

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

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

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

25 **PART I**
26 **SECTION 1-1.**

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

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

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

41 "(23.1) 'Sports betting' shall have the same meaning as provided in Code Section
42 50-27-122."

43

SECTION 1-2.

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

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

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

52 ~~(19)~~(20) To adopt and amend such regulations, policies, and procedures as necessary to
 53 carry out and implement its powers and duties, organize and operate the corporation,
 54 regulate the conduct of lottery games in general, and any other matters necessary or
 55 desirable for the efficient and effective operation of the lottery or the convenience of the
 56 public. The promulgation of any such regulations, policies, and procedures shall be
 57 exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative
 58 Procedure Act.'"

59

SECTION 1-3.

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

63 "(3)(A) Beginning in Fiscal Year 2024, a ~~A~~ shortfall reserve shall be maintained within
 64 the Lottery for Education Account in an amount equal to at least 50 percent ~~of net~~
 65 ~~proceeds deposited into such account for the preceding fiscal year~~ of the average
 66 amount of net proceeds deposited into such account for the preceding three fiscal years,
 67 hereinafter referred to as the minimum reserve. Beginning in Fiscal Year 2024 and for
 68 each fiscal year thereafter, if on the last day of the preceding fiscal year the total reserve

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

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

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

82 **PART II**

83 **SECTION 2-1.**

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

86 "ARTICLE 4

87 Part 1

88 50-27-120.

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

91 50-27-121.

92 The General Assembly finds that:

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

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

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

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

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

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

113 50-27-122.

114 As used in this article, the term:

- 115 (1) 'Adjusted gross income' means the total of all moneys paid to a licensee as bets minus
116 federal excise taxes and minus the total amount paid out to winning bettors, including the
117 cash value of merchandise.
- 118 (2) 'Applicant' means any person that applies for a license under this article.
- 119 (3) 'Bettor' means an individual who is:
- 120 (A) Physically present in this state when placing a wager with a licensee;
121 (B) Twenty-one years of age or older; and
122 (C) Not prohibited from placing a wager or bet under Code Section 50-27-162.
- 123 (4) 'Bond' means a bond held in escrow for the purpose of maintaining adequate reserves
124 to account for losses suffered by a licensee and owed to bettors.
- 125 (5) 'Cheating' means improving the chances of winning or altering the outcome through
126 deception, interference, or manipulation of a sporting event or of any equipment,
127 including software, pertaining to or used in relation to the equipment used for or in
128 connection with the sporting event on which wagers are placed or invited. Such term
129 shall include match fixing and attempts and conspiracy to cheat.
- 130 (6) 'Collegiate sporting event' means a sporting or athletic event involving a sports or
131 athletic team of a public or private institution of higher education.
- 132 (7) 'Esports event' means an organized video game competition between players who
133 play individually or as teams.
- 134 (8) 'Fantasy or simulated contest' means a game or event in which one or more players
135 compete based on winning outcomes that reflect the relative knowledge and skill of the
136 players and are determined predominately by accumulated statistical results of the
137 performance of individuals, including, but not limited to, athletes in sporting events.
- 138 (9) 'Fixed-odds betting' means bets made at predetermined odds or on the spread where
139 the return to the bettor is unaffected by any later change in odds or the spread.
- 140 (10) 'Futures bet' means a wager made on the occurrence of an event in the future
141 relating to a sporting event.

- 142 (11) 'Institutional investor' means:
143 (A) A retirement fund administered by a public agency for the exclusive benefit of
144 federal, state, or local public employees;
145 (B) An investment company registered under the Investment Company Act of 1940;
146 (C) A chartered or licensed life insurance company or property and casualty insurance
147 company;
148 (D) A banking and other chartered or licensed lending institution;
149 (E) An investment advisor registered under the Investment Advisers Act of 1940; or
150 (F) A pension investment board.
- 151 (12) 'License' means any of the licenses issued by the corporation under this article.
- 152 (13) 'Licensee' means a person that holds a license issued by the corporation under this
153 article.
- 154 (14) 'Master sports betting licensee' means the Georgia Lottery Corporation.
- 155 (15) 'Material nonpublic information' means information that has not been disseminated
156 publicly concerning an athlete, contestant, prospective contestant, or athletic team,
157 including, without limitation, confidential information related to medical conditions or
158 treatment, physical or mental health or conditioning, physical therapy or recovery,
159 discipline, sanctions, academic status, education records, eligibility, playbooks, signals,
160 schemes, techniques, game plans, practices, strategies, assessments, systems, drills, or
161 recordings of practices or other athletic activities.
- 162 (16) 'Minor' means an individual who is less than 21 years of age.
- 163 (17) 'Money line' means the fixed odds in relation to a dollar amount that a team or
164 person participating in a sporting event will win outright regardless of the spread.
- 165 (18) 'Official event data' means statistics, results, outcomes, and other data related to a
166 sporting event obtained pursuant to an agreement with the relevant sporting events
167 operator whose corporate headquarters is based in the United States or an entity expressly

168 authorized by such sporting events operator to provide such information to licensees for
169 purposes of determining the outcome of tier 2 sports wagers on such sporting event.

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

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

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

181 (22) 'Online sports betting services provider' means a person that contracts with the
182 master sports betting licensee or a Type 1 sports betting licensee under Code Section
183 50-27-133 to operate online sports betting on behalf of such licensee and that is licensed
184 by the corporation.

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

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

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

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

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

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

199 (A) Based in this state;

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

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

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

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

211 (31) 'Sporting event' means any:

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

214 (B) Collegiate sporting event;

215 (C) Olympic sporting or athletic event;

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

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

219 (F) Esports event; or

220 (G) Other event authorized by the corporation.

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

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

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

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

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

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

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

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

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

237 (ii) Internet platform providers;

238 (iii) Risk management providers;

239 (iv) Integrity monitoring providers; and

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

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

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

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

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

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

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

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

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

257 (A) Any professional sports team;

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

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

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

268 (E) The Georgia Lottery Corporation.

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

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

278 50-27-123.

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

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

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

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

297 (4) To promulgate any rules and regulations as the corporation deems necessary and
298 proper to administer the provisions of this article; provided, however, that the initial rules

299 and regulations governing sports betting shall be promulgated and adopted by the
300 corporation within 90 days of the effective date of this article after an opportunity has
301 been provided for public comment. Such initial rules and regulations and all other rules
302 and regulations of the corporation promulgated and adopted pursuant to this article shall
303 not be subject to Chapter 13 of this title, the 'Georgia Administrative Procedure Act';
304 (5) To issue subpoenas for the attendance of witnesses before the corporation, administer
305 oaths, and compel production of records or other documents and testimony of witnesses
306 whenever, in the judgment of the corporation, it is necessary to do so for the effectual
307 discharge of the duties of the corporation under this article;
308 (6) To compel any person licensed by the corporation to file with the corporation such
309 data, documents, and information as shall appear to the corporation to be necessary for
310 the performance of the duties of the corporation under this article, including, but not
311 limited to, financial statements and information relative to stockholders and all others
312 with a pecuniary interest in such person;
313 (7) To prescribe the manner in which books and records of persons licensed or permitted
314 by the corporation under this article shall be kept;
315 (8) To enter into arrangements with any foreign or domestic government or
316 governmental agency for the purposes of exchanging information or performing any other
317 act to better ensure the proper conduct of betting under this article;
318 (9) To order such audits, in addition to those otherwise required by this article, as the
319 corporation deems necessary and desirable;
320 (10) Upon the receipt of a complaint of an alleged criminal violation of this article, to
321 immediately report such complaint to the appropriate law enforcement agency with
322 jurisdiction to investigate criminal activity;
323 (11) To provide for the reporting of the applicable amount of state and federal income
324 tax of persons claiming a prize or payoff for a winning wager under this article;

- 325 (12) To establish and administer programs for providing assistance to individuals with
326 problem gambling or a betting or gambling disorder, including, but not limited to:
- 327 (A) Educating potential gamblers of methods and types of bets and fairly informing
328 potential gamblers of the odds or likelihood of winning such bets;
- 329 (B) Establishing and administering programs for educating potential gamblers about
330 responsible gambling, the warning signs of problem gambling or betting or gambling
331 disorders and how to prevent and treat problem gambling or betting or gambling
332 disorders;
- 333 (C) Developing and funding responsible gaming education campaigns coupled with
334 prevention and education efforts within communities that raise awareness of potential
335 signs or risk factors of problem gambling or betting or gambling disorders;
- 336 (D) Encouraging the use of harm-minimizing measures by bettors, such as excluding
337 or limiting oneself from obtaining credit extensions, making credit card or cashless
338 payments, cashing checks, and making automated teller machine withdrawals, as well
339 as utilizing limit-setting tools and personal data and information to make informed
340 decisions about gambling;
- 341 (E) Promulgating rules and regulations that enable bettors to cool off, self-limit, and
342 self-exclude from gaming activities state wide and across multiple jurisdictions;
- 343 (F) Adopting processes for individuals to express concerns related to problem
344 gambling or betting or gambling disorders to the corporation;
- 345 (G) Developing state-wide advertising guidelines to ensure that the marketing of sports
346 betting is not targeted to minors and does not include content, themes, and promotions
347 that have special appeal to individuals with problem gambling or a betting or gambling
348 disorder;
- 349 (H) Requiring the electronic posting of signs or notifications on online sports betting
350 platforms that bear a toll-free number for an organization that provides assistance to
351 individuals with problem gambling or a betting or gambling disorder; and

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

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

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

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

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

364 50-27-124.

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

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

368 (2) Any insurance requirements for a licensee;

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

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

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

374 (C) Global risk management;

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

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

- 378 (6) The type of information deemed to be confidential financial or proprietary
379 information that is not subject to any reporting requirements under this article;
380 (7) Policies, procedures, and processes designed to mitigate the risk of cheating and
381 money laundering; and
382 (8) Any post-employment restrictions necessary to maintain the integrity of sports
383 betting in this state.

384 Part 2

385 50-27-130.

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

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

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

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

393 (3) Past relevant experience of the applicant;

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

395 (5) Demonstrated commitment to and plans for the promotion of responsible gaming;
396 and

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

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

- 402 (1) If the applicant is an entity, identification of the applicant's principal owners, board
403 of directors, officers, and supervisory employees;
- 404 (2) Evidence of the applicant's certificate of fitness for sports betting affiliation. If the
405 applicant is an entity, such evidence shall be provided for every individual who is a
406 principal owner;
- 407 (3) Information, documentation, and assurances as may be required by the corporation
408 to establish by clear and convincing evidence the applicant's good character, honesty, and
409 integrity, including, but not limited to, information pertaining to family, habits, character,
410 reputation, criminal and arrest records, business activities, financial affairs, and business,
411 professional, and personal associates, covering at least the ten-year period immediately
412 preceding the filing of the application;
- 413 (4) Notice and a description of civil judgments obtained against the applicant pertaining
414 to antitrust or security regulation laws of the federal government, this state, or any other
415 state, jurisdiction, province, or country;
- 416 (5) To the extent available, letters of reference or the equivalent from law enforcement
417 agencies having jurisdiction of the applicant's place of residence and principal place of
418 business. Each such letter of reference shall indicate that the law enforcement agency
419 does not have any pertinent information concerning the applicant or, if such law
420 enforcement agency does have information pertaining to the applicant, shall provide such
421 information, to the extent permitted by law;
- 422 (6) If the applicant has conducted sports betting operations in another jurisdiction, a
423 letter of reference from the regulatory body that governs sports betting that specifies the
424 standing of the applicant with such regulatory body; provided, however, that, if no such
425 letter is received within 60 days of the request therefor, the applicant may submit a
426 statement under oath that the applicant is or was, during the period such activities were
427 conducted, in good standing with the regulatory body;

428 (7) Information, documentation, and assurances concerning financial background and
429 resources as may be required to establish by clear and convincing evidence the financial
430 stability, integrity, and responsibility of the applicant, including, but not limited to, bank
431 references, business and personal income and disbursement schedules, tax returns and
432 other reports filed with governmental agencies, and business and personal accounting and
433 check records and ledgers. Each applicant shall, in writing, authorize the examination of
434 all bank accounts and records as may be deemed necessary by the corporation. The
435 corporation may consider any relevant evidence of financial stability. In addition, the
436 applicant shall:

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

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

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

452 (8) Information, documentation, and assurances as may be required to establish by clear
453 and convincing evidence that the applicant has sufficient business ability and sports

454 betting experience to establish the likelihood of the creation and maintenance of
455 successful, efficient sports betting operations in this state;

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

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

460 (A) Applicants for a Type 1 sports betting license shall pay a nonrefundable
461 application fee in the amount of \$100,000.00 and an annual licensing fee in the amount
462 of \$1 million; provided, however, that, for those licenses referred to in paragraph (3)
463 of subsection (b) of Code Section 50-27-133, such annual licensing fee shall instead be
464 \$750,000.00 and the application fee and annual licensing fee shall be paid by the online
465 sports betting services provider and not by the corporation, which shall not be required
466 to pay any such fees;

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

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

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

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

481 50-27-131.

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

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

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

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

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

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

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

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

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

522 50-27-132.

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

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

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

530 (3) A coach of or player for a collegiate, professional, or Olympic sports team or sport
531 or an entity that has an affiliation or interest in such a sports team or sport;

- 532 (4) An individual who is a member or employee of any professional sports governing
533 body or sporting events operator;
- 534 (5) An individual or entity with an owner, officer, or director who has been convicted of
535 a crime of moral turpitude or similar degree as specified in rules and regulations
536 promulgated by the corporation pursuant to this article;
- 537 (6) A person having the ability to directly affect the outcome of a sporting event upon
538 which the applicant offers sports betting;
- 539 (7) A trustee or regent of a governing board of a public or private institution of higher
540 education;
- 541 (8) An individual prohibited by the rules or regulations of a professional sports
542 governing body or sporting events operator of a collegiate sports team, league, or
543 association from participating in sports betting;
- 544 (9) A student or an employee of a public or private institution of higher education who
545 has access to material nonpublic information concerning a student athlete or a sports
546 team; and
- 547 (10) Any other category of persons, established by rules and regulations of the
548 corporation, that, if licensed, would negatively affect the integrity of sports betting in this
549 state.
- 550 (b) An individual listed in paragraphs (2) through (10) of subsection (a) of this Code
551 section may hold an ownership interest in an applicant or licensee without disqualifying
552 the applicant or licensee from obtaining or holding a license; provided, however, that such
553 an ownership interest of 25 percent or more shall require approval from the corporation.
554 In determining whether such an ownership interest shall be the basis of disqualification, the
555 corporation shall consider whether such interest would negatively affect the integrity of
556 sports betting in this state and any other factors the corporation shall deem relevant.

557 50-27-133.

558 (a) A Type 1 sports betting license authorizes a Type 1 eligible entity, or its designated
559 online sports betting services provider, to offer online sports betting. If a Type 1 eligible
560 entity designates an online sports betting services provider, the online sports betting
561 services provider shall be considered the Type 1 sports betting licensee for all aspects of
562 the regulatory control of the corporation and the operations under the Type 1 sports betting
563 license. The corporation shall establish a procedure for a Type 1 eligible entity to
564 designate an online sports betting provider.

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

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

570 (2) One Type 1 sports betting license shall be reserved for each of the Type 1 eligible
571 entities defined in subparagraphs (B) through (E) of paragraph (40) of Code Section
572 50-27-122; and

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

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

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

580 (d) A Type 1 eligible entity shall provide written notice to the corporation of its intention
581 to apply for a Type 1 sports betting license within 60 days of the effective date of this
582 article. The failure of a Type 1 eligible entity to provide such written notice shall result in

583 the permanent disqualification and prohibition of such Type 1 eligible entity from
584 obtaining a Type 1 sports betting license.

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

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

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

599 50-27-134.

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

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

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

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

618 50-27-135.

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

622 Part 3

623 50-27-150.

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

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

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

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

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

646 50-27-151.

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

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

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

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

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

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

658 (2) The acquisition by any person of 10 percent or more of any class of corporate stock.
659 (c) With respect to information reported under subsection (b) of this Code section, a
660 licensee shall include with such report a statement of any conflict of interest that may exist
661 as a result of such election or acquisition.
662 (d) Upon receiving a report under this Code section or subsection (b) of Code
663 Section 50-27-191, the corporation may conduct a hearing in accordance with Code Section
664 50-27-193 to determine whether the licensee remains in compliance with this article.

665 Part 4

666 50-27-160.

667 (a) No person shall knowingly:

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

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

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

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

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

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

681 (1) For a first offense, shall be indefinitely prohibited from placing a wager, be required
682 to forfeit the proceeds of any illegal wager, and be guilty of a misdemeanor; and

683 (2) For a second or subsequent offense, shall be required to forfeit the proceeds of any
684 illegal wager and be guilty of a misdemeanor of a high and aggravated nature.

685 50-27-161.

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

690 50-27-162.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

731 (14) A student or an employee of a public or private institution of higher education who
732 has access to material nonpublic information concerning a student athlete or a sports team

733 shall be prohibited from placing a wager on a collegiate sporting event if such
734 information is relevant to the outcome of such event.

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

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

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

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

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

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

749 (B) Guilty of a misdemeanor; and

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

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

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

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

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

756 50-27-163.

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

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

769 (2) After giving due consideration to all comments received, the corporation shall, upon
770 demonstration of good cause from the requestor that such type, form, or category of
771 sports betting is likely to undermine the integrity or perceived integrity of such
772 professional sports governing body or sporting events operator or its sporting events,
773 grant the request. The corporation shall respond to a request concerning a particular
774 sporting event before the start of the event, or if it is not feasible to respond before then,
775 no later than seven days after the request is made. If the corporation determines that the
776 requestor is more likely than not to prevail in successfully demonstrating good cause for
777 its request, the corporation may provisionally grant the request of the professional sports
778 governing body or sporting events operator until the corporation makes a final
779 determination as to whether the requestor has demonstrated good cause. Absent such a
780 provisional grant by the corporation, sports betting licensees may continue to offer sports
781 betting on sporting events that are the subject of such a request during the pendency of
782 the corporation's consideration of the applicable request.

783

Part 5784 50-27-170.

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

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

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

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

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

803 (A) Legal name;

804 (B) Date of birth;

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

806 (D) Phone number;

807 (E) A unique username; and

808 (F) An active email account.

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

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

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

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

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

822 (2) Debit cards;

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

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

825 (g)(1) Licensees shall not allow bets to be placed until first verifying the identity of the
826 bettor pursuant to this Code section and by rules promulgated by the corporation.
827 Further, and pursuant to rules promulgated by the corporation, licensees shall establish
828 safeguards, including, but not limited to, access notifications and similar security
829 safeguards, to protect each bettor's account.

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

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

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

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

839 (C) Refund the balance of deposits made to the account to the source of such deposit
840 or by issuance of a check; and

841 (D) Suspend the account.

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

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

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

852 50-27-171.

853 (a) Licensees shall allow bettors to limit their betting activity with the licensee by, at a
854 minimum, giving bettors the opportunity to place limits on the amounts deposited, the
855 amounts wagered, and the amount of time spent wagering. Licensees shall take reasonable
856 steps to prevent bettors from overriding their self-imposed responsible gambling limits.
857 At the request of a bettor, a licensee may share the requested limitations with the
858 corporation for the sole purpose of disseminating the request to other licensees.

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

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

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

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

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

880 50-27-172.

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

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

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

889 Part 6

890 50-27-180.

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

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

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

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

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

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

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

920 or

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

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

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

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

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

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

940 (E) The extent to which professional sports governing bodies or sporting events
941 operators, or designees thereof, have made available to licensees the data used to settle
942 the results of tier 2 sports wagers and any terms and conditions relating to the use of
943 such data; and

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

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

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

960 Part 7961 50-27-190.

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

968 50-27-191.

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

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

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

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

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

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

985 applicable; the outcome of the bet; and records of abnormal betting activity for three years
986 after the sporting event occurs. The corporation may request such information in the form
987 and manner required by rules and regulations of the corporation. For purposes of this
988 subsection, the term 'real time' means on a commercially reasonable periodic interval.
989 (e) All records, documents, and information received by the corporation pursuant to this
990 Code section shall be considered investigative records of a law enforcement agency, shall
991 not be subject to Article 4 of Chapter 18 of this title, and shall not be released under any
992 condition without the permission of the person providing such records, documents, or
993 information.
994 (f) Nothing in this Code section shall require a sports betting licensee to provide any
995 information that is prohibited by federal, state, or local laws or rules and regulations,
996 including, without limitation, laws and rules and regulations relating to privacy and
997 personally identifiable information.
998 (g) If a professional sports governing body or sporting events operator has notified the
999 corporation that access to the information described in subsection (d) of this Code section
1000 for wagers placed on its sporting events is necessary to monitor the integrity of its sporting
1001 events and represents to the corporation that it specifically uses such data for the purpose
1002 of monitoring the integrity of sporting events of such professional sports governing body
1003 or sporting events operator, then licensees shall share, in a commercially reasonable
1004 frequency, form, and manner, with the professional sports governing body or sporting
1005 events operator, or a designee thereof, the same information the licensee is required to
1006 maintain under subsection (d) of this Code section with respect to sports wagers on such
1007 a body's or operator's sporting events. A professional sports governing body or sporting
1008 events operator, or a designee thereof, shall use information received under this subsection
1009 for integrity-monitoring purposes only and shall not use such information for commercial
1010 or any other purposes. Nothing in this subsection shall require a licensee to provide any
1011 information that is prohibited by federal, state, or local laws, rules, or regulations,

1012 including, but not limited to, laws, rules, or regulations relating to privacy and personally
1013 identifiable information.

1014 50-27-192.

1015 The corporation shall assist in any investigations by law enforcement to determine whether:

1016 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1017 wagers in this state; and

1018 (2) An individual is unlawfully accepting wagers from another individual without a
1019 license or at a location in violation of this article.

1020 50-27-193.

1021 (a) The corporation may investigate and conduct a hearing with respect to a licensee upon
1022 information and belief that the licensee has violated this article or upon the receipt of a
1023 credible complaint from any person that a licensee has violated this article. The
1024 corporation shall conduct investigations and hearings in accordance with rules and
1025 regulations adopted by the corporation.

1026 (b) If the corporation determines that a licensee has violated any provision of this article
1027 or any rules and regulations of the corporation, the corporation may suspend, revoke, or
1028 refuse to renew a license; impose an administrative fine not to exceed \$25,000.00 per
1029 violation; or both.

1030 (c) The corporation shall promulgate rules and regulations establishing a schedule of
1031 administrative fines that may be assessed in accordance with subsection (b) of this Code
1032 section for each violation of this article; provided, however, that, if the corporation finds
1033 that:

1034 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1035 wagers in this state, the corporation shall impose a fine against the licensee as follows:

1036 (A) For a first offense, \$1,000.00;

- 1037 (B) For a second offense, \$2,000.00; and
1038 (C) For a third or subsequent offense, \$5,000.00; or
1039 (2) An individual is unlawfully accepting wagers from another individual without a
1040 license, the corporation shall impose a fine against the individual as follows:
1041 (A) For a first offense, \$10,000.00;
1042 (B) For a second offense, \$15,000.00; and
1043 (C) For a third or subsequent offense, \$25,000.00.
1044 (d) The corporation may refer conduct that it reasonably believes is a violation of Article 2
1045 of Chapter 12 of Title 16 to the appropriate law enforcement agency.
- 1046 50-27-194.
1047 (a) Any person that violates any provisions of this article shall be liable for a civil penalty
1048 of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising
1049 out of the same transaction or occurrence, which shall accrue to the corporation and may
1050 be recovered in a civil action brought by or on behalf of the corporation.
1051 (b) The corporation may seek and obtain an injunction in a court of competent jurisdiction
1052 for purposes of enforcing this article.
1053 (c) Costs shall not be taxed against the corporation or this state for actions brought under
1054 this article.
- 1055 50-27-195.
1056 (a) Fines assessed under this article shall be accounted for separately for use by the
1057 corporation in a manner consistent with rules and regulations of the corporation.
1058 (b) The corporation may issue subpoenas to compel the attendance of witnesses and the
1059 production of relevant books, accounts, records, and documents for purposes of carrying
1060 out its duties under this article.

1061 50-27-196.

1062 (a) A licensee or other individual aggrieved by a final decision or action of the corporation
1063 may appeal such decision or action to the Superior Court of Fulton County.

1064 (b) The Superior Court of Fulton County shall hear appeals from decisions or actions of
1065 the corporation and, based upon the record of the proceedings before the corporation, may
1066 reverse the decision or action of the corporation only if the appellant proves the decision
1067 or action to be:

1068 (1) Clearly erroneous;

1069 (2) Arbitrary and capricious;

1070 (3) Procured by fraud;

1071 (4) A result of substantial misconduct by the corporation; or

1072 (5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.

1073 (c) The Superior Court of Fulton County may remand an appeal to the corporation to
1074 conduct further hearings.

1075 50-27-197.

1076 (a) It shall be unlawful for any person, directly or indirectly, to knowingly receive, supply,
1077 broadcast, display, or otherwise transmit material nonpublic information for the purpose
1078 of betting on a sporting event or influencing another individual's or entity's wager on a
1079 sporting event.

1080 (b) This Code section shall not apply to the dissemination of public information as news,
1081 entertainment, or advertising.

1082 (c) Any person in violation of this Code section shall be indefinitely prohibited from
1083 placing a wager, be required to forfeit the proceeds of any illegal wager, and be guilty of
1084 a misdemeanor."

1085

PART III

1086

SECTION 3-1.

1087 Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
1088 relating to gambling, is amended by revising paragraph (1) of Code Section 16-12-20,
1089 relating to definitions, as follows:

1090 "(1) 'Bet' means an agreement that, dependent upon chance even though accompanied
1091 by some skill, one stands to win or lose something of value. A bet does not include:

1092 (A) Contracts of indemnity or guaranty or life, health, property, or accident insurance;

1093 **or**

1094 (B) An offer of a prize, award, or compensation to the actual contestants in any bona
1095 fide contest for the determination of skill, speed, strength, or endurance or to the owners
1096 of animals, vehicles, watercraft, or aircraft entered in such contest; or

1097 (C) Any consideration paid to a person licensed by the Georgia Lottery Corporation
1098 under Article 4 of Chapter 27 of Title 50 or an employee, agent, or other person acting
1099 in furtherance of his or her employment by such licensee on the partial or final result
1100 of or performance during any professional or intercollegiate sporting event, contest, or
1101 exhibition that had not begun at the time the consideration was paid."

1102

SECTION 3-2.

1103 Said part is further amended by revising Code Section 16-12-27, relating to advertisement
1104 or solicitation for participation in lotteries, as follows:

1105 "16-12-27.

1106 (a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to
1107 sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio
1108 commercial, or any book, magazine, periodical, newspaper, or other written or printed
1109 matter containing an advertisement or solicitation for participation in any lottery declared

1110 to be unlawful by the laws of this state unless such advertisement, commercial, or
1111 solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be
1112 clearly legible or audible to persons viewing or hearing such advertisement, commercial,
1113 or solicitation.

1114 (b) Any person, partnership, firm, corporation, or other entity violating subsection (a) of
1115 this Code section shall be guilty of a misdemeanor.

1116 (c) This Code section shall not apply to any advertisement or solicitation for participation
1117 in a lottery game of online sports betting by any person licensed by the Georgia Lottery
1118 Corporation under Article 4 of Chapter 27 of Title 50 that is concerning such licensee's
1119 lawful activities."

1120 **SECTION 3-3.**

1121 Said part is further amended by revising Code Section 16-12-28, relating to communicating
1122 gambling information, as follows:

1123 "16-12-28.

1124 (a) A person who knowingly communicates information as to bets, betting odds, or
1125 changes in betting odds or who knowingly installs or maintains equipment for the
1126 transmission or receipt of such information with the intent to further gambling commits the
1127 offense of communicating gambling information.

1128 (b) A person who commits the offense of communicating gambling information, upon
1129 conviction thereof, shall be punished by imprisonment for not less than one nor more than
1130 five years or by a fine not to exceed \$5,000.00, or both.

1131 (c) This Code section shall not apply to the activities of a person licensed by the Georgia
1132 Lottery Corporation under Article 4 of Chapter 27 of Title 50 or an employee, agent, or
1133 other person acting in furtherance of his or her employment by such licensee."

1134

PART IV

1135

SECTION 4-1.

1136 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
1137 amended by revising paragraph (55) of Code Section 48-8-3, relating to exemptions from
1138 state sales and use tax, as follows:

1139 "(55) The sale of lottery tickets authorized by Chapter 27 of Title 50 or wagers
1140 authorized by Article 4 of Chapter 27 of Title 50;"

1141

PART V

1142

SECTION 5-1.

1143 This Act shall become effective upon its approval by the Governor or upon its becoming law
1144 without such approval.

1145

SECTION 5-2.

1146 All laws and parts of laws in conflict with this Act are repealed.