

_____ offers the following
substitute to HB 237:

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 recognize a sport and regulate the betting on sports in this state; to designate a certain
3 soap box derby as the official soap box derby of the State of Georgia; to provide for
4 promotion of such soap box derby; to provide for legislative findings; to authorize and
5 provide for the regulation and taxation of sports betting in this state; to provide for additional
6 powers and duties of the Georgia Lottery Corporation; to change certain provisions relating
7 to the shortfall reserves maintained within the Lottery for Education Account; to provide for
8 the corporation to engage in certain activities related to sports betting; to provide for a short
9 title; to provide for legislative findings; to revise and provide for definitions; to provide for
10 the corporation's powers and duties relative to sports betting; to provide for the procedures,
11 limitations, requirements, and qualifications of the licensing of any person offering,
12 operating, or managing sports betting in this state; to provide for rules and regulations
13 promulgated by the corporation; to provide for a privilege tax; to require certain reports; to
14 regulate wagers and provide requirements for bettors; to provide for bettors to restrict
15 themselves from placing certain wagers; to provide certain resources for individuals with
16 problem gambling or a betting or gambling disorder; to provide for the collection and
17 disposition of fees and fines; to prohibit certain conduct by the corporation, employees of the
18 corporation, licensees, and other persons; to provide for certain penalties; to provide for

19 construction; to amend Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of
20 Georgia Annotated, relating to gambling, so as to exclude any consideration paid to a sports
21 betting licensee from the definition of "bet"; to provide for the exemption of persons licensed
22 for online sports betting from regulations and restrictions regarding gambling information;
23 to amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
24 taxation, so as to exempt wagers placed as part of sports betting; to provide for related
25 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

27 **PART I**
28 **SECTION 1-1.**

29 The General Assembly finds that:

- 30 (1) The Southeast Georgia Soap Box Derby began in 1992 in Lyons, Georgia;
- 31 (2) Approximately 20 cars were involved in the first race, competing in only one
32 division;
- 33 (3) Today, the event has grown to an average of 50 drivers competing in four divisions,
34 including one division for drivers with intellectual and developmental disabilities;
- 35 (4) Three World Champions have qualified at the Southeast Georgia Soap Box Derby
36 in Lyons;
- 37 (5) The Southeast Georgia Soap Box Derby's mission includes building knowledge and
38 character, creating meaningful experiences through collaboration, hosting fair and honest
39 racing competitions, and supporting a STEM curriculum; and
- 40 (6) The race is open to girls and boys between the ages of seven and 20.

41 **SECTION 1-2.**

42 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
43 by adding a new Code section to read as follows:

44 "50-3-92.

45 (a) The Southeast Georgia Soap Box Derby in Lyons, Georgia, is designated as the official
46 soap box derby of the State of Georgia.

47 (b) The Department of Economic Development and other public agencies and leaders in
48 the tourism industry are encouraged to work together to maximize advertising programs
49 which permit citizens of other states and nations to learn of the Southeast Georgia Soap
50 Box Derby and to visit this state for tourism purposes."

51 **PART II**52 **SECTION 2-1.**

53 Said title is further amended in Code Section 50-27-3, relating to definitions for the "Georgia
54 Lottery for Education Act," by revising paragraphs (13) and (20) and adding a new paragraph
55 to read as follows:

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

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

65 lottery game of sports betting or traditional lottery games which may involve the
66 distribution of winnings by pools."
67 "(23.1) 'Sports betting' shall have the same meaning as provided in Code Section
68 50-27-122."

69 **SECTION 2-2.**

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

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

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

78 ~~(19)~~(20) To adopt and amend such regulations, policies, and procedures as necessary to
79 carry out and implement its powers and duties, organize and operate the corporation,
80 regulate the conduct of lottery games in general, and any other matters necessary or
81 desirable for the efficient and effective operation of the lottery or the convenience of the
82 public. The promulgation of any such regulations, policies, and procedures shall be
83 exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative
84 Procedure Act.'"

85 **SECTION 2-3.**

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

112 "ARTICLE 4

113 Part 1

114 50-27-120.

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

117 50-27-121.

118 The General Assembly finds that:

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

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

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

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

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

135 (6) In accordance with Code Section 50-27-2, sports betting shall be conducted in a
136 manner so as to safeguard the fiscal soundness of the state, to enhance public welfare, and

137 to support the funding authorized by Article I, Section II, Paragraph VIII(c) of the
138 Constitution.

139 50-27-122.

140 As used in this article, the term:

141 (1) 'Adjusted gross income' means the total of all moneys paid to a licensee as bets minus
142 federal excise taxes and minus the total amount paid out to winning bettors, including the
143 cash value of merchandise.

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

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

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

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

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

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

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

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

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

160 (8) 'Fantasy or simulated contest' means a game or event in which one or more players
161 compete based on winning outcomes that reflect the relative knowledge and skill of the

- 162 players and are determined predominately by accumulated statistical results of the
163 performance of individuals, including, but not limited to, athletes in sporting events.
- 164 (9) 'Fixed-odds betting' means bets made at predetermined odds or on the spread where
165 the return to the bettor is unaffected by any later change in odds or the spread.
- 166 (10) 'Futures bet' means a wager made on the occurrence of an event in the future
167 relating to a sporting event.
- 168 (11) 'Institutional investor' means:
- 169 (A) A retirement fund administered by a public agency for the exclusive benefit of
170 federal, state, or local public employees;
- 171 (B) An investment company registered under the Investment Company Act of 1940;
- 172 (C) A chartered or licensed life insurance company or property and casualty insurance
173 company;
- 174 (D) A banking and other chartered or licensed lending institution;
- 175 (E) An investment advisor registered under the Investment Advisers Act of 1940; or
176 (F) A pension investment board.
- 177 (12) 'License' means any of the licenses issued by the corporation under this article.
- 178 (13) 'Licensee' means a person that holds a license issued by the corporation under this
179 article.
- 180 (14) 'Master sports betting licensee' means the Georgia Lottery Corporation.
- 181 (15) 'Material nonpublic information' means information that has not been disseminated
182 publicly concerning an athlete, contestant, prospective contestant, or athletic team,
183 including, without limitation, confidential information related to medical conditions or
184 treatment, physical or mental health or conditioning, physical therapy or recovery,
185 discipline, sanctions, academic status, education records, eligibility, playbooks, signals,
186 schemes, techniques, game plans, practices, strategies, assessments, systems, drills, or
187 recordings of practices or other athletic activities.
- 188 (16) 'Minor' means an individual who is less than 21 years of age.

189 (17) 'Money line' means the fixed odds in relation to a dollar amount that a team or
190 person participating in a sporting event will win outright regardless of the spread.

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

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

201 (20) 'Online sports betting' means a wager on a sporting event that is placed via the
202 internet through any electronic device and accepted through an online sports betting
203 platform.

204 (21) 'Online sports betting platform' means the combination of hardware, software, and
205 data networks used to manage, administer, or control online sports betting and any
206 associated wagers accessible by any electronic means.

207 (22) 'Online sports betting services provider' means a person that contracts with the
208 master sports betting licensee or a Type 1 sports betting licensee under Code Section
209 50-27-133 to operate online sports betting on behalf of such licensee and that is licensed
210 by the corporation.

211 (23) 'Over/under bet' means a single wager that predicts whether the combined score of
212 the two persons or teams engaged in a sporting event will be lower or higher than a
213 predetermined number.

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

216 (25) 'Principal owner' means a person that owns an interest of 10 percent or more of the
217 entity.

218 (26) 'Professional sporting event' means an athletic or sporting event involving at least
219 two competitors who have the opportunity to receive compensation for participating in
220 such event.

221 (27) 'Professional sports governing body' means the organization, league, or association
222 that oversees a sport and prescribes final rules and enforces codes of conduct with respect
223 to such sport and participants therein.

224 (28) 'Professional sports team' means a major league professional team:

225 (A) Based in this state;

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

227 (C) Whose regular season games have had the highest attendance for its respective
228 professional sport during the past five years.

229 (29) 'Proposition bet' means a wager on a single specific action, statistic, occurrence, or
230 nonoccurrence to be determined during a sporting event and includes any such action,
231 statistic, occurrence, or nonoccurrence that does not directly affect the final outcome of
232 the sporting event to which it relates.

233 (30) 'Relative' means a spouse, father, mother, son, daughter, grandfather, grandmother,
234 brother, sister, uncle, aunt, cousin, nephew, niece, father-in-law, mother-in-law,
235 son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother,
236 stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister.

237 (31) 'Sporting event' means any:

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

240 (B) Collegiate sporting event;

241 (C) Olympic sporting or athletic event;

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

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

245 (F) Esports event; or

246 (G) Other event authorized by the corporation.

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

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

252 (33) 'Sports betting' means online sports betting.

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

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

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

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

258 (35)(A) 'Sports betting supplier' means a person that provides sports betting equipment
259 necessary for the creation of sports betting markets and the determination of bet
260 outcomes, directly to any sporting events operator or applicant involved in the
261 acceptance of bets, including any of the following:

262 (i) Providers of data feeds and odds services;

263 (ii) Internet platform providers;

264 (iii) Risk management providers;

265 (iv) Integrity monitoring providers; and

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

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

- 269 (i) Provides official league data concerning its own sporting event to a sports betting
270 licensee solely on that basis; or
- 271 (ii) Provides raw statistical match data to one or more designated and licensed
272 suppliers of data feeds and odds services solely on that basis.
- 273 (36) 'Spread' means the predicted scoring differential between two persons or teams
274 engaged in a sporting event.
- 275 (37) 'Supervisory employee' means a principal owner or employee having the authority
276 to act on behalf of a licensee or whose judgment is relied upon to manage and advance
277 the business operations of a licensee.
- 278 (38) 'Tier 1 sports wager' means a sports wager that is determined solely by the final
279 score or final outcome of the sporting event and is placed before the sporting event has
280 begun.
- 281 (39) 'Tier 2 sports wager' means a wager that is not a tier 1 sports wager.
- 282 (40) 'Type 1 eligible entity' means any of the following:
- 283 (A) Any professional sports team;
- 284 (B) A professional sports governing body that holds one or more sanctioned annual
285 golf tournaments on a national tour of professional golf in this state, and has held one
286 or more of the same or different sanctioned annual golf tournaments on a national tour
287 of professional golf in this state for at least 30 years;
- 288 (C) The owner of a facility in this state that has held an annual invitational golf
289 tournament for professional and amateur golfers for at least 30 years;
- 290 (D) The owner of a facility located in this state that hosts automobile races on a
291 national association for stock car racing national tour or a wholly owned for-profit
292 subsidiary of the owner of such a facility, if the owner is a nonprofit corporation or
293 nonprofit organization; and
- 294 (E) The Georgia Lottery Corporation.

295 (41) 'Type 1 sports betting licensee' means the master sports betting licensee, an online
296 sports betting services provider that contracts with the master sports betting licensee, or
297 a Type 1 eligible entity licensed or authorized by the corporation to directly or indirectly
298 offer online sports betting.

299 (42) 'Wager' or 'bet' means a sum of money that is risked by a bettor on the unknown
300 outcome of one or more sporting events. Such term shall be limited to fixed-odds betting,
301 futures bets, a tier 1 or tier 2 sports wager, a money line bet, an over/under bet, a parlay
302 bet, a proposition bet, or a bet on the spread. Such term shall not include a pari-mutuel
303 bet or wager or an entry fee paid to participate in a fantasy or simulated contest.

304 50-27-123.

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

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

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

318 (3) To enter upon, investigate, and have free access to all places of business of any
319 licensee under this article and to compel the production of any books, ledgers, documents,
320 records, memoranda, or other information of any licensee to ensure such licensee's

321 compliance with the rules and regulations promulgated by the corporation pursuant to this
322 article;

323 (4) To promulgate any rules and regulations as the corporation deems necessary and
324 proper to administer the provisions of this article; provided, however, that the initial rules
325 and regulations governing sports betting shall be promulgated and adopted by the
326 corporation within 90 days of the effective date of this article after an opportunity has
327 been provided for public comment. Such initial rules and regulations and all other rules
328 and regulations of the corporation promulgated and adopted pursuant to this article shall
329 not be subject to Chapter 13 of this title, the 'Georgia Administrative Procedure Act';

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

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

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

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

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

- 346 (10) Upon the receipt of a complaint of an alleged criminal violation of this article, to
347 immediately report such complaint to the appropriate law enforcement agency with
348 jurisdiction to investigate criminal activity;
- 349 (11) To provide for the reporting of the applicable amount of state and federal income
350 tax of persons claiming a prize or payoff for a winning wager under this article;
- 351 (12) To establish and administer programs for providing assistance to individuals with
352 problem gambling or a betting or gambling disorder, including, but not limited to:
- 353 (A) Educating potential gamblers of methods and types of bets and fairly informing
354 potential gamblers of the odds or likelihood of winning such bets;
- 355 (B) Establishing and administering programs for educating potential gamblers about
356 responsible gambling, the warning signs of problem gambling or betting or gambling
357 disorders and how to prevent and treat problem gambling or betting or gambling
358 disorders;
- 359 (C) Developing and funding responsible gaming education campaigns coupled with
360 prevention and education efforts within communities that raise awareness of potential
361 signs or risk factors of problem gambling or betting or gambling disorders;
- 362 (D) Encouraging the use of harm-minimizing measures by bettors, such as excluding
363 or limiting oneself from obtaining credit extensions, making credit card or cashless
364 payments, cashing checks, and making automated teller machine withdrawals, as well
365 as utilizing limit-setting tools and personal data and information to make informed
366 decisions about gambling;
- 367 (E) Promulgating rules and regulations that enable bettors to cool off, self-limit, and
368 self-exclude from gaming activities state wide and across multiple jurisdictions;
- 369 (F) Adopting processes for individuals to express concerns related to problem
370 gambling or betting or gambling disorders to the corporation;
- 371 (G) Developing state-wide advertising guidelines to ensure that the marketing of sports
372 betting is not targeted to minors and does not include content, themes, and promotions

373 that have special appeal to individuals with problem gambling or a betting or gambling
374 disorder;

375 (H) Requiring the electronic posting of signs or notifications on online sports betting
376 platforms that bear a toll-free number for an organization that provides assistance to
377 individuals with problem gambling or a betting or gambling disorder; and

378 (I) Promulgating rules and regulations to limit the amount of bets a bettor can place
379 when such bettor has exhibited signs of problem gambling or a betting or gambling
380 disorder;

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

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

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

388 (c) The corporation shall not have the power to issue or award and shall not issue or award
389 any licenses provided for in this article prior to September 1, 2023.

390 50-27-124.

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

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

394 (2) Any insurance requirements for a licensee;

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

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

- 398 (B) Maintaining reliable records relating to accounts, transactions, profits and losses,
399 operations, and events; and
400 (C) Global risk management;
401 (4) Requirements for internal and independent audits of licensees;
402 (5) The manner in which periodic financial reports shall be submitted to the corporation
403 from each licensee, including the financial information to be included in the reports;
404 (6) The type of information deemed to be confidential financial or proprietary
405 information that is not subject to any reporting requirements under this article;
406 (7) Policies, procedures, and processes designed to mitigate the risk of cheating and
407 money laundering; and
408 (8) Any post-employment restrictions necessary to maintain the integrity of sports
409 betting in this state.

410 Part 2

411 50-27-130.

- 412 (a) Any person offering, operating, or managing sports betting in this state shall be
413 licensed by the corporation.
414 (b) The corporation shall issue licenses to qualified applicants able to meet the duties of
415 a license holder under this article and that the corporation determines will best satisfy the
416 following criteria:
417 (1) Expertise in the business of online sports betting;
418 (2) Integrity, sustainability, and safety of the online sports betting platform;
419 (3) Past relevant experience of the applicant;
420 (4) Advertising and promotional plans to increase and sustain revenue;
421 (5) Demonstrated commitment to and plans for the promotion of responsible gaming;
422 and

- 423 (6) Capacity to increase the number of bettors on the applicant's platform.
- 424 (c) An applicant for a license shall submit an application on a form in such manner and in
425 accordance with such requirements as may be prescribed by rules and regulations of the
426 corporation. Such rules and regulations shall require, at a minimum, that the application
427 include the following:
- 428 (1) If the applicant is an entity, identification of the applicant's principal owners, board
429 of directors, officers, and supervisory employees;
- 430 (2) Evidence of the applicant's certificate of fitness for sports betting affiliation. If the
431 applicant is an entity, such evidence shall be provided for every individual who is a
432 principal owner;
- 433 (3) Information, documentation, and assurances as may be required by the corporation
434 to establish by clear and convincing evidence the applicant's good character, honesty, and
435 integrity, including, but not limited to, information pertaining to family, habits, character,
436 reputation, criminal and arrest records, business activities, financial affairs, and business,
437 professional, and personal associates, covering at least the ten-year period immediately
438 preceding the filing of the application;
- 439 (4) Notice and a description of civil judgments obtained against the applicant pertaining
440 to antitrust or security regulation laws of the federal government, this state, or any other
441 state, jurisdiction, province, or country;
- 442 (5) To the extent available, letters of reference or the equivalent from law enforcement
443 agencies having jurisdiction of the applicant's place of residence and principal place of
444 business. Each such letter of reference shall indicate that the law enforcement agency
445 does not have any pertinent information concerning the applicant or, if such law
446 enforcement agency does have information pertaining to the applicant, shall provide such
447 information, to the extent permitted by law;
- 448 (6) If the applicant has conducted sports betting operations in another jurisdiction, a
449 letter of reference from the regulatory body that governs sports betting that specifies the

450 standing of the applicant with such regulatory body; provided, however, that, if no such
451 letter is received within 60 days of the request therefor, the applicant may submit a
452 statement under oath that the applicant is or was, during the period such activities were
453 conducted, in good standing with the regulatory body;

454 (7) Information, documentation, and assurances concerning financial background and
455 resources as may be required to establish by clear and convincing evidence the financial
456 stability, integrity, and responsibility of the applicant, including, but not limited to, bank
457 references, business and personal income and disbursement schedules, tax returns and
458 other reports filed with governmental agencies, and business and personal accounting and
459 check records and ledgers. Each applicant shall, in writing, authorize the examination of
460 all bank accounts and records as may be deemed necessary by the corporation. The
461 corporation may consider any relevant evidence of financial stability. In addition, the
462 applicant shall:

463 (A) Maintain a reserve of not less than \$500,000.00 or the amount required to cover
464 the outstanding liabilities for wagers accepted by the licensee, whichever is greater.
465 Outstanding liabilities for wagers shall mean the sum of the amount paid by patrons for
466 wagers that have not yet been determined and the amount owed but unpaid by licensees
467 to patrons for wagers whose results have been determined. The reserve may take the
468 form of a bond, an irrevocable letter of credit, payment processor reserves and
469 receivables, cash or cash equivalents segregated from operational funds, guaranty letter,
470 or a combination thereof. Such reserve shall be adequate to pay winning wagers to
471 bettors when due. An applicant is presumed to have met this standard if the applicant
472 maintains, on a daily basis, a minimum reserve in an amount which is at least equal to
473 the average daily minimum reserve, calculated on a monthly basis, for the
474 corresponding month in the previous year;

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

477 (C) Pay, as and when due, all state and federal taxes;
478 (8) Information, documentation, and assurances as may be required to establish by clear
479 and convincing evidence that the applicant has sufficient business ability and sports
480 betting experience to establish the likelihood of the creation and maintenance of
481 successful, efficient sports betting operations in this state;
482 (9) Information, as required by rules and regulations of the corporation, regarding the
483 financial standing of the applicant, including, without limitation, each person or entity
484 that has provided loans or financing to the applicant;
485 (10) A nonrefundable application fee and annual licensing fee as follows:
486 (A) Applicants for a Type 1 sports betting license shall pay a nonrefundable
487 application fee in the amount of \$100,000.00 and an annual licensing fee in the amount
488 of \$1 million; provided, however, that, for those licenses referred to in paragraph (3)
489 of subsection (b) of Code Section 50-27-133, such annual licensing fee shall instead be
490 \$750,000.00 and the application fee and annual licensing fee shall be paid by the online
491 sports betting services provider and not by the corporation, which shall not be required
492 to pay any such fees;
493 (B) Applicants for an online sports betting services provider license shall pay a
494 nonrefundable application fee in the amount of \$10,000.00 and an annual licensing fee
495 of \$100,000.00; provided, however, that an online sports betting services provider that
496 applies for and obtains one of the licenses referred to in paragraph (3) of subsection (b)
497 of Code Section 50-27-133 shall only be required to pay the nonrefundable application
498 fee and annual licensing fee applicable to the applicant's Type 1 sports betting license;
499 and
500 (C) Applicants for a sports betting supplier license shall pay a nonrefundable
501 application fee in the amount of \$2,000.00 and an annual licensing fee of \$20,000.00;
502 and

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

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

507 50-27-131.

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

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

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

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

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

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

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

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

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

548 50-27-132.

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

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

- 554 (2) An employee of a professional sports team on which the applicant offers sports
555 betting;
- 556 (3) A coach of or player for a collegiate, professional, or Olympic sports team or sport
557 or an entity that has an affiliation or interest in such a sports team or sport;
- 558 (4) An individual who is a member or employee of any professional sports governing
559 body or sporting events operator;
- 560 (5) An individual or entity with an owner, officer, or director who has been convicted of
561 a crime of moral turpitude or similar degree as specified in rules and regulations
562 promulgated by the corporation pursuant to this article;
- 563 (6) A person having the ability to directly affect the outcome of a sporting event upon
564 which the applicant offers sports betting;
- 565 (7) A trustee or regent of a governing board of a public or private institution of higher
566 education;
- 567 (8) An individual prohibited by the rules or regulations of a professional sports
568 governing body or sporting events operator of a collegiate sports team, league, or
569 association from participating in sports betting;
- 570 (9) A student or an employee of a public or private institution of higher education who
571 has access to material nonpublic information concerning a student athlete or a sports
572 team; and
- 573 (10) Any other category of persons, established by rules and regulations of the
574 corporation, that, if licensed, would negatively affect the integrity of sports betting in this
575 state.
- 576 (b) An individual listed in paragraphs (2) through (10) of subsection (a) of this Code
577 section may hold an ownership interest in an applicant or licensee without disqualifying
578 the applicant or licensee from obtaining or holding a license; provided, however, that such
579 an ownership interest of 25 percent or more shall require approval from the corporation.
580 In determining whether such an ownership interest shall be the basis of disqualification, the

581 corporation shall consider whether such interest would negatively affect the integrity of
582 sports betting in this state and any other factors the corporation shall deem relevant.

583 50-27-133.

584 (a) A Type 1 sports betting license authorizes a Type 1 eligible entity, or its designated
585 online sports betting services provider, to offer online sports betting. If a Type 1 eligible
586 entity designates an online sports betting services provider, the online sports betting
587 services provider shall be considered the Type 1 sports betting licensee for all aspects of
588 the regulatory control of the corporation and the operations under the Type 1 sports betting
589 license. The corporation shall establish a procedure for a Type 1 eligible entity to
590 designate an online sports betting provider.

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

592 (1) Five Type 1 sports betting licenses shall be reserved for the Type 1 eligible entities
593 defined in subparagraph (A) of paragraph (40) of Code Section 50-27-122; provided,
594 however, that more than one license may be issued to an owner of multiple professional
595 sports teams;

596 (2) One Type 1 sports betting license shall be reserved for each of the Type 1 eligible
597 entities defined in subparagraphs (B) through (E) of paragraph (40) of Code Section
598 50-27-122; and

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

602 provided, however, that a master sports betting license shall authorize the corporation
603 through a designated online sports betting services provider to offer online sports betting.

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

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

611 (e) A Type 1 sports betting licensee shall not offer online sports betting until the
612 corporation has issued a license to at least one online sports betting services provider that
613 has been awarded a sports betting license via the public procurement process as determined
614 by the corporation.

615 (f) All applicants for the 16 Type 1 sports betting licenses under subsection (b) of this
616 Code section that have submitted an application within 30 days of the date in which the
617 corporation began to accept applications for Type 1 sports betting licenses shall be given
618 an equal opportunity to first commence offering, conducting, or operating online sports
619 betting in this state on the same day, and in any event not later than January 31, 2024.

620 (g) A Type 1 eligible entity described in subparagraphs (A) through (D) of paragraph (40)
621 of Code Section 50-27-122 that becomes a Type 1 sports betting licensee or designates an
622 online sports betting services provider shall establish and maintain procedures with respect
623 to sporting events which the Type 1 eligible entity participates in or administers to ensure
624 avoidance of conflicts of interest in the operation of sports betting in this state.

625 50-27-134.

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

629 (b) An online sports betting services provider shall obtain a license under this article
630 before offering online sports betting pursuant to a contract with a Type 1 sports betting
631 licensee or master sports betting licensee. An online sports betting services provider

632 license shall entitle the holder to contract with no more than one Type 1 sports betting
633 licensee.

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

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

644 50-27-135.

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

648 Part 3

649 50-27-150.

650 (a) Notwithstanding any other law to the contrary, there shall be imposed an annual
651 privilege tax of 22 percent of the adjusted gross income derived from online sports betting
652 in accordance with this Code section.

653 (b) The privilege tax described in subsection (a) of this Code section shall be paid by the
654 online sports betting services provider; provided, however, that, if a Type 1 sports betting
655 licensee does not contract with an online sports betting services provider, such privilege

656 tax shall be paid by such Type 1 sports betting licensee as provided for in subsection (c)
657 of this Code section. This subsection shall not apply to the master licensee.

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

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

668 (e) With the exception of application fees and annual licensing fees imposed by paragraph
669 (10) of subsection (c) of Code Section 50-27-130, this privilege tax is in lieu of all other
670 state and local sales and income taxes and fees imposed on the operation of sports betting
671 or on the proceeds from the operation of sports betting in this state.

672 50-27-151.

673 (a) Each licensee shall report to the corporation, no later than January 15 of each year:

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

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

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

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

- 682 (1) The name of any newly elected officer or director of the board of the licensed entity;
683 and
684 (2) The acquisition by any person of 10 percent or more of any class of corporate stock.
685 (c) With respect to information reported under subsection (b) of this Code section, a
686 licensee shall include with such report a statement of any conflict of interest that may exist
687 as a result of such election or acquisition.
688 (d) Upon receiving a report under this Code section or subsection (b) of Code
689 Section 50-27-191, the corporation may conduct a hearing in accordance with Code Section
690 50-27-193 to determine whether the licensee remains in compliance with this article.

691 Part 4

692 50-27-160.

693 (a) No person shall knowingly:

694 (1) Allow a minor to place a wager;

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

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

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

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

706 (b) A person that knowingly violates this Code section:

707 (1) For a first offense, shall be indefinitely prohibited from placing a wager, be required
708 to forfeit the proceeds of any illegal wager, and be guilty of a misdemeanor; and
709 (2) For a second or subsequent offense, shall be required to forfeit the proceeds of any
710 illegal wager and be guilty of a misdemeanor of a high and aggravated nature.

711 50-27-161.

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

716 50-27-162.

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

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

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

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

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

728 (5) A contractor, subcontractor, or consultant or any officer or employee of a contractor,
729 subcontractor, or consultant of a licensee shall not place a wager on the licensee's
730 platform, if such individual is directly involved in the licensee's operation of sports

731 betting or the processing of sports betting claims or payments through the licensee's
732 platform;

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

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

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

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

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

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

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

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

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

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

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

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

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

773 (2) For a second offense, shall be:

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

775 (B) Guilty of a misdemeanor; and

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

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

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

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

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

782 50-27-163.

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

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

795 (2) After giving due consideration to all comments received, the corporation shall, upon
796 demonstration of good cause from the requestor that such type, form, or category of
797 sports betting is likely to undermine the integrity or perceived integrity of such
798 professional sports governing body or sporting events operator or its sporting events,
799 grant the request. The corporation shall respond to a request concerning a particular
800 sporting event before the start of the event, or if it is not feasible to respond before then,
801 no later than seven days after the request is made. If the corporation determines that the
802 requestor is more likely than not to prevail in successfully demonstrating good cause for
803 its request, the corporation may provisionally grant the request of the professional sports
804 governing body or sporting events operator until the corporation makes a final
805 determination as to whether the requestor has demonstrated good cause. Absent such a
806 provisional grant by the corporation, sports betting licensees may continue to offer sports
807 betting on sporting events that are the subject of such a request during the pendency of
808 the corporation's consideration of the applicable request.

Part 5

809

810 50-27-170.

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

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

825 (1) Verify the name and age of the registrant;

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

828 (3) Obtain the following information from the registrant:

829 (A) Legal name;

830 (B) Date of birth;

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

832 (D) Phone number;

833 (E) A unique username; and

834 (F) An active email account.

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

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

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

846 (f) When a bettor's account is created, a bettor may fund the account through:

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

848 (2) Debit cards;

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

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

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

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

856 (2) If a licensee determines that the information provided by a bettor to make a deposit
857 or process a withdrawal is inaccurate or incapable of verification or violates the policies
858 and procedures of the licensee, the licensee shall, within ten days, require the submission
859 of additional information that can be used to verify the identity of such bettor.

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

- 862 (A) Immediately suspend the bettor's account and shall not allow the bettor to place
863 wagers;
- 864 (B) Retain any winnings attributable to the bettor;
- 865 (C) Refund the balance of deposits made to the account to the source of such deposit
866 or by issuance of a check; and
- 867 (D) Suspend the account.
- 868 (h) A licensee shall utilize geofencing technology to ensure that online sports betting is
869 available only to bettors who are physically located in this state. Servers, including the use
870 of backup servers, may be located outside of this state, consistent with federal law. To the
871 extent required by federal law, a licensee shall maintain in this state the servers it uses to
872 accept wagers on a sporting event placed by bettors located in this state.
- 873 (i) Each online sports betting services provider licensee shall clearly and conspicuously
874 display on its website a statement indicating that it is illegal for a person under 21 years of
875 age to engage in sports betting in this state.
- 876 (j) The corporation shall promulgate rules and regulations for purposes of regulating sports
877 betting via online sports betting.
- 878 50-27-171.
- 879 (a) Licensees shall allow bettors to limit their betting activity with the licensee by, at a
880 minimum, giving bettors the opportunity to place limits on the amounts deposited, the
881 amounts wagered, and the amount of time spent wagering. Licensees shall take reasonable
882 steps to prevent bettors from overriding their self-imposed responsible gambling limits.
883 At the request of a bettor, a licensee may share the requested limitations with the
884 corporation for the sole purpose of disseminating the request to other licensees.
- 885 (b) The corporation shall promulgate rules and regulations that require a licensee to
886 implement responsible sports betting programs that include comprehensive training on

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

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

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

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

906 50-27-172.

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

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

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

915 Part 6

916 50-27-180.

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

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

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

923 (b)(1) A professional sports governing body or sporting events operator headquartered
924 in the United States may notify the corporation that it desires licensees to use official
925 league data or official event data for determining the results of tier 2 sports wagers on its
926 sporting events. A notification under this subsection shall be made in the form and
927 manner as the corporation shall require. The corporation shall notify each licensee within
928 five days after receipt of such notification from a professional sports governing body or
929 sporting events operator. If a professional sports governing body or sporting events
930 operator does not notify the corporation of its desire to supply official league data or
931 official event data, licensees are not required to use official league data or official event
932 data for determining the results of any tier 2 wagers on sporting events of that
933 professional sports governing body or sporting events operator.

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

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

941 (A) The professional sports governing body or sporting events operator, or a designee
942 thereof, is unable to provide a feed of official league data or official event data to
943 determine the results of a particular type of tier 2 sports wager, in which case licensees
944 may use any data source for determining the results of the applicable tier 2 sports wager
945 until the data feed becomes available on commercially reasonable terms and conditions;

946 or

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

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

955 (A) The availability of tier 2 official league data of a professional sports governing
956 body or tier 2 official event data of a sporting events operator to a licensee from more
957 than one authorized source;

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

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

964 (D) The quality and complexity of the process used to collect and distribute the official
965 league data or official event data as compared to comparable nonofficial data;
966 (E) The extent to which professional sports governing bodies or sporting events
967 operators, or designees thereof, have made available to licensees the data used to settle
968 the results of tier 2 sports wagers and any terms and conditions relating to the use of
969 such data; and
970 (F) The extent to which licensees have purchased the same or similar official league
971 data or official event data on the same or similar terms, particularly in jurisdictions
972 where such purchase was not required by law or was required by law but only if offered
973 on commercially reasonable terms.

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

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

Part 7

986

50-27-190.

987

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

994

50-27-191.

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

1000 (b) Licensees shall promptly report to the corporation any information relating to:

1001 (1) Abnormal betting activity or patterns that may indicate a concern with the integrity
1002 of a sporting event; and

1003 (2) Conduct that corrupts the betting outcome of a sporting event for purposes of
1004 financial gain, including match fixing.

1005 (c) Licensees shall as soon as is practicable report any information relating to conduct
1006 described in subsection (b) of this Code section to the professional sports governing body
1007 or sporting events operator.

1008 (d) Licensees shall use commercially reasonable efforts to maintain, in real time and at the
1009 account level, anonymized information regarding a bettor; the amount and type of bet; the
1010 time the bet was placed; the location of the bet, including the internet protocol address if

1011 applicable; the outcome of the bet; and records of abnormal betting activity for three years
1012 after the sporting event occurs. The corporation may request such information in the form
1013 and manner required by rules and regulations of the corporation. For purposes of this
1014 subsection, the term 'real time' means on a commercially reasonable periodic interval.

1015 (e) All records, documents, and information received by the corporation pursuant to this
1016 Code section shall be considered investigative records of a law enforcement agency, shall
1017 not be subject to Article 4 of Chapter 18 of this title, and shall not be released under any
1018 condition without the permission of the person providing such records, documents, or
1019 information.

1020 (f) Nothing in this Code section shall require a sports betting licensee to provide any
1021 information that is prohibited by federal, state, or local laws or rules and regulations,
1022 including, without limitation, laws and rules and regulations relating to privacy and
1023 personally identifiable information.

1024 (g) If a professional sports governing body or sporting events operator has notified the
1025 corporation that access to the information described in subsection (d) of this Code section
1026 for wagers placed on its sporting events is necessary to monitor the integrity of its sporting
1027 events and represents to the corporation that it specifically uses such data for the purpose
1028 of monitoring the integrity of sporting events of such professional sports governing body
1029 or sporting events operator, then licensees shall share, in a commercially reasonable
1030 frequency, form, and manner, with the professional sports governing body or sporting
1031 events operator, or a designee thereof, the same information the licensee is required to
1032 maintain under subsection (d) of this Code section with respect to sports wagers on such
1033 a body's or operator's sporting events. A professional sports governing body or sporting
1034 events operator, or a designee thereof, shall use information received under this subsection
1035 for integrity-monitoring purposes only and shall not use such information for commercial
1036 or any other purposes. Nothing in this subsection shall require a licensee to provide any
1037 information that is prohibited by federal, state, or local laws, rules, or regulations,

1038 including, but not limited to, laws, rules, or regulations relating to privacy and personally
1039 identifiable information.

1040 50-27-192.

1041 The corporation shall assist in any investigations by law enforcement to determine whether:

1042 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1043 wagers in this state; and

1044 (2) An individual is unlawfully accepting wagers from another individual without a
1045 license or at a location in violation of this article.

1046 50-27-193.

1047 (a) The corporation may investigate and conduct a hearing with respect to a licensee upon
1048 information and belief that the licensee has violated this article or upon the receipt of a
1049 credible complaint from any person that a licensee has violated this article. The
1050 corporation shall conduct investigations and hearings in accordance with rules and
1051 regulations adopted by the corporation.

1052 (b) If the corporation determines that a licensee has violated any provision of this article
1053 or any rules and regulations of the corporation, the corporation may suspend, revoke, or
1054 refuse to renew a license; impose an administrative fine not to exceed \$25,000.00 per
1055 violation; or both.

1056 (c) The corporation shall promulgate rules and regulations establishing a schedule of
1057 administrative fines that may be assessed in accordance with subsection (b) of this Code
1058 section for each violation of this article; provided, however, that, if the corporation finds
1059 that:

1060 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1061 wagers in this state, the corporation shall impose a fine against the licensee as follows:

1062 (A) For a first offense, \$1,000.00;

1063 (B) For a second offense, \$2,000.00; and
1064 (C) For a third or subsequent offense, \$5,000.00; or
1065 (2) An individual is unlawfully accepting wagers from another individual without a
1066 license, the corporation shall impose a fine against the individual as follows:
1067 (A) For a first offense, \$10,000.00;
1068 (B) For a second offense, \$15,000.00; and
1069 (C) For a third or subsequent offense, \$25,000.00.
1070 (d) The corporation may refer conduct that it reasonably believes is a violation of Article 2
1071 of Chapter 12 of Title 16 to the appropriate law enforcement agency.

1072 50-27-194.

1073 (a) Any person that violates any provisions of this article shall be liable for a civil penalty
1074 of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising
1075 out of the same transaction or occurrence, which shall accrue to the corporation and may
1076 be recovered in a civil action brought by or on behalf of the corporation.
1077 (b) The corporation may seek and obtain an injunction in a court of competent jurisdiction
1078 for purposes of enforcing this article.
1079 (c) Costs shall not be taxed against the corporation or this state for actions brought under
1080 this article.

1081 50-27-195.

1082 (a) Fines assessed under this article shall be accounted for separately for use by the
1083 corporation in a manner consistent with rules and regulations of the corporation.
1084 (b) The corporation may issue subpoenas to compel the attendance of witnesses and the
1085 production of relevant books, accounts, records, and documents for purposes of carrying
1086 out its duties under this article.

1087 50-27-196.

1088 (a) A licensee or other individual aggrieved by a final decision or action of the corporation
1089 may appeal such decision or action to the Superior Court of Fulton County.

1090 (b) The Superior Court of Fulton County shall hear appeals from decisions or actions of
1091 the corporation and, based upon the record of the proceedings before the corporation, may
1092 reverse the decision or action of the corporation only if the appellant proves the decision
1093 or action to be:

1094 (1) Clearly erroneous;

1095 (2) Arbitrary and capricious;

1096 (3) Procured by fraud;

1097 (4) A result of substantial misconduct by the corporation; or

1098 (5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.

1099 (c) The Superior Court of Fulton County may remand an appeal to the corporation to
1100 conduct further hearings.

1101 50-27-197.

1102 (a) It shall be unlawful for any person, directly or indirectly, to knowingly receive, supply,
1103 broadcast, display, or otherwise transmit material nonpublic information for the purpose
1104 of betting on a sporting event or influencing another individual's or entity's wager on a
1105 sporting event.

1106 (b) This Code section shall not apply to the dissemination of public information as news,
1107 entertainment, or advertising.

1108 (c) Any person in violation of this Code section shall be indefinitely prohibited from
1109 placing a wager, be required to forfeit the proceeds of any illegal wager, and be guilty of
1110 a misdemeanor."

1111

PART IV

1112

SECTION 4-1.

1113 Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
1114 relating to gambling, is amended by revising paragraph (1) of Code Section 16-12-20,
1115 relating to definitions, as follows:

1116 "(1) 'Bet' means an agreement that, dependent upon chance even though accompanied
1117 by some skill, one stands to win or lose something of value. A bet does not include:

1118 (A) Contracts of indemnity or guaranty or life, health, property, or accident insurance;

1119 or

1120 (B) An offer of a prize, award, or compensation to the actual contestants in any bona
1121 fide contest for the determination of skill, speed, strength, or endurance or to the owners
1122 of animals, vehicles, watercraft, or aircraft entered in such contest; or

1123 (C) Any consideration paid to a person licensed by the Georgia Lottery Corporation
1124 under Article 4 of Chapter 27 of Title 50 or an employee, agent, or other person acting
1125 in furtherance of his or her employment by such licensee on the partial or final result
1126 of or performance during any professional or intercollegiate sporting event, contest, or
1127 exhibition that had not begun at the time the consideration was paid."

1128

SECTION 4-2.

1129 Said part is further amended by revising Code Section 16-12-27, relating to advertisement
1130 or solicitation for participation in lotteries, as follows:

1131 "16-12-27.

1132 (a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to
1133 sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio
1134 commercial, or any book, magazine, periodical, newspaper, or other written or printed
1135 matter containing an advertisement or solicitation for participation in any lottery declared

1136 to be unlawful by the laws of this state unless such advertisement, commercial, or
1137 solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be
1138 clearly legible or audible to persons viewing or hearing such advertisement, commercial,
1139 or solicitation.

1140 (b) Any person, partnership, firm, corporation, or other entity violating subsection (a) of
1141 this Code section shall be guilty of a misdemeanor.

1142 (c) This Code section shall not apply to any advertisement or solicitation for participation
1143 in a lottery game of online sports betting by any person licensed by the Georgia Lottery
1144 Corporation under Article 4 of Chapter 27 of Title 50 that is concerning such licensee's
1145 lawful activities."

1146 **SECTION 4-3.**

1147 Said part is further amended by revising Code Section 16-12-28, relating to communicating
1148 gambling information, as follows:

1149 "16-12-28.

1150 (a) A person who knowingly communicates information as to bets, betting odds, or
1151 changes in betting odds or who knowingly installs or maintains equipment for the
1152 transmission or receipt of such information with the intent to further gambling commits the
1153 offense of communicating gambling information.

1154 (b) A person who commits the offense of communicating gambling information, upon
1155 conviction thereof, shall be punished by imprisonment for not less than one nor more than
1156 five years or by a fine not to exceed \$5,000.00, or both.

1157 (c) This Code section shall not apply to the activities of a person licensed by the Georgia
1158 Lottery Corporation under Article 4 of Chapter 27 of Title 50 or an employee, agent, or
1159 other person acting in furtherance of his or her employment by such licensee."

1160

PART V

1161

SECTION 5-1.

1162

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:

1163

1164

1165

"(55) The sale of lottery tickets authorized by Chapter 27 of Title 50 or wagers authorized by Article 4 of Chapter 27 of Title 50;"

1166

1167

PART VI

1168

SECTION 6-1.

1169

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

1170

1171

SECTION 6-2.

1172

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