity, sustainability, and safety of the online sports betting platform;

(3) Past relevant experience of the applicant;

(4) Advertising and promotional plans to increase and sustain revenue;

(5) The amount of adjusted gross income and associated tax revenue that an applicant is projected to generate;

(6) Demonstrated commitment to and plans for the promotion of responsible gaming; and

(7) Capacity to increase the number of bettors on the applicant's platform.

(c) An applicant for a license shall submit an application on a form in such manner and in accordance with such requirements as may be prescribed by rules and regulations of the corporation. Such rules and regulations shall require, at a minimum, that the application include the following:

(1) If the applicant is an entity, identification of the applicant's principal owners, board of directors, officers, and supervisory employees;

(2) Evidence of the applicant's certificate of fitness for sports betting affiliation. If the applicant is an entity, such evidence shall be provided for every individual who is a principal owner;

(3) Information, documentation, and assurances as may be required by the corporation to establish by clear and convincing evidence the applicant's good character, honesty, and integrity, including, but not limited to, information pertaining to family, habits, character, reputation, criminal and arrest records, business activities, financial affairs, and business, professional, and personal associates, covering at least the ten-year period immediately preceding the filing of the application;

(4) Notice and a description of civil judgments obtained against the applicant pertaining to antitrust or security regulation laws of the federal government, this state, or any other state, jurisdiction, province, or country;

(5) To the extent available, letters of reference or the equivalent from law enforcement agencies having jurisdiction of the applicant's place of residence and principal place of business. Each such letter of reference shall indicate that the law enforcement agency

431 does not have any pertinent information concerning the applicant or, if such law
432 enforcement agency does have information pertaining to the applicant, shall provide such
433 information, to the extent permitted by law;

434 (6) If the applicant has conducted sports betting operations in another jurisdiction, a
435 letter of reference from the regulatory body that governs sports betting that specifies the
436 standing of the applicant with such regulatory body; provided, however, that, if no such
437 letter is received within 60 days of the request therefor, the applicant may submit a
438 statement under oath that the applicant is or was, during the period such activities were
439 conducted, in good standing with the regulatory body;

440 (7) Information, documentation, and assurances concerning financial background and
441 resources as may be required to establish by clear and convincing evidence the financial
442 stability, integrity, and responsibility of the applicant, including, but not limited to, bank
443 references, business and personal income and disbursement schedules, tax returns and
444 other reports filed with governmental agencies, and business and personal accounting and
445 check records and ledgers. Each applicant shall, in writing, authorize the examination of
446 all bank accounts and records as may be deemed necessary by the corporation. The
447 corporation may consider any relevant evidence of financial stability. In addition, the
448 applicant shall:

449 (A) Maintain a reserve of not less than \$500,000.00 or the amount required to cover
450 the outstanding liabilities for wagers accepted by the licensee, whichever is greater.
451 Outstanding liabilities for wagers shall mean the sum of patron account balances, the
452 amount paid by patrons for wagers that have not yet been determined, and the amount
453 owed but unpaid by licensees to patrons for wagers whose results have been
454 determined. The reserve may take the form of a bond, an irrevocable letter of credit,
455 payment processor reserves and receivables, cash or cash equivalents segregated from
456 operational funds, guaranty letter, or a combination thereof. Such reserve shall be
457 adequate to pay winning wagers to bettors when due. An applicant is presumed to have

met this standard if the applicant maintains, on a daily basis, subject to when banks are open, a minimum reserve in an amount which is at least equal to the average daily minimum reserve, calculated on a monthly basis, for the corresponding month in the previous year;

(B) Meet ongoing operating expenses which are essential to the maintenance of continuous and stable sports betting operations; and

(C) Pay, as and when due, all state and federal taxes;

(8) Information, documentation, and assurances as may be required to establish by clear and convincing evidence that the applicant has sufficient business ability and sports betting experience to establish the likelihood of the creation and maintenance of successful, efficient sports betting operations in this state;

(9) Information, as required by rules and regulations of the corporation, regarding the financial standing of the applicant;

(10) A nonrefundable application fee and annual licensing fee as follows:

(A) Applicants for a Type 1 sports betting license shall pay a nonrefundable application fee in the amount of \$100,000.00 and an annual licensing fee in the amount of \$1 million;

(B) Applicants for an online sports betting services provider license shall pay a nonrefundable application fee in the amount of \$10,000.00 and an annual licensing fee of \$100,000.00; provided, however, that an online sports betting services provider that applies for and obtains a Type 1 sports betting license pursuant to paragraph (3) of subsection (b) of Code Section 50-27-133 shall only be required to pay the nonrefundable application fee and annual licensing fee applicable to the applicant's Type 1 sports betting license; and

(C) Applicants for a sports betting supplier license shall pay a nonrefundable application fee in the amount of \$2,000.00 and an annual licensing fee of \$20,000.00; and

(11) Any additional information, documents, or assurances required by rules and regulations of the corporation.

(d) The corporation shall review and approve or deny an application for a license not more than 90 days after receipt of an application.

50-27-131.

(a) A licensee may renew its license by submitting an application on a form in such manner and in accordance with such requirements as may be prescribed by rules and regulations of the corporation. A licensee shall submit the nonrefundable application fee prescribed under paragraph (10) of subsection (c) of Code Section 50-27-130 with its application for license renewal.

(b) For each application for licensure or renewal of a license approved under this Code section, the amount of the application fee shall be credited toward the licensee's annual licensing fee and the licensee shall remit the balance of the annual license fee to the corporation upon approval of a license.

(c) Each licensee shall have a continuing duty to promptly inform the corporation of any change in status relating to any information that may disqualify the licensee from holding a license under Code Section 50-27-132.

(d) A professional sports governing body may enter into commercial agreements with licensees or other entities that provide for such professional sports governing body to share in the amounts wagered or revenue derived from wagers on sporting events of such professional sports governing body. A professional sports governing body shall not be required to obtain any approval or other form of authorization from the corporation to enter into such commercial agreements or to lawfully accept such amounts or revenues. The corporation shall not prescribe any terms or conditions that are required to be included into such commercial agreements.

(e) A person that holds a license or permit to engage in sports betting issued by another jurisdiction, either directly or through a parent company or affiliated subsidiary, may submit a request to the corporation for a temporary license for such person to immediately commence engagement in this state in sports betting. Such request shall include the application fee and annual licensing fee required under paragraph (10) of subsection (c) of Code Section 50-27-130.

(f) Upon receiving a request for a temporary license, the chief executive officer shall review the request. If the chief executive officer reviews the request and determines that the person requesting the temporary license holds a license or permit issued by another jurisdiction to engage in sports betting and has paid the required application fee and annual licensing fee, the chief executive officer may authorize such person to engage in sports betting pursuant to this article under a temporary license for up to one year or until a final determination on such person's application is made, whichever is later.

(g) All licenses issued under this article shall be valid for a term of five years, unless suspended or revoked as provided under this article.

(h) The corporation may adopt rules and regulations prescribing the manner in which a license may be transferred and a fee for a license transfer.

(i) A licensee may maintain the bond, letter of credit, or cash reserve at any bank lawfully operating in this state and the licensee shall be the beneficiary of any interest accrued thereon.

50-27-132.

(a) The following persons shall not be eligible to apply for or obtain a license under this article:

(1) A member of the board of directors or employee of the corporation or an employee of a corporation vendor; provided, however, that a corporation vendor as an entity may be eligible to apply for or obtain a license;

536 (2) An employee of a professional sports team on which the applicant offers sports
537 betting;

538 (3) A coach of or player for a collegiate, professional, or Olympic sports team or sport
539 for which the applicant offers sports betting, or an entity that has an affiliation or interest
540 in such a sports team or sport;

541 (4) An individual who is a member or employee of any professional sports governing
542 body or sporting events operator for which the applicant offers sports betting;

543 (5) An individual or entity with an owner, officer, or director who has been convicted of
544 a crime of moral turpitude or similar degree as specified in rules and regulations
545 promulgated by the corporation pursuant to this article;

546 (6) A person having the ability to directly affect the outcome of a sporting event upon
547 which the applicant offers sports betting;

548 (7) A trustee or regent of a governing board of a public or private institution of higher
549 education;

550 (8) An individual prohibited by the rules or regulations of a professional sports
551 governing body or sporting events operator of a collegiate sports team, league, or
552 association from participating in sports betting;

553 (9) A student or an employee of a public or private institution of higher education who
554 has access to material nonpublic information concerning a student athlete or a sports
555 team, unless such access to information is deemed incidental; and

556 (10) Any other category of persons, established by rules and regulations of the
557 corporation, that, if licensed, would negatively affect the integrity of sports betting in this
558 state.

559 (b) An individual listed in paragraphs (2) through (10) of subsection (a) of this Code
560 section may hold an ownership interest in an applicant or licensee without disqualifying
561 the applicant or licensee from obtaining or holding a license; provided, however, that such
562 an ownership interest of 25 percent or more shall require approval from the corporation.

In determining whether such an ownership interest shall be the basis of disqualification, the corporation shall consider whether such interest would negatively affect the integrity of sports betting in this state and any other factors the corporation shall deem relevant.

50-27-133.

(a) A Type 1 sports betting license authorizes the licensee, or its designated online sports betting services provider, to offer online sports betting. If a Type 1 eligible entity designates an online sports betting services provider, the designated online sports betting services provider shall instead fulfill the application and operational requirements for sports betting offered pursuant to this article. The corporation shall establish a procedure for a Type 1 eligible entity to designate an online sports betting provider.

(b) The corporation shall issue not more than 16 Type 1 sports betting licenses as follows:

(1) Five Type 1 sports betting licenses shall be reserved for the Type 1 eligible entities defined in subparagraph (A) of paragraph (43) of Code Section 50-27-122; provided, however, that more than one license may be issued to an owner of multiple professional sports teams;

(2) One Type 1 sports betting license shall be reserved for each of the Type 1 eligible entities defined in subparagraphs (B) through (E) of paragraph (43) of Code Section 50-27-122; and

(3) The corporation shall award the remaining seven Type 1 sports betting licenses to separate online sports betting services providers via a public procurement process;

(c) The master sports betting license shall be deemed a Type 1 licensee and shall not be required to apply for a license; provided, however, that an online sports betting services provider engaged by the master sports betting licensee shall be required to apply for an online sports betting services provider license to operate online sports betting on behalf of the master sports betting licensee.

(d) A Type 1 eligible entity may contract with no more than one online sports betting services provider to operate online sports betting on behalf of the Type 1 eligible entity.

(e) A Type 1 eligible entity shall provide written notice to the corporation of its intention to apply for a Type 1 sports betting license within 60 days of the effective date of this article. The failure of a Type 1 eligible entity to provide such written notice shall result in the permanent disqualification and prohibition of such Type 1 eligible entity from obtaining a Type 1 sports betting license.

(f) A Type 1 sports betting licensee shall not offer online sports betting until the corporation has issued a Type 1 sports betting license to at least one online sports betting services provider via the public procurement process as determined by the corporation.

(g) The corporation shall begin to accept applications for all 16 Type 1 sports betting licenses under subsection (b) of this Code section on the same date.

(h) All applicants for the 16 Type 1 sports betting licenses under subsection (b) of this Code section that have submitted an application within 30 days of the date in which the corporation began to accept applications for Type 1 sports betting licenses shall be given an equal opportunity to first commence offering, conducting, or operating online sports betting in this state on the same day, and in any event not later than January 31, 2025.

(i) A Type 1 eligible entity described in subparagraphs (A) through (D) of paragraph (43) of Code Section 50-27-122 that becomes a Type 1 sports betting licensee or designates an online sports betting services provider shall establish and maintain procedures with respect to sporting events which the Type 1 eligible entity participates in or administers to ensure avoidance of conflicts of interest in the operation of sports betting in this state.

50-27-134.

(a) An online sports betting services provider shall offer online sports betting only in accordance with the provisions of this article and the rules and regulations adopted by the corporation under this article.

(b) An online sports betting services provider shall obtain a license under this article before offering online sports betting pursuant to a contract with a Type 1 sports betting licensee or master sports betting licensee. An online sports betting services provider license shall entitle the holder to contract with no more than one Type 1 sports betting licensee.

(c) If the holder of a Type 1 sports betting license is a Type 1 eligible entity and is a member of a league, association, or organization that prevents the holder from being subject to the regulatory control of the corporation or from otherwise operating under the license, such a Type 1 eligible entity may contractually appoint an online sports betting services provider for all aspects of corporation oversight and operations under the Type 1 sports betting license.

(d) Institutional investors shall be exempt from any and all qualification and disclosure requirements under this article or required under the rules and regulations promulgated by the corporation pursuant to this article. Such exemption shall extend to the owners, directors, and officers of such institutional investors.

50-27-135.

Proposition wagers shall only be offered on online sports betting platforms by the master sports betting licensee, an online sports betting services provider that contracts with the master sports betting licensee, or a Type 1 sports betting licensee.

Part 3

50-27-150.

(a) Notwithstanding any other law to the contrary, there shall be imposed an annual privilege tax of 15 percent of the adjusted gross income derived from online sports betting in accordance with this Code section.

(b) The privilege tax described in subsection (a) of this Code section shall be paid by the online sports betting services provider; provided, however, that, if a Type 1 sports betting licensee does not contract with an online sports betting services provider, such privilege tax shall be paid by such Type 1 sports betting licensee as provided for in subsection (c) of this Code section. This subsection shall not apply to the master sports betting licensee.

(c) The privilege tax imposed under this Code section shall be paid monthly by the online sports betting services provider based on its monthly adjusted gross income for the immediately preceding calendar month. The privilege tax shall be paid to the corporation in accordance with rules and regulations promulgated by the corporation. If the online sports betting services provider's adjusted gross income for a month is a negative number, such online sports betting services provider may carry over such negative amount to subsequent months.

(d) All moneys from privilege taxes and fees collected under this Code section shall be distributed and used as provided under Article I, Section II, Paragraph VIII(c) of the Constitution.

(e) With the exception of application fees and annual licensing fees imposed by paragraph (10) of subsection (c) of Code Section 50-27-130, this privilege tax is in lieu of all other state and local sales and income taxes and fees imposed on the operation of sports betting or on the proceeds from the operation of sports betting in this state. This subsection shall not exempt goods and services purchased by licensees in the ordinary course of business from the imposition of state or local sales taxes that would otherwise apply, nor shall it exempt licensees from the payment of taxes on real property owned by the licensee.

50-27-151.

(a) Each Type 1 licensee or its sports betting services provider shall report to the corporation, no later than January 15 of each year:

(1) The total amount of wagers received from bettors for the immediately preceding calendar year;

(2) The adjusted gross income of the licensee for the immediately preceding calendar year; and

(3) Any additional information required by rules and regulations of the corporation deemed in the public interest or necessary to maintain the integrity of sports betting in this state.

(b) A licensee shall promptly report to the corporation any information relating to:

(1) The name of any newly elected officer or director of the board of the licensed entity; and

(2) The acquisition by any person of 10 percent or more of any class of corporate stock.

(c) With respect to information reported under subsection (b) of this Code section, a licensee shall include with such report a statement of any conflict of interest that may exist as a result of such election or acquisition.

(d) Upon receiving a report under this Code section or subsection (b) of Code Section 50-27-191, the corporation may conduct a hearing in accordance with Code Section 50-27-193 to determine whether the licensee remains in compliance with this article.

Part 4

50-27-160.

(a) No person shall knowingly:

(1) Allow a minor to place a wager;

(2) Offer, accept, or extend credit to a bettor in the form of a marker; provided, however, that promotions and promotional credits shall be permitted to be offered and extended to bettors;

(3) Target minors in advertising or promotions for sports betting;

(4) Offer or accept a wager on any event, outcome, or occurrence other than a sporting event, including, without limitation, a high school sporting event offered, sponsored, or played in connection with a public or private institution that offers education at the secondary level; or

(5) Accept a wager from an individual who is prohibited from placing a wager or bet under Code Section 50-27-162, if such person has notice or actual knowledge that such individual is prohibited from placing such a wager or bet.

(b) If the corporation determines that a person has violated any provision of this Code section, the corporation may impose an administrative fine not to exceed \$25,000.00 per violation, or a total of \$50,000.00 for violations arising out of the same transaction or occurrence.

50-27-161.

Except for those individuals ineligible to place bets under Code Section 50-27-162, an individual who is 21 years of age or older and who is physically located in this state may place a wager in the manner authorized under this article and the rules and regulations of the corporation.

50-27-162.

(a) The following individuals and categories of individuals shall not, directly or indirectly, place a wager on sporting events or online sports betting platforms in this state:

(1) A member, officer, or employee of the corporation shall not place a wager on any sporting event or platform;

(2) A corporation vendor employee shall not place a wager on a sporting event using their employer's platform;

(3) A licensee or principal owner, partner, member of the board of directors, officer, or supervisory employee of a licensee shall not place a wager on the licensee's platform;

(4) A person that provides goods or services to a licensee or any principal owner, partner, member of the board of directors, officer, or supervisory employee of a person that provides such goods or services shall not place a wager on the licensee's platform;

(5) A contractor, subcontractor, or consultant or any officer or employee of a contractor, subcontractor, or consultant of a licensee shall not place a wager on the licensee's platform, if such individual is directly involved in the licensee's operation of sports betting or the processing of sports betting claims or payments through the licensee's platform;

(6) An individual subject to a contract with the corporation shall not place a wager on any platform, if the contract contains a provision prohibiting the individual from participating in sports betting;

(7) An individual with access to material nonpublic information that is known exclusively by an individual who is prohibited from placing a wager in this state under this Code section shall not use any such information to place a wager on any sporting event or platform;

(8) An amateur or Olympic athlete shall not place a wager on any sporting event in which the athlete participates;

(9) A professional athlete shall not place a wager on any sporting event overseen by such athlete's professional sports governing body or sporting events operator;

(10) A principal owner of a team, employee of a team, player, umpire, or sports union personnel, or employee, referee, coach, or official of a professional sports governing body or sporting events operator shall not place a wager on any sporting event, if the wager is based on a sporting event overseen by the individual's professional sports governing body or sporting events operator;

(11) An individual having the ability to directly affect the outcome of a sporting event shall not place a wager on such sporting event;

(12) A trustee or regent of a governing board of a public or private institution of higher education shall not place a wager on a collegiate sporting event;

(13) An individual prohibited by the rules or regulations of a professional sports governing body or sporting events operator of a collegiate sports team, league, or association from participating in sports betting shall not place a wager on any sporting event to which such prohibition applies; and

(14) A student or an employee of a public or private institution of higher education who has access to material nonpublic information concerning a student athlete or a sports team shall be prohibited from placing a wager on a collegiate sporting event if such information is relevant to the outcome of such event.

(b) The corporation may prescribe by rules and regulations additional individuals and categories of individuals who are prohibited from placing a wager on specified sporting events or online sports betting platforms in this state.

(c) The corporation shall prescribe by rules and regulations any measures necessary to ensure individuals who are prohibited from placing a wager on specified sporting events or online sports betting platforms in this state shall not be permitted to collude with individuals not specifically enumerated in subsection (a) of this Code section to directly affect the outcome of a sporting event.

(d) Any individual who places a wager in violation of this Code section:

(1) For a first offense, shall be indefinitely prohibited from placing a wager, be required to forfeit the proceeds of any illegal wager, be guilty of a misdemeanor, and be fined not less than \$500.00 nor more than \$1,000.00;

(2) For a second offense, shall be:

(A) Required to forfeit the proceeds of any illegal wager;

(B) Guilty of a misdemeanor; and

(C) Fined not less than \$5,000.00 or imprisoned for not less than one month nor more than five months, or both; and

(3) For a third or subsequent offense, shall be:

(A) Required to forfeit the proceeds of any illegal wager;

(B) Guilty of a misdemeanor of a high and aggravated nature; and

(C) Fined not less than \$7,500.00 or imprisoned for not less than three months, or both.

50-27-163.

(a) The corporation shall by rules and regulations prohibit betting on injuries, penalties, the outcome of player discipline rulings or replay reviews, and any other type or form of betting under this article that is contrary to public policy or unfair to bettors.

(b)(1) A professional sports governing body or sporting events operator may submit to the corporation in writing, by providing notice in such form and manner as the corporation may require, a request to restrict, limit, or prohibit a certain type, form, or category of sports betting with respect to its sporting events, if the professional sports governing body or sporting events operator believes that such type, form, or category of sports betting with respect to its sporting events may undermine the integrity or perceived integrity of such professional sports governing body or sporting events operator or its sporting events. The corporation shall request comments from sports betting licensees and sports betting services provider licensees on all such requests it receives.

(2) After giving due consideration to all comments received, the corporation shall, upon demonstration of good cause from the requestor that such type, form, or category of sports betting is likely to undermine the integrity or perceived integrity of such professional sports governing body or sporting events operator or its sporting events, grant the request. The corporation shall respond to a request concerning a particular sporting event before the start of the event, or if it is not feasible to respond before then, no later than seven days after the request is made. If the corporation determines that the requestor is more likely than not to prevail in successfully demonstrating good cause for its request, the corporation may provisionally grant the request of the professional sports

governing body or sporting events operator until the corporation makes a final determination as to whether the requestor has demonstrated good cause. Absent such a provisional grant by the corporation, sports betting licensees may continue to offer sports betting on sporting events that are the subject of such a request during the pendency of the corporation's consideration of the applicable request.

Part 5

50-27-170.

(a) Prior to placing a wager with a licensee via online sports betting, a bettor shall register and establish a player account with the licensee remotely during which the bettor shall attest that he or she meets the requirements to place a wager with a licensee in this state. Prior to verification of a bettor's identity in accordance with this Code section, a licensee shall not allow the bettor to place a wager, make a deposit, or process a withdrawal via online sports betting. A licensee shall implement commercially and technologically reasonable procedures to prevent access to sports betting by minors on its online sports betting platforms. A licensee may use information obtained from third parties to verify that an individual is authorized to open an account, place wagers, and make deposits and withdrawals.

(b) Each licensee shall adopt a registration policy to ensure that all bettors utilizing online sports betting are authorized to place a wager with a licensee within this state. Such policy shall include, without limitation, commercially reasonable mechanisms to:

(1) Verify the identity and age of the registrant;

(2) Verify that the registrant is not knowingly prohibited from placing a wager under Code Section 50-27-162; and

(3) Obtain the following information from the registrant:

(A) Legal name;

(B) Date of birth;

(C) Physical address other than a post office box;

(D) Phone number;

(E) A unique username; and

(F) An active email account.

(c) Each licensee may in its discretion require a bettor to provide the licensee with a signed and notarized document attesting that the bettor is qualified to engage in sports betting under this article as part of the registration policy of the licensee.

(d) A bettor shall not register more than one account with a licensee, and each licensee shall use commercially and technologically reasonable means to ensure that each bettor is limited to one account.

(e) Each licensee, in addition to complying with state and federal law pertaining to the protection of the private, personal information of registered bettors, shall use all other commercially and technologically reasonable means to protect such information consistent with industry standards.

(f) A bettor may fund an account through:

(1) Electronic bank transfer of funds, including such transfers through third parties;

(2) Debit cards;

(3) Online and mobile payment systems that support online money transfers; and

(4) Any other method approved by rules and regulations of the corporation.

(g)(1) Licensees shall not allow bets to be placed until first verifying the identity of the bettor pursuant to this Code section and by rules promulgated by the corporation.

Further, and pursuant to rules promulgated by the corporation, licensees shall establish safeguards, including, but not limited to, access notifications and similar security safeguards, to protect each bettor's account.

(2) If a licensee determines that the information provided by a bettor to make a deposit or process a withdrawal is inaccurate or incapable of verification or violates the policies

and procedures of the licensee, the licensee shall, within ten days, require the submission of additional information that can be used to verify the identity of such bettor.

(3) If such information is not provided or does not result in verification of the bettor's identity, the licensee shall:

(A) Immediately suspend the bettor's account and shall not allow the bettor to place wagers;

(B) Retain any winnings attributable to the bettor; and

(C) Refund the affected balance of deposits made to the account to the source of such deposit or by issuance of a check.

(h) A licensee shall utilize geofencing technology to ensure that online sports betting is available only to bettors who are physically located in this state. Servers, including the use of backup servers, may be located outside of this state, consistent with federal law. To the extent required by federal law, a licensee shall maintain in this state the servers it uses to accept wagers on a sporting event placed by bettors located in this state.

(i) Each licensee shall clearly and conspicuously display on its website a statement indicating that it is illegal for a person under 21 years of age to engage in sports betting in this state.

(j) The corporation shall promulgate rules and regulations for purposes of regulating sports betting via online sports betting.

50-27-171.

(a) Licensees shall allow bettors to limit their betting activity with the licensee by, at a minimum, giving bettors the opportunity to place limits on the amounts deposited, the amounts wagered, and the amount of time spent wagering. Licensees shall take reasonable steps to prevent bettors from overriding their self-imposed responsible gambling limits.

(b) The corporation shall promulgate rules and regulations that require a licensee to implement responsible sports betting programs that include comprehensive training on

responding to circumstances in which individuals present signs of problem gambling or a betting or gambling disorder.

(c) The corporation shall work with national and local organizations to provide services for individuals with problem gambling or a betting or gambling disorder and to establish prevention initiatives to reduce the number of individuals with problem gambling or a betting or gambling disorder, including, but not limited to, utilizing currently established programs for problem gambling or betting or gambling disorders.

(d) All sports betting advertisements shall prominently display messaging designed to prevent problem gambling and provide information about how to access resources related to problem gambling, including the National Council on Problem Gambling's helpline or other similar toll-free helpline.

(e) The corporation shall annually generate a report outlining activities with respect to problem gambling and betting or gambling disorders, including, but not limited to, descriptions of programs, grants, and other resources made available; the number of individuals seeking assistance; the number of individuals who reported completing programs and therapies; and the rate of recidivism, if known to the corporation. The corporation shall file the annual report with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives and shall publish such report on its website no later than January 30 of each year.

50-27-172.

(a) Each licensee shall adopt and adhere to a written, comprehensive policy outlining its rules governing the acceptance of wagers and payouts. Such policy and rules must be approved by the corporation prior to the acceptance of a wager by a licensee. Such policy and rules must be readily available to a bettor on the licensee's website.

(b) The corporation shall promulgate rules and regulations regarding:

- 895 (1) The manner in which a licensee accepts wagers from and issues payouts to bettors,
896 including payouts in excess of \$10,000.00; and
897 (2) Requirements for reporting suspicious wagers.

898 Part 6

899 50-27-180.

900 (a) Licensees are not required to use official league data or official event data for
901 determining the results of:

902 (1) Tier 1 sports wagers on events of any organization, whether headquartered in the
903 United States or elsewhere; or

904 (2) Tier 2 sports wagers on events of organizations that are not headquartered in the
905 United States.

906 (b)(1) A professional sports governing body or sporting events operator headquartered
907 in the United States may notify the corporation that it desires licensees to use official
908 league data or official event data for determining the results of tier 2 sports wagers on its
909 sporting events. A notification under this subsection shall be made in the form and
910 manner as the corporation shall require. The corporation shall notify each licensee within
911 five days after receipt of such notification from a professional sports governing body or
912 sporting events operator. If a professional sports governing body or sporting events
913 operator does not notify the corporation of its desire to supply official league data or
914 official event data, licensees are not required to use official league data or official event
915 data for determining the results of any tier 2 wagers on sporting events of that
916 professional sports governing body or sporting events operator.

917 (2) Within 60 days after the corporation notifies each licensee as provided under
918 paragraph (1) of this subsection, or within a longer period as may be agreed between such
919 professional sports governing body or sporting events operator and the applicable

licensee, each such licensee shall be required to use only official league data or official event data, as applicable, to determine the results of tier 2 sports wagers on sporting events sanctioned by such professional sports governing body or sporting events operator, except when:

(A) The professional sports governing body or sporting events operator, or a designee thereof, is unable to provide a feed of official league data or official event data to determine the results of a particular type of tier 2 sports wager, in which case licensees are not required to use official league data for determining the results of the applicable tier 2 sports wager until the data feed becomes available on commercially reasonable terms and conditions; or

(B) A licensee is able to demonstrate to the corporation that the professional sports governing body or sporting events operator, or a designee thereof, will not provide a feed of official league data or official event data to the licensee on commercially reasonable terms and conditions.

(3) The following is a nonexclusive list of factors the corporation may consider in evaluating whether official league data or official event data is being offered on commercially reasonable terms and conditions for purposes of subparagraphs (A) and (B) of paragraph (2) of this subsection:

(A) The extent to which licensees have purchased the same or similar official league data or official event data on the same or similar terms, particularly in jurisdictions where such purchase was not required by law or was required by law but only if offered on commercially reasonable terms;

(B) The nature and quantity of the official league data or official event data, including, without limitation, its speed, accuracy, reliability, and overall quality as compared to comparable nonofficial data;

(C) The quality and complexity of the process used to collect and distribute the official league data or official event data as compared to comparable nonofficial data;

947 (D) The availability of tier 2 official league data of a professional sports governing
948 body or tier 2 official event data of a sporting events operator to a licensee from more
949 than one authorized source;

950 (E) Market information, including, without limitation, price and other terms and
951 conditions, regarding the purchase of comparable data by licensees for the purpose of
952 settling sports wagers, for use in this state or other jurisdictions; and

953 (F) The extent to which professional sports governing bodies or sporting events
954 operators, or designees thereof, have made available to licensees the data used to settle
955 the results of tier 2 sports wagers and any terms and conditions relating to the use of
956 such data.

957 (4) Notwithstanding any provisions to the contrary in this Code section, including,
958 without limitation, paragraph (2) of this subsection, while the corporation is evaluating
959 whether a professional sports governing body or a sporting events operator, or the
960 designee thereof, will provide a feed of official league data or official event data on
961 commercially reasonable terms and conditions pursuant to paragraph (3) of this
962 subsection, licensees are not required to use official league data or official event data for
963 determining the results of tier 2 sports wagers.

964 (5) The corporation shall make a determination under paragraph (3) of this subsection
965 within 60 days after the licensee notifies the corporation that it desires to demonstrate that
966 the professional sports governing body or sporting events operator, or a designee thereof,
967 will not provide a feed of official league data or official event data to such licensee on
968 commercially reasonable terms and conditions.

Part 750-27-190.

Members of the corporation or designated employees thereof may, during normal business hours, enter the premises of any facility of a licensee, or a third party utilized by the licensee to operate and conduct business in accordance with this article, for the purpose of inspecting books and records kept as required by this article to ensure that the licensee is in compliance with this article or to make any other inspection of the premises necessary to protect the public interests of this state and its consumers.

50-27-191.

(a) The corporation, licensees, corporation vendors, and vendors shall use commercially reasonable efforts to cooperate with investigations conducted by any professional sports governing body, any sporting events operator, and law enforcement agencies, including, but not limited to, using commercially reasonable efforts to provide or facilitate the provision of betting information.

(b) Licensees shall promptly report to the corporation any information relating to:

(1) Abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event; and

(2) Conduct that corrupts the betting outcome of a sporting event for purposes of financial gain, including match fixing.

(c) Licensees shall as soon as is practicable report any information relating to conduct described in subsection (b) of this Code section to the professional sports governing body or sporting events operator.

(d) Licensees shall use commercially reasonable efforts to maintain, in real time and at the account level, anonymized information regarding a bettor; the amount and type of bet; the time the bet was placed; the location of the bet, including the internet protocol address if

994 applicable; the outcome of the bet; and records of abnormal betting activity for three years
995 after the sporting event occurs. The corporation may request such information in the form
996 and manner required by rules and regulations of the corporation. For purposes of this
997 subsection, the term 'real time' means on a commercially reasonable periodic interval.

998 (e) All records, documents, and information received by the corporation pursuant to this
999 Code section shall be considered investigative records of a law enforcement agency, shall
1000 not be subject to Article 4 of Chapter 18 of this title, and shall not be released under any
1001 condition without the permission of the person providing such records, documents, or
1002 information.

1003 (f) Nothing in this Code section shall require a sports betting licensee to provide any
1004 information that is prohibited by federal, state, or local laws or rules and regulations,
1005 including, without limitation, laws and rules and regulations relating to privacy and
1006 personally identifiable information.

1007 (g) If a professional sports governing body or sporting events operator has notified the
1008 corporation that access to the information described in subsection (d) of this Code section
1009 for wagers placed on its sporting events is necessary to monitor the integrity of its sporting
1010 events and represents to the corporation that it specifically uses such data for the purpose
1011 of monitoring the integrity of sporting events of such professional sports governing body
1012 or sporting events operator, then licensees shall share, in a commercially reasonable
1013 frequency, form, and manner, with the professional sports governing body or sporting
1014 events operator, or a designee thereof, the same information the licensee is required to
1015 maintain under subsection (d) of this Code section with respect to sports wagers on such
1016 a body's or operator's sporting events. A professional sports governing body or sporting
1017 events operator, or a designee thereof, shall use information received under this subsection
1018 for integrity-monitoring purposes only and shall not use such information for commercial
1019 or any other purposes. Nothing in this subsection shall require a licensee to provide any
1020 information that is prohibited by federal, state, or local laws, rules, or regulations,

including, but not limited to, laws, rules, or regulations relating to privacy and personally identifiable information.

50-27-192.

The corporation shall assist in any investigations by law enforcement to determine whether:

(1) A licensee is accepting wagers from minors or other persons ineligible to place wagers in this state; and

(2) An individual is unlawfully accepting wagers from another individual without a license or at a location in violation of this article.

50-27-193.

(a) The corporation may investigate and conduct a hearing with respect to a licensee upon information and belief that the licensee has violated this article or upon the receipt of a credible complaint from any person that a licensee has violated this article. The corporation shall conduct investigations and hearings in accordance with rules and regulations adopted by the corporation.

(b) If the corporation determines that a licensee has violated any provision of this article or any rules and regulations of the corporation, the corporation may suspend, revoke, or refuse to renew a license; impose an administrative fine not to exceed \$25,000.00 per violation or a total of \$50,000.00 for violations arising out of the same transaction or occurrence; or both.

(c) The corporation shall promulgate rules and regulations establishing a schedule of administrative fines that may be assessed in accordance with subsection (b) of this Code section for each violation of this article; provided, however, that, if the corporation finds that:

(1) A licensee is knowingly accepting wagers from minors or other persons ineligible to place wagers in this state, the corporation shall impose a fine against the licensee as follows:

(A) For a first offense, \$1,000.00;

(B) For a second offense, \$2,000.00; and

(C) For a third or subsequent offense, \$5,000.00; or

(2) An individual is unlawfully accepting wagers from another individual without a license, the corporation shall impose a fine against the individual as follows:

(A) For a first offense, \$10,000.00;

(B) For a second offense, \$15,000.00; and

(C) For a third or subsequent offense, \$25,000.00.

(d) The corporation may refer conduct that it reasonably believes is a violation of Article 2 of Chapter 12 of Title 16 to the appropriate law enforcement agency.

50-27-194.

(a) Any person that violates any provisions of this article shall be liable for a civil penalty of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising out of the same transaction or occurrence, which shall accrue to the corporation and may be recovered in a civil action brought by or on behalf of the corporation.

(b) The corporation may seek and obtain an injunction in a court of competent jurisdiction for purposes of enforcing this article.

(c) Costs shall not be taxed against the corporation or this state for actions brought under this article.

50-27-195.

(a) Fines assessed under this article shall be accounted for separately for use by the corporation in a manner consistent with rules and regulations of the corporation.

(b) The corporation may issue subpoenas to compel the attendance of witnesses and the production of relevant books, accounts, records, and documents for purposes of carrying out its duties under this article.

50-27-196.

(a) A licensee or other individual aggrieved by a final decision or action of the corporation may appeal such decision or action to the Superior Court of Fulton County.

(b) The Superior Court of Fulton County shall hear appeals from decisions or actions of the corporation and, based upon the record of the proceedings before the corporation, may reverse the decision or action of the corporation only if the appellant proves the decision or action to be:

(1) Clearly erroneous;

(2) Arbitrary and capricious;

(3) Procured by fraud;

(4) A result of substantial misconduct by the corporation; or

(5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.

(c) The Superior Court of Fulton County may remand an appeal to the corporation to conduct further hearings.

50-27-197.

(a) It shall be unlawful for any person, directly or indirectly, to knowingly receive, supply, broadcast, display, or otherwise transmit material nonpublic information for the purpose of betting on a sporting event or influencing another individual's or entity's wager on a sporting event.

(b) This Code section shall not apply to the dissemination of public information as news, entertainment, or advertising.

(c) Any person in violation of this Code section shall be indefinitely prohibited from placing a wager, be required to forfeit the proceeds of any illegal wager, and be guilty of a misdemeanor."

PART III
SECTION 3-1.

Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to gambling, is amended by revising paragraph (1) of Code Section 16-12-20, relating to definitions, as follows:

"(1) 'Bet' means an agreement that, dependent upon chance even though accompanied by some skill, one stands to win or lose something of value. A bet does not include:

(A) Contracts of indemnity or guaranty or life, health, property, or accident insurance;

or

(B) An offer of a prize, award, or compensation to the actual contestants in any bona fide contest for the determination of skill, speed, strength, or endurance or to the owners of animals, vehicles, watercraft, or aircraft entered in such contest; or

(C) Any consideration paid to participate in a lottery game of online sports betting offered pursuant to Article 4 of Chapter 27 of Title 50."

SECTION 3-2.

Said part is further amended by revising Code Section 16-12-27, relating to advertisement or solicitation for participation in lotteries, as follows:

"16-12-27.

(a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio commercial, or any book, magazine, periodical, newspaper, or other written or printed

matter containing an advertisement or solicitation for participation in any lottery declared to be unlawful by the laws of this state unless such advertisement, commercial, or solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be clearly legible or audible to persons viewing or hearing such advertisement, commercial, or solicitation.

(b) Any person, partnership, firm, corporation, or other entity violating subsection (a) of this Code section shall be guilty of a misdemeanor.

(c) This Code section shall not apply to any advertisement or solicitation for participation in a lottery game of online sports betting by any person licensed by the Georgia Lottery Corporation under Article 4 of Chapter 27 of Title 50 that is concerning such licensee's lawful activities."

SECTION 3-3.

Said part is further amended by revising Code Section 16-12-28, relating to communicating gambling information, as follows:

"16-12-28.

(a) A person who knowingly communicates information as to bets, betting odds, or changes in betting odds or who knowingly installs or maintains equipment for the transmission or receipt of such information with the intent to further gambling commits the offense of communicating gambling information.

(b) A person who commits the offense of communicating gambling information, upon conviction thereof, shall be punished by imprisonment for not less than one nor more than five years or by a fine not to exceed \$5,000.00, or both.

(c) This Code section shall not apply to the activities of a person licensed by the Georgia Lottery Corporation under Article 4 of Chapter 27 of Title 50 or an employee, agent, or other person acting in furtherance of his or her employment by such licensee."

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PART IV

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SECTION 4-1.

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Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is amended by revising paragraph (55) of Code Section 48-8-3, relating to exemptions from state sales and use tax, as follows:

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"(55) The sale of lottery tickets authorized by Chapter 27 of Title 50 or wagers

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authorized by Article 4 of Chapter 27 of Title 50;"

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PART V

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SECTION 5-1.

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This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

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SECTION 5-2.

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All laws and parts of laws in conflict with this Act are repealed.