The House Committee on Economic Development and Tourism offers the following substitute to HB 86:

A BILL TO BE ENTITLED

AN ACT

To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to lottery for education, so as to provide for the lottery game of sports wagering in this state; to provide for and revise certain definitions; to provide for oversight of such lottery game by the Georgia Lottery Corporation and its board of directors; to provide for a short title; to provide for legislative findings; to provide for additional powers and duties of the corporation and its board of directors; to provide for procedures, limitations, requirements, qualifications, and licensing; to regulate wagers and provide requirements for bettors; to provide for bettors to restrict themselves from placing certain wagers; to require the implementation of responsible sports wagering programs that include training related to gambling disorders; to provide for the collection and disposition of taxes; to amend Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use taxes, so as to exempt wagers placed as part of the lottery game of sports wagering; to provide for violations and penalties; 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.

Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to lottery for education, is amended by revising paragraphs (7), (13), and (20) of Code Section 50-27-3, relating to definitions related to lottery for education, as follows:

"(7) 'Casino gambling' means a location or business for the purpose of conducting illegal gambling activities, but excluding lottery games and the sale and purchase of lottery tickets or shares as authorized by this chapter."

"(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, online games, and games using mechanical or electronic devices, including, but not limited to, online sports wagering platforms as such term is defined in Code Section 50-27-122 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 wagering as defined in Code Section 50-27-122 or traditional lottery games which may involve the distribution of winnings by pools."

SECTION 1-2.

Said chapter is further amended by revising Code Section 50-27-9, relating to general powers of the Georgia Lottery Corporation, as follows:

(a) The corporation shall have any and all powers necessary or convenient to its usefulness in carrying out and effectuating the purposes and provisions of this chapter which are not in conflict with the Constitution of this state and which are generally exercised by corporations engaged in entrepreneurial pursuits, including, but without limiting the generality of the foregoing, the following powers:

(1) To sue and be sued in contract and in tort and to complain and defend in all courts;

(2) To adopt and alter a seal;

(3) To adopt, amend, and repeal bylaws, regulations, and policies and procedures for the regulation of its affairs and the conduct of its business; to elect and prescribe the duties of officers and employees of the corporation; and to perform such other matters as the corporation may determine. In the adoption of bylaws, regulations, policies, and procedures or in the exercise of any regulatory power, the corporation shall be exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative Procedure Act';

(4) To procure or to provide insurance;

(5) To hold copyrights, trademarks, and service marks and enforce its rights with respect thereto;

(6) To initiate, supervise, and administer the operation of the lottery in accordance with the provisions of this chapter and regulations, policies, and procedures adopted pursuant thereto;

(7) To enter into written agreements with one or more other states or sovereigns for the operation, participation in marketing, and promotion of a joint lottery or joint lottery games;

(8) To conduct such market research as is necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game and an
analysis of advertising, promotion, public relations, incentives, and other aspects of communication;

(9) To acquire or lease real property and make improvements thereon and acquire by lease or by purchase personal property, including, but not limited to, computers; mechanical, electronic, and online equipment and terminals; and intangible property, including, but not limited to, computer programs, systems, and software;

(10) To enter into contracts to incur debt in its own name and enter into financing agreements with the state, agencies or instrumentalities of the state, or with any commercial bank or credit provider; provided, however, that any such debt must be approved by the Georgia State Financing and Investment Commission;

(11) To be authorized to administer oaths, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, papers, documents, and other evidence relative to any investigation or proceeding conducted by the corporation;

(12) To appoint and select officers, agents, and employees, including professional and administrative staff and personnel and hearing officers to conduct hearings required by this chapter, and to fix their compensation, pay their expenses, and provide a benefit program, including, but not limited to, a retirement plan and a group insurance plan;

(13) To select and contract with vendors and retailers;

(14) To enter into contracts or agreements with state or local law enforcement agencies, including the Department of Revenue, for the performance of law enforcement, background investigations, security checks, and auditing and enforcement of license requirements required by Article 3 of this chapter;

(15) To enter into contracts of any and all types on such terms and conditions as the corporation may determine;

(16) To establish and maintain banking relationships, including, but not limited to, establishment of checking and savings accounts and lines of credit;

(17) To advertise and promote the lottery and lottery games;
(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 offer the lottery game of sports wagering and to regulate sports wagering in this
state; 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.'
(b) The powers enumerated in subsection (a) of this Code section are cumulative of and
in addition to those powers enumerated elsewhere in this chapter, and no such powers limit
or restrict any other powers of the corporation."

PART II

SECTION 2-1.

Said chapter is further amended by adding a new article to read as follows:

"ARTICLE 4

Part 1

50-27-120.
This article shall be known and may be cited as the 'Georgia Lottery Mobile Sports
Wagering Integrity Act.'
It is found and declared by the General Assembly that:

(1) Sports wagering is a lottery game and as such shall be operated and managed by the Georgia Lottery Corporation in a manner which provides continuing entertainment to the public, maximizes revenues, and ensures that the lottery is operated with integrity and dignity and free of political influence;

(2) The Georgia Lottery Corporation shall be accountable to the General Assembly and to the public for the operation and management of sports wagering in this state through a system of audits and reports;

(3) Net proceeds of lottery games conducted pursuant to this article shall be used to support improvements and enhancements for educational purposes and programs and that such net proceeds shall be used to supplement, not supplant, existing resources for such educational purposes and programs;

(4) The ability to offer the lottery game of sports wagering in this state under a license issued in accordance with this article constitutes a taxable privilege and not a right; and

(5) The lottery game of sports wagering can be conducted in a manner to safeguard the fiscal soundness of the state, enhance public welfare, and support the need to educate Georgia's children through the HOPE scholarship program and pre-kindergarten funding authorized by Article I, Section II, Paragraph VIII of the Constitution.

Unless another meaning is required by the context, as used in this article, the term:

(1) 'Adjusted gross income' means the total of all money paid to a licensee as bets minus the total amount paid out to winning bettors over a specified period of time, which includes the cash equivalent of any merchandise or thing of value awarded as a prize.

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

(3) 'Bettor' means an individual who is:
(A) Twenty-one years of age or older;
(B) Physically present in this state when placing a wager with a licensee; and
(C) Not prohibited from placing a wager or bet under Code Section 50-27-151.

(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 by
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, including
attempts and conspiracy to cheat.
(6) 'Collegiate sporting event' means a sporting or athletics event involving a sports or
athletics team of a public or private institution of higher education.
(7) 'Corporation vendor' means a contractor, subcontractor, or independent contractor
hired by or contracted with the corporation or a licensee for the purpose of facilitating the
business of the corporation or licensee under this article.
(8) 'E-sport' means any multiplayer video game played competitively for spectators,
either in-person or via remote connection, in which success principally depends upon the
superior knowledge, training, experience, and adroitness of the players.
(8.1) 'Fantasy or simulated contest' means a game or event in which players compete
against each other and winning outcomes reflect the relative knowledge and skill of the
players and are determined predominately by accumulated statistical results of the
performance of individuals, which may include, but shall not be 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) 'Future bet' means a wager made on the occurrence of an event in the future relating
to a sporting event.
'Interactive sports wagering' means placing a wager on a sporting event via the internet, a mobile device, or any other telecommunications technologies.

'License' means a license to accept wagers from bettors on sporting events issued under Code Section 50-27-140.

'Licensee' means a person that holds a license issued under Code Section 50-27-140.

'Live betting' means a type of wager that is placed after the sporting event being wagered on has commenced and whose odds on events occurring are adjusted in real time.

'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.

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

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

'Official league data' means statistics, results, outcomes, and other data related to a sporting event obtained pursuant to an agreement with the relevant:

(A) Sports governing body whose corporate headquarters are based in the United States or an entity expressly authorized by such sports governing body to provide such information to licensees for purposes of live betting; or

(B) Sporting events operator whose corporate headquarters are based in the United States or an entity expressly authorized by such sporting events operator to provide such information to licensees for purposes of live betting.
(19) 'Online sports wagering platform' or 'platform' means the combination of hardware, software, and data networks used to manage, administer, or control sports wagering and any associated wagers accessible by any electronic means, including mobile applications and internet websites accessed via a mobile device or computer.

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

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

(21) 'Professional sports team' means a major or minor league professional baseball, football, basketball, soccer, or hockey franchise or a professional motor sport.

(22) 'Proposition bet' means a wager made regarding the occurrence or nonoccurrence during a sporting event of an event that does not directly affect the final outcome of the sporting event.

(23) 'Sporting event' means any:

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

(B) Olympic sporting or athletic event;

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

(D) Other event authorized by the corporation.

Such term shall not include horse racing, a collegiate sporting event, or a fantasy or simulated contest.

(24) '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 sports governing body.

(25) 'Sports betting' or 'sports wagering' means placing one or more wagers for a sporting event.
(26) 'Sports governing body' means the organization, league, or association that oversees a sport and prescribes final rules and enforces codes of conduct with respect to such sport and participants therein.

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

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

(29) 'Wager' or 'bet' means a sum of money that is risked by a bettor on the unknown outcome of one or more sporting events, including, but not limited to, the form of fixed-odds betting, a future bet, live betting, a money line bet, pari-mutuel betting, a parlay bet, pools, a proposition bet, or a spread bet or any other form as authorized by rules and regulations of the corporation. Such term shall not include entry fees paid to participate in a fantasy or simulated contest. For purposes of this paragraph, the term 'pari-mutuel betting' means a type of bet in which all wagers on a particular occurrence are pooled and winnings are paid in accordance with the size of the pool and the number of winners.

Part 2

50-27-130.

(a) In addition to the powers and duties otherwise specified in this chapter, the corporation shall have all powers and duties necessary to carry out the provisions of this article and to exercise the control 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 and supervision of the lottery game of sports betting;
(2) To have jurisdiction and supervision of all persons conducting, participating in, or attending any facility with sports betting;

(3) To employ such persons as necessary to ensure that such sports betting is conducted with order and the highest degree of integrity. The corporation and such employees of the corporation shall be authorized to eject or exclude from the sports betting facility or any part thereof any individual, whether licensed or not, whose conduct or reputation is such that his or her presence may, in the opinion of the corporation or the designated employees of the corporation, reflect adversely on the honesty and integrity of the sports betting or interfere with the orderly conduct of the sports betting;

(4) To enter upon, investigate, and have free access to all places of business of any licensee under this article and to compel the production of any books, ledgers, documents, records, memoranda, or other information of any licensee to ensure that this article and the rules and regulations promulgated by the corporation pursuant to this article are complied with;

(5) To promulgate any rules and regulations as the corporation deems necessary and proper pursuant to Chapter 13 of this title, the 'Georgia Administrative Procedure Act,' to administer the provisions of this article; provided, however, that the initial rules and regulations governing sports betting shall be promulgated and adopted by the corporation within 90 days of the effective date of this article after an opportunity has been provided for public comment. The promulgation and adoption of such initial rules and regulations shall not be subject to Chapter 13 of this title;

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

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

(8) To prescribe the manner in which books and records of persons licensed or permitted by the corporation shall be kept;

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

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

(11) Upon the receipt of a complaint of an alleged criminal violation of this article, to immediately report the complaint to the Attorney General for appropriate action;

(12) 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;

(13) To establish and administer a program for providing assistance to compulsive gamblers, including, but not limited to, requiring that signs or notifications which bear a toll-free number for an organization which provides assistance to compulsive gamblers be posted in a conspicuous place in facilities at which sports wagering is conducted and on online sports wagering platforms;

(14) To appoint and employ such other employees as the corporation deems essential to perform its duties under this article who shall possess such authority and perform such duties as the corporation shall prescribe or delegate to them. Such employees may include stewards, chemists, physicians, inspectors, accountants, attorneys, security officers, and such other employees deemed by the corporation to be necessary for the supervision and proper conduct of the highest standard of sports betting. Such employees shall be compensated as provided by the corporation;
(15) To keep a true and full record of all proceedings of the corporation under this article and preserve at the corporation's general office all books, documents, and papers of the corporation; and

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

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

Part 3

50-27-140.

(a) Any person engaging in the lottery game of sports wagering in this state shall be licensed by the corporation. A license issued by the corporation shall permit the licensee to operate an individually branded online sports wagering platform in accordance with this article.

(b)(1) The corporation shall issue no fewer than six licenses to qualified applicants able to meet the duties of a license holder under this article and that the corporation determines will be best able to maximize tax revenue for the state; provided, however, that, if fewer than six qualified applicants seek licenses, the corporation shall issue as many licenses as there are qualified applicants, and the absence of six issued licenses shall not preclude licensees from engaging in the lottery game of sports wagering in accordance with this article. If a license is revoked, expires, or otherwise becomes ineffective, such license shall not be included in the number of licenses issued.

(2) Although six licenses is the minimum number of licenses the corporation shall issue, there is no maximum limitation.

(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, and officers;

(2) Satisfactory results from a fingerprint records check conducted by the Georgia Crime Information Center and the Federal Bureau of Investigation, as determined by the corporation. Application for a license under this Code section shall constitute express consent and authorization for the corporation or its representatives to perform a criminal background check. Each applicant who submits an application to the corporation for licensure shall provide the corporation with any and all information necessary to run a criminal background check, including, but not limited to, classifiable sets of fingerprints. Applicants shall be responsible for all fees associated with the performance of such background checks. If the applicant is an entity, all individuals who are principal owners shall provide classifiable sets of fingerprints;

(3) Information, documentation, and assurances as may be required to establish by clear and convincing evidence the applicant's good character, honesty, and integrity. Such information may include, without limitation, 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) Letters of reference 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 does not have any pertinent
information concerning the applicant or, if such law enforcement agency does have
information pertaining to the applicant, shall provide such information;

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

(7) Information, documentation, and assurances concerning financial background and
resources as may be required to establish by clear and convincing evidence the financial
stability, integrity, and responsibility of the applicant, including, but not limited to, bank
references, business and personal income and disbursement schedules, tax returns and
other reports filed with governmental agencies, and business and personal accounting and
check records and ledgers. Each applicant shall, in writing, authorize the examination of
all bank accounts and records as may be deemed necessary by the corporation. The
corporation may consider any relevant evidence of financial stability. The applicant is
presumed to be financially stable if the applicant establishes by clear and convincing
evidence the ability to:

(A) Assure the financial integrity of sports wagering operations by the maintenance of
a bankroll or equivalent provisions 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, a bankroll and equivalent provisions, in an amount which is at least equal
to the average daily minimum bankroll or equivalent provisions, 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 wagering 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 wagering experience to establish the likelihood of the creation and maintenance of successful, efficient sports wagering operations in this state;

(9) Information, as required by rules and regulations of the corporation, regarding the financial standing of the applicant, including, without limitation, each person or entity that has provided loans or financing to the applicant;

(10) A nonrefundable application fee in the amount of $50,000.00 and an annual licensing fee in the amount of $900,000.00; and

(11) Any additional information 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.

(e) 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 annual licensing and application fees prescribed under paragraph (10) of subsection (c) of this Code section with its application for license renewal.

(f) For each application for licensure or renewal of a license approved under this Code section, the amount of the application fee must be credited toward the licensee's annual licensing fee and the licensee shall remit the balance of the annual fee to the corporation upon approval of a license. The fees collected from licensees under this Code section shall be used by the corporation to pay the actual operating and administrative expenses incurred pursuant to this article.

(g) Except as provided in subsection (f) of this Code section, annual licensing and application fees collected by the corporation shall be distributed to the general fund of the state treasury for deposit into the Lottery for Education Account established pursuant to Code Section 50-27-13.
(h) 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.

(i)(1) A person that holds a license or permit to engage in sports wagering issued by another jurisdiction may submit a request to the corporation for a temporary license for such person to immediately commence engagement in this state in the lottery game of sports wagering. Such request shall include the licensing fee required under paragraph (10) of subsection (c) of this Code section.

(2) Upon receiving a request for a temporary license, the chief executive officer shall review the request. If the chief executive officer determines that the person requesting the temporary license holds a license or permit issued by another jurisdiction to engage in sports wagering and has paid the required licensing fee, the chief executive officer shall authorize such person to engage in sports wagering pursuant to this article under a temporary license for a period of two years or until a final determination on such person's application is made.

(j) Any sports governing body or sporting events operator on whose sporting event the corporation has authorized wagering may also enter into commercial agreements with sports wagering operators or other entities that provide for such sports governing body or sporting events operator to share in the amount bet from sports wagering on sporting events of such sports governing body or sporting events operator. A sports governing body or sporting events operator shall not be required to obtain a license or any other approval from the corporation to enter into such commercial agreements.

50-27-141.

(a) The following persons shall not be eligible to apply for or obtain a license:
(1) A member or employee of the corporation, an employee of a vendor, or an employee of a corporation vendor; provided, however, that a vendor or a corporation vendor as an entity may be eligible to apply for or obtain a license;

(2) An employee of a professional sports team;

(3) An individual or entity that has an ownership interest of 25 percent or more in a professional sports team on which the applicant offers sports wagering or an employee of such individual or entity;

(4) An individual who is a member or employee of any sports governing body or sporting events operator or an entity that has an affiliation with any sports governing body or sporting events operator;

(5) An individual or entity with an owner, officer, or director who has been convicted of a crime as specified in rules and regulations promulgated by the corporation;

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

(7) Any other category of persons, established by rules and regulations of the corporation, that, if licensed, would affect the integrity of sports wagering in this state.

(b) A person listed in paragraphs (2) through (8) of subsection (a) of this Code section may hold an ownership interest in an applicant or licensee without disqualifying the applicant or licensee from obtaining or holding a license; provided, however, that such 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 affect the integrity of sports wagering in this state and any other factors the corporation shall deem relevant.

50-27-142.

(a) A licensee shall not knowingly:

(1) Allow a minor to place a wager;
(2) Offer, accept, or extend credit to a bettor;
(3) Target minors in advertising or promotions for sports wagering;
(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 on the registry created and maintained by the corporation under Code Section 50-27-151.

(b) A person that knowingly violates this Code section:
(1) For a first offense, shall be guilty of a misdemeanor; and
(2) For a second or subsequent offense, shall be guilty of a misdemeanor of a high and aggravated nature.

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

(a) The corporation shall prescribe by rules and regulations:
(1) The amount of a bond in escrow, letter of credit, or cash that shall be kept on hand by licensees to ensure that adequate reserves exist by licensees to pay off bettors;
(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 wagering in this state.

(b) The 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.

50-27-150.

(a) Except for those individuals ineligible to place bets under Code Section 50-27-151, 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.

(b) A licensee shall ensure that all wagers accepted in this state are from qualified bettors and in accordance with this article and the rules and regulations of the corporation.
(a)(1) Certain individuals and categories of individuals shall not, directly or indirectly, place a wager on sporting events or online sports wagering platforms in this state as specified in this Code section.

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

(3) A corporation vendor shall not place a wager on any sporting event or platform.

(4) 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.

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

(6) 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 wagering or the processing of sports wagering claims or payments through the licensee's platform.

(7) 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 wagering.

(8) A 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.

(9) An amateur or Olympic athlete shall not place a wager on any sporting event in which the athlete participates.
(10) A professional athlete shall not place a wager on any sporting event overseen by such athlete's sports governing body or sporting events operator.

(11) An owner or employee of a team, player, umpire, or sports union personnel, or employee, referee, coach, or official of a 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 sports governing body or sporting events operator.

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

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

(c) The corporation shall maintain a confidential registry of individuals and categories of individuals who are ineligible to place a wager in this state and shall provide the registry to each licensee in this state. The corporation shall provide each updated registry to the licensees as soon as practicable. Each licensee shall maintain the registry provided by the corporation confidentially. Such registry shall not be considered a record open to the public pursuant to Article 4 of Chapter 18 of this title and shall be exempt from such provisions.

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

(1) For a first offense, shall be guilty of a misdemeanor;

(2) For a second offense, shall be guilty of a misdemeanor and shall be fined not less than $500.00 nor more than $1,000.00 or shall be imprisoned for not less than one month nor more than five months, or both; and

(3) For a third or subsequent offense, shall be guilty of a misdemeanor of a high and aggravated nature.
50-27-152.
Notwithstanding any other provision of law, each wager placed with a licensee in accordance with this article shall be:
(1) Deemed to be an enforceable contract; and
(2) Exempt from Chapter 13 of this title.

(a) The corporation shall by rules and regulations prohibit wagering on injuries, penalties, and other types or forms of wagering under this article that are contrary to public policy or unfair to bettors.
(b)(1) A 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 wagering with respect to sporting events of such sports governing body or sporting events operator, if the sports governing body or sporting events operator believes that such type, form, or category of sports wagering with respect to sporting events of such sports governing body or sporting events operator may undermine the integrity or perceived integrity of such sports governing body or sporting events operator. The corporation shall request comments from sports wagering operators on all such requests it receives.
(2) After giving due consideration to all comments received, the corporation shall, upon a demonstration of good cause from the requestor that such type, form, or category of sports wagering is likely to undermine the integrity or perceived integrity of such sports governing body or sporting events operator or sporting events of such sports governing body or sporting events operator, grant the request. The corporation shall respond to a request concerning a particular 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 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 wagering operators may continue to offer sports wagering on sporting events that are the subject of such a request during the pendency of the corporation's consideration of the applicable request.


(a) Prior to placing a wager with a licensee via interactive sports wagering, a bettor shall register with the licensee remotely and attest that the bettor 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 engage in sports wagering, make a deposit, or process a withdrawal via interactive sports wagering. A licensee shall implement commercially and technologically reasonable procedures to prevent access to sports wagering by minors on its online sports wagering 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) A licensee shall adopt a registration policy to ensure that all bettors utilizing interactive sports wagering are authorized to place a wager with a licensee within this state. Such policy must include, without limitation, a mechanism which shall:

1. Verify the name and age of the registrant;
2. Verify that the registrant is not prohibited from placing a wager under Code Section 50-27-151; and
3. Obtain the following information from the registrant:
   A. A physical address other than a post office box;
   B. A date of birth:
(C) A unique username; and

(D) An email account.

(c) A 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 wagering 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 a licensee shall use commercially and technologically reasonable means to ensure that each bettor is limited to one account.

(e) A 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) Once a bettor's account is created, a bettor may fund the 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) Each financial transaction with respect to an account between a bettor and licensee must be confirmed by email, telephone, text message, or other means agreed upon by the account holder. A licensee shall use commercially and technologically reasonable means to independently verify the identity of the bettor making a deposit or withdrawal.

(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 the 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 not allow the bettor to place wagers;
(B) Retain any winnings attributable to the bettor;
(C) Refund the balance of deposits made to the account to the source of such deposit or by issuance of a check; and
(D) Suspend the account.

(h) A licensee shall utilize geolocation or geofencing technology to ensure that interactive sports wagering is only available to bettors who are physically located in this state. A licensee shall maintain in this state the servers it uses to transmit information for purposes of accepting wagers on a sporting event placed by bettors located in this state.
(i) A 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 wagering in this state.

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

50-27-155.
(a) Licensees shall allow bettors to restrict themselves from placing wagers with the licensee, including limits on the amounts wagered, and take reasonable steps to prevent those bettors from placing such wagers. At the request of a bettor, a licensee may share the request with the corporation for the sole purpose of disseminating the request to other licensees.
(b) The corporation shall promulgate rules and regulations that require a licensee to implement responsible sports wagering programs that include comprehensive training on responding to circumstances in which individuals present signs of a gambling disorder.

50-27-156.
(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:

(1) The manner in which a licensee accepts wagers from and issues payouts to bettors,
including payouts in excess of $10,000.00; and

(2) Reporting requirements for suspicious wagers.


(a) The corporation, licensees, and vendors shall use commercially reasonable efforts to
cooperate with investigations conducted by any 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 anonymized account level betting
information and audio or video files relating to individuals placing wagers. All disclosures
under this Code section shall be subject to the obligation of a sports wagering operator to
comply with all federal, state, and local laws and rules and regulations relating to privacy
and personally identifiable information.

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

(1) Criminal or disciplinary proceedings commenced against the licensee in connection
with its operations;

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

(3) Any potential breach of the internal rules and codes of conduct of a sports governing
body or sporting events operator pertaining to sports wagering to the extent that such
rules or codes of conduct are provided to the licensee by the sports governing body or
sporting events operator or are otherwise known to the licensee;

(4) Conduct that corrupts the betting outcome of a sporting event for purposes of
financial gain, including match fixing; and
(5) Suspicious or illegal wagering activities, including cheating, use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, and use of false identification.

(c) Licensees shall as soon as is practicable report any information relating to conduct described in paragraphs (2) through (4) of subsection (b) of this Code section to the relevant 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 applicable; the outcome of the bet; and records of abnormal betting activity. The corporation may request such information in the form and manner as required by rules and regulations of the corporation. For purposes of this subsection, the term 'real time' means on a commercially reasonable periodic interval.

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

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

(g) If a sports governing body or sporting events operator has notified the corporation that real-time information sharing for wagers placed on its sporting events is necessary and desirable, licensees shall share the same information with the sports governing body or sporting events operator, or a designee of such sports governing body or sporting events operator, with respect to wagers on sporting events of such sports governing body or
sporting events operator. A sports governing body or sporting events operator, or a
designee of such sports governing body or sporting events operator, shall only use
information received under this subsection for integrity-monitoring purposes and shall not
use such information for any other purpose. Nothing in this subsection shall require a
licensee to provide any 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.

50-27-158.
(a) Except as provided under subsection (b) of this Code section, a licensee may use any
data source for determining the results of all live betting.
(b)(1) A sports governing body or sporting events operator headquartered in the United
States may notify the corporation that it desires licensees to use official league data for
determining the results of live betting. A notification under this subsection shall be made
in the form and manner as the corporation shall require. The corporation shall notify each
licensee within five days after receipt of such notification from a sports governing body
or sporting events operator. If a sports governing body or sporting events operator does
not notify the corporation of its desire to supply official league data, a licensee may use
any data source for determining the results of any live betting on athletic events of that
sports governing body or sporting events operator.
(2) Within 60 days after the corporation notifies each licensee of the desire of a sports
governing body or sporting events operator to require official league data as provided
under paragraph (1) of this subsection, each such licensee shall be required to use only
official league data to determine the results of live betting on sporting events sanctioned
by such sports governing body or sporting events operator, except when:
(A) The sports governing body or sporting events operator, or a designee of such sports
governing body or sporting events operator, is unable to provide a feed of official
league data to determine the results of a particular type of live betting, in which case licensees may use any data source for determining the results of the applicable live betting until the data feed becomes available on commercially reasonable terms; or (B) A licensee is able to demonstrate to the corporation that the sports governing body or sporting events operator, or a designee of such sports governing body or sporting events operator, will not provide a feed of official league data to the licensee on commercially reasonable terms. The corporation may consider the following factors in evaluating whether official league data is being provided by the sports governing body or sporting events operator on commercially reasonable terms:

(i) The availability of official league data of a sports governing body or a sporting events operator on live betting to a licensee from more than one authorized source;

(ii) Market information regarding the purchase by licensees of comparable data for the purpose of settling sports wagers, for use in this state or other jurisdictions;

(iii) The nature and quantity of data, including the quality and complexity of the process used for collecting such data;

(iv) The extent to which sports governing bodies or sporting events operators, or designees of sports governing bodies or sporting events operators, have made data used to determine the results of live betting available to licensees; and

(v) Any other factors considered by the corporation to be relevant and proper to its determination.

(3) While the corporation is determining whether a feed of official league data has been provided on commercially reasonable terms pursuant to paragraph (2) of this subsection, a licensee may use any data source for determining the results of any live betting.

(4) The corporation shall make a determination under paragraph (2) of this subsection within 120 days after the licensee notifies the corporation that it desires to demonstrate that the sports governing body or sporting events operator, or a designee of such sports
governing body or sporting events operator, will not provide a feed of official league data
to such licensee on commercially reasonable terms.

Part 5

50-27-170.
(a) Notwithstanding any other law to the contrary, a licensee shall only pay a privilege tax
on its adjusted gross income in accordance with this Code section.
(b) There shall be imposed upon the adjusted gross income of a licensee a tax of
20 percent.
(c) The tax imposed under this Code section shall be paid monthly by a licensee based on
its monthly adjusted gross income for the immediately preceding calendar month. The tax
shall be paid to the corporation in accordance with rules and regulations promulgated by
the corporation. If the licensee's adjusted gross income for a month is a negative number,
such licensee may carry over such negative amount to returns filed for subsequent months.
(d) All of the tax collected under this Code section shall be distributed by the corporation
to the general fund of the state treasury for deposit into the Lottery for Education Account
established pursuant to Code Section 50-27-13.

Part 6

50-27-180.
(a) Each licensee 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

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(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 wagering 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 the 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 50-27-157, the corporation may conduct a hearing in accordance with Code Section 50-27-183 to determine whether the licensee remains in compliance with this article.

50-27-181.

Members of the corporation or designated employees thereof may, during normal business hours, enter the premises of any facility of a licensee or 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.

50-27-182.

(a) The corporation shall conduct investigations 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.

(b) After a hearing under Code Section 50-27-183, if the corporation finds that:

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

(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 in the following amount:

(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.

(c) Nothing in this Code section shall prohibit the corporation from suspending, revoking, or refusing to renew the license of a licensee in accordance with Code Section 50-27-183.

(d) Nothing in this Code section shall limit the ability for an individual to be prosecuted under Title 16.

(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:

(1) Suspend, revoke, or refuse to renew a license; and

(2) For any violation by a licensee, impose an administrative fine not to exceed $25,000.00 per violation.

c) Except as provided in Code Section 50-27-182, 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.

d) Fines assessed under this Code section must be accounted for separately for use by the corporation in a manner consistent with rules and regulations of the corporation.

e) 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.

50-27-184.

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

(b) The Superior Court of Fulton County shall hear appeals from decisions of the corporation and, based upon the record of the proceedings before the corporation, may reverse the decision of the corporation only if the appellant proves the decision 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.
50-27-185.
(a) It shall be unlawful for any individual or entity, directly or indirectly, to knowingly receive, supply, broadcast, display, or otherwise transmit material nonpublic information for the purpose of wagering 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 that violates this Code section shall be guilty of a misdemeanor.

50-27-186.
(a) A licensee or other individual who violates 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 must accrue to the corporation and may be recovered in a civil action brought by the Attorney General in the name of the corporation.
(b) The Attorney General 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 Attorney General or this state for actions brought under this Code section.”

PART III
SECTION 3-1.

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

“(55) The sale of lottery tickets or wagers authorized by Chapter 27 of Title 50;”
PART IV

SECTION 4-1.

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

SECTION 4-2.

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