

House Bill 380

By: Representatives Wiedower of the 121st, Martin of the 49th, Evans of the 57th, McDonald of the 26th, Williams of the 168th, and others

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 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 of the
112 Constitution.

113 50-27-122.

114 As used in this chapter, the term:

115 (1) 'Adjusted gross income' means the total of all moneys paid to a licensee as bets minus
116 federal excise taxes; minus the total amount paid out to winning bettors, including the

117 cash value of merchandise; and minus the monetary value of promotional play wagered
118 by authorized participants as an incentive to place wagers on sporting events or as a result
119 of their having placed sports bets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

177 (20) 'Online sports betting' means a wager on a sporting event is placed via the internet
178 through any electronic device other than a Type 2 sports betting machine and accepted
179 through an online sports betting platform that is operated by a Type 1 sports betting
180 licensee or such licensee's online sports betting services provider.

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

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

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

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

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

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

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

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

202 (A) Based in this state;

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

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

206 (29) 'Proposition bet' means a wager on a single specific action, statistic, occurrence, or
207 nonoccurrence to be determined during a sporting event and includes any such action,
208 statistic, occurrence, or nonoccurrence that does not directly affect the final outcome of
209 the sporting event to which it relates. Proposition bets shall be offered only by a master
210 sports betting licensee, an online sports betting services provider that contracts with the
211 master sports betting licensee, or Type 1 licensees on online sports betting platforms.

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

216 (31) 'Retail sports betting' means sports betting that is operated by a Type 2 sports
217 betting licensee in which a wager on a sporting event is placed by the bettor using
218 self-service or clerk operated terminals, while on the premises of a Type 2 sports betting
219 retail licensee.

220 (32) 'Sporting event' means any:

- 221 (A) Professional sporting or professional athletic event, including motor sports
222 sanctioned by a national or international organization or association;
223 (B) Collegiate sporting event;
224 (C) Olympic sporting or athletic event;
225 (D) Sporting or athletic event sanctioned by a national or international organization or
226 association;
227 (E) Sporting or athletic event conducted or organized by a sporting events operator;
228 (F) Esports event; or
229 (G) Other event authorized by the corporation.

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

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

235 (34) 'Sports betting' means placing one or more wagers for a sporting event.

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

238 (A) Any mechanical, electronic, or other device, mechanism, or equipment, including
239 a self-service or clerk operated sports betting terminal;

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

241 (C) Anything to be installed or used on a patron's personal electronic device.

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

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

247 (ii) Providers of Type 2 sports betting machines;

- 248 (iii) Internet platform providers;
249 (iv) Risk management providers;
250 (v) Integrity monitoring providers; and
251 (vi) Other providers of sports betting supplier services as determined by the
252 corporation.
- 253 (B) Such term shall not include a professional sports governing body that:
254 (i) Provides official league data concerning its own sporting event to a sports betting
255 licensee solely on that basis; or
256 (ii) Provides raw statistical match data to one or more designated and licensed
257 suppliers of data feeds and odds services solely on that basis.
- 258 (37) 'Spread' means the predicted scoring differential between two persons or teams
259 engaged in a sporting event.
- 260 (38) 'Supervisory employee' means a principal owner or employee having the authority
261 to act on behalf of a licensee or whose judgment is relied upon to manage and advance
262 the business operations of a licensee.
- 263 (39) 'Tier 1 sports wager' means a sports wager that is determined solely by the final
264 score or final outcome of the sporting event and is placed before the sporting event has
265 begun.
- 266 (40) 'Tier 2 sports wager' means a wager that is not a tier 1 sports wager.
- 267 (41) 'Type 1 eligible entity' means any of the following:
268 (A) Any professional sports team, or its designee;
269 (B) A professional sports governing body that holds one or more sanctioned annual
270 golf tournaments on a national tour of professional golf in this state, and has held one
271 or more of the same or different sanctioned annual golf tournaments on a national tour
272 of professional golf in this state for at least 30 years;
273 (C) The owner of a facility in this state that has held an annual invitational golf
274 tournament for professional and amateur golfers for at least 30 years;

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

279 (E) The Georgia Lottery Corporation.

280 (42) 'Type 1 sports betting licensee' means the master sports betting licensee, an online
281 sports betting services provider that contracts with the master sports betting licensee, or
282 a Type 1 eligible entity licensed or authorized by the corporation to directly or indirectly
283 offer online sports betting.

284 (43) 'Type 2 eligible retail entity' means:

285 (A) The holder of a retail consumption dealer license or a retail dealer license issued
286 under Title 3 and who actively operates a place of business located in this state that
287 requires such retail consumption dealer license or retail dealer license; or

288 (B) The holder of a Class B machine location license issued by the corporation under
289 Chapter 27 of this title and who actively operates a place of business located in this
290 state that requires such Class B machine location license.

291 (44) 'Type 2 sports betting distributor licensee' means a person licensed or authorized by
292 the corporation to offer retail sports betting on behalf of the corporation.

293 (45) 'Type 2 sports betting machine' means a self-service or clerk operated electronic
294 machine approved by the corporation, including, but not limited to, Class B machines
295 licensed by the corporation under Article 3 of this chapter adapted to also function as a
296 self-service terminal.

297 (46) 'Type 2 sports betting platform licensee' means a sports betting platform operator
298 licensed or authorized by the corporation to offer retail sports betting on behalf of the
299 corporation at a Type 2 sports betting retail licensee's place of business through Type 2
300 sports betting machines owned by a Type 2 sports betting distributor licensee.

301 (47) 'Type 2 sports betting retail licensee' means a Type 2 eligible retail entity licensed
302 or authorized by the corporation to offer retail sports betting on behalf of the corporation.

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

308 50-27-123.

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

313 (1) To have jurisdiction, supervision, and regulatory authority over sports betting,
314 including, but not limited to:

315 (A) The regulation, licensure, and offering of sports betting on mobile applications
316 available state wide via the internet and through a limited number of licenses to
317 awarded to Type 1 sports betting licensees; and

318 (B) The regulation, licensure, and offering of sports betting on machines installed in
319 specified eligible locations open to the public, placed in such locations through a
320 limited number of distribution licenses awarded to Type 2 sports betting distributor
321 licensees, Type 2 sports betting platform licensees, and Type 2 sports betting retail
322 licensees;

323 (2) To have jurisdiction and supervision of all persons conducting, participating in, or
324 attending any facility with sports betting;

325 (3) To appoint and employ such persons as the corporation deems essential to perform
326 its duties under this article and to ensure that such sports betting is conducted with order

327 and the highest integrity. Such employees shall possess such authority and perform such
328 duties as the corporation shall prescribe or delegate to them. Such employees shall be
329 compensated as provided by the corporation;

330 (4) To enter upon, investigate, and have free access to all places of business of any
331 licensee under this article and to compel the production of any books, ledgers, documents,
332 records, memoranda, or other information of any licensee to ensure such licensee's
333 compliance with the rules and regulations promulgated by the corporation pursuant to this
334 article. Such rules and regulations shall be exempt from the requirements of Chapter 13
335 of this title, the 'Georgia Administrative Procedure Act';

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

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

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

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

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

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

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

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

364 (13) To establish and administer a program for providing assistance to problem
365 gamblers, including, but not limited to, requiring the posting of signs, notifications, or
366 other relevant responsible gambling information in a clear and conspicuous manner on
367 retail sports betting premises and online sports betting platforms, including a national
368 toll-free number approved by the corporation that directs callers to an organization that
369 provides assistance to problem gamblers;

370 (14) To maintain a confidential registry of persons and categories of persons who are
371 ineligible to place a wager in this state and provide the registry to each licensee in this
372 state. The corporation shall provide each updated registry to licensees as soon as
373 practicable. Each licensee shall maintain the confidentiality of the registry provided by
374 the corporation;

375 (15) To eject or exclude from the sports betting facility or any part thereof any
376 individual, whether licensed or not, whose conduct or reputation is such that his or her
377 presence may, in the opinion of the corporation or the designated employees of the
378 corporation, reflect adversely on the honesty and integrity of the sports betting or
379 interfere with the orderly conduct of the lottery game of sports betting;

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

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

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

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

389 50-27-124.

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

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

393 (2) Any insurance requirements for a licensee;

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

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

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

399 (C) Global risk management;

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

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

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

- 405 (7) Policies, procedures, and processes designed to mitigate the risk of cheating and
406 money laundering; and
407 (8) Any post-employment restrictions necessary to maintain the integrity of sports
408 betting in this state.

409 Part 2

410 50-27-130.

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

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

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

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

418 (3) Past relevant experience of the applicant;

419 (4) Advertising and promotional plans to maximize revenue;

420 (5) Demonstrated commitment to and plans for the promotion of responsible gaming;
421 and

422 (6) Capacity to rapidly and efficiently bring bettors onto the applicant's platform.

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

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

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

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

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

441 (5) To the extent available, letters of reference or the equivalent from law enforcement
442 agencies having jurisdiction of the applicant's place of residence and principal place of
443 business. Each such letter of reference shall indicate that the law enforcement agency
444 does not have any pertinent information concerning the applicant or, if such law
445 enforcement agency does have information pertaining to the applicant, shall provide such
446 information, to the extent permitted by law;

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

453 (7) Information, documentation, and assurances concerning financial background and
454 resources as may be required to establish by clear and convincing evidence the financial
455 stability, integrity, and responsibility of the applicant, including, but not limited to, bank

456 references, business and personal income and disbursement schedules, tax returns and
457 other reports filed with governmental agencies, and business and personal accounting and
458 check records and ledgers. Each applicant shall, in writing, authorize the examination of
459 all bank accounts and records as may be deemed necessary by the corporation. The
460 corporation may consider any relevant evidence of financial stability. The applicant shall
461 be presumed to be financially stable if the applicant establishes by clear and convincing
462 evidence the ability to:

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

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

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

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

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

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

487 (A) Applicants for a Type 1 sports betting license shall pay a nonrefundable
488 application fee in the amount of \$100,000.00 and an annual licensing fee in the amount
489 of \$1 million; provided, however, that, for those licenses referred to in paragraph (3)
490 of subsection (b) of Code Section 50-27-133, this fee shall be paid by the online sports
491 betting services provider and not by the corporation;

492 (B) Applicants for a Type 2 sports betting distributor license shall pay a nonrefundable
493 application fee in the amount of \$10,000.00 and an annual licensing fee of \$100,000.00;

494 (C) Applicants for a Type 2 sports betting platform license shall pay a nonrefundable
495 application fee in the amount of \$10,000.00 and an annual licensing fee of \$100,000.00;

496 (D) Applicants for a Type 2 sports betting retail license shall pay a nonrefundable
497 application fee in the amount of \$500.00 and an annual licensing fee of \$500.00;

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

504 and

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

507 and

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

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

512 50-27-131.

513 (a) A licensee may renew its license by submitting an application on a form in such
514 manner and in accordance with such requirements as may be prescribed by rules and
515 regulations of the corporation. A licensee shall submit the nonrefundable annual licensing
516 and application fees prescribed under paragraph (10) of subsection (c) of Code Section
517 50-27-130 with its application for license renewal.

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

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

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

533 (e) A person that holds a license or permit to engage in sports betting issued by another
534 jurisdiction may submit a request to the corporation for a temporary license for such person
535 to immediately commence engagement in this state in sports betting. Such request shall

536 include the licensing fee required under paragraph (10) of subsection (c) of Code Section
537 50-27-130.

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

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

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

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

552 50-27-132.

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

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

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

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

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

587 50-27-133.

588 (a) A Type 1 sports betting license authorizes a Type 1 eligible entity, or its designated
589 online sports betting services provider, to offer online sports betting. If a Type 1 eligible
590 entity designates an online sports betting services provider, the online sports betting
591 services provider is considered the applicant for a Type 1 sports betting license and is
592 considered the Type 1 sports betting licensee for all aspects of the regulatory control of the
593 corporation and the operations under the Type 1 sports betting license. The corporation
594 shall establish a procedure for a Type 1 eligible entity to designate an online sports betting
595 provider.

596 (b) The corporation shall issue not more than 16 Type 1 sports betting licenses to Type 1
597 eligible entities or their designated online sports betting services providers in accordance
598 with the following:

599 (1) Five Type 1 sports betting licenses shall be reserved for the Type 1 eligible entities
600 defined in subparagraph (A) of paragraph (41) of Code Section 50-27-122 or their
601 designated online sports betting services providers; provided, however, that more than
602 one license may be issued to an owner of multiple professional sports teams;

603 (2) One Type 1 sports betting license shall be reserved for each of the Type 1 eligible
604 entities defined in subparagraphs (B) through (E) of paragraph (41) of Code Section
605 50-27-122 or their designated online sports betting services providers; and

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

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

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

613 (d) A Type 1 eligible entity shall provide written notice to the corporation of its intention,
614 or its designated sports betting services provider's intention, to apply for a Type 1 sports
615 betting license within 60 days of the effective date of this article. The failure of a Type 1
616 eligible entity to provide such written notice shall result in the permanent disqualification
617 and prohibition of such Type 1 eligible entity or its designated sports betting services
618 provider from obtaining a Type 1 sports betting license.

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

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

628 50-27-134.

629 (a) A Type 2 sports betting distributor license authorizes a Type 2 eligible retail entity to
630 offer retail sports betting on behalf of the corporation through a platform provided by one
631 or more Type 2 sports betting platform licensees; provided, however, that retail sports
632 betting shall be limited to fixed-odds betting, money line bets, over/under bets, parlay bets,
633 and bets on the spread.

634 (b) The corporation shall license not less than five nor more than seven Type 2 eligible
635 retail entities as Type 2 sports betting distributor licensees. The Type 2 sports betting
636 distributor licenses shall be issued to the Type 2 eligible retail entities upon meeting the
637 qualification and suitability criteria applicable to such Type 2 eligible retail entities
638 established under rules and regulations of the corporation.

639 (c) A Type 2 sports betting distributor licensee shall maintain at least one operational place
640 of business in this state.

641 (d) Each Type 2 sports betting distributor licensee shall contract with the corporation to
642 operate retail sports betting on behalf of the corporation in exchange for 80 percent of the
643 state's proceeds from retail sports betting generated by self-service or clerk operated
644 terminals owned or operated by such Type 2 sports betting distributor.

645 (e) A Type 2 sports betting distributor licensee may offer sports betting using self-service
646 or clerk operated terminals approved by the corporation.

647 (f) Except as provided for in subsection (i) of this Code section, a Type 2 sports betting
648 distributor licensee shall not install or offer more than two sports betting terminals at the
649 Type 2 sports betting retail licensee's place of business; however, Class B machines
650 licensed by corporation under Article 3 of this chapter adapted to also function as
651 self-service terminals shall not be subject to such limitation.

652 (g) A Type 2 sports betting distributor licensee shall contract with one or more Type 2
653 sports betting platform licensees to offer retail sports betting.

654 (h) There shall be no limit on the number of Type 2 sports betting platform licenses or
655 Type 2 sports betting retail licenses.

656 (i) The corporation shall adopt rules and regulations that:

657 (1) Limit the combined revenue from sports betting and Class B machines licensed by
658 the corporation under Article 3 of this chapter to one-half of the total revenue for the
659 retail location of any Type 2 sports betting retail licensee; provided, however, that such
660 limitation shall not apply to Class B machines described in paragraph (3) of this
661 subsection;

662 (2) Prescribe the ratios by which revenue from retail sports betting shall be divided
663 among Type 2 distributor licensees, Type 2 platform licensees, and Type 2 retail
664 licensees; and

665 (3) Are reasonable and necessary to effectuate the provisions of this article.

666 50-27-135.

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

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

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

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

685 Part 3

686 50-27-150.

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

690 (b) The privilege tax described in subsection (a) of this Code section shall be paid by the
691 online sports betting services provider.

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

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

702 (e) With the exemption of licensing fees imposed by paragraph (10) of subsection (c) of
703 Code Section 50-27-130, this privilege tax is in lieu of all other state and local taxes and
704 fees imposed on the operation of sports betting or on the proceeds from the operation of
705 sports betting in this state.

706 50-27-151.

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

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

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

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

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

- 716 (1) The name of any newly elected officer or director of the board of the licensed entity;
717 and
718 (2) The acquisition by any person of 10 percent or more of any class of corporate stock.
719 (c) With respect to information reported under subsection (b) of this Code section, a
720 licensee shall include with such report a statement of any conflict of interest that may exist
721 as a result of such election or acquisition.
722 (d) Upon receiving a report under this Code section or subsection (b) of Code
723 Section 50-27-191, the corporation may conduct a hearing in accordance with Code Section
724 50-27-193 to determine whether the licensee remains in compliance with this article.

725 Part 4

726 50-27-160.

727 (a) No person shall knowingly:

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

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

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

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

737 (5) Accept a wager from an individual who is prohibited from placing a wager or bet
738 under Code Section 50-27-162.

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

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

741 (2) For a second or subsequent offense, shall be guilty of a misdemeanor of a high and
742 aggravated nature.

743 50-27-161.

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

748 50-27-162.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

801 (3) For a third or subsequent offense, shall be guilty of a misdemeanor of a high and
802 aggravated nature and shall be fined not less than \$750.00 or shall be imprisoned for not
803 less than three months, or both.

804 50-27-163.

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

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

817 (2) After giving due consideration to all comments received, the corporation shall, upon
818 demonstration of good cause from the requestor that such type, form, or category of
819 sports betting is likely to undermine the integrity or perceived integrity of such
820 professional sports governing body or sporting events operator or its sporting events,
821 grant the request. The corporation shall respond to a request concerning a particular
822 sporting event before the start of the event, or if it is not feasible to respond before then,
823 no later than seven days after the request is made. If the corporation determines that the
824 requestor is more likely than not to prevail in successfully demonstrating good cause for
825 its request, the corporation may provisionally grant the request of the professional sports
826 governing body or sporting events operator until the corporation makes a final
827 determination as to whether the requestor has demonstrated good cause. Absent such a
828 provisional grant by the corporation, sports betting licensees may continue to offer sports
829 betting on sporting events that are the subject of such a request during the pendency of
830 the corporation's consideration of the applicable request.

831 Part 5

832 50-27-170.

833 (a) Prior to placing a wager with a licensee via online sports betting, a bettor shall register
834 and establish a player account with the licensee remotely and attest that the bettor meets
835 the requirements to place a wager with a licensee in this state. Prior to verification of a
836 bettor's identity in accordance with this Code section, a licensee shall not allow the bettor
837 to engage in sports betting, make a deposit, or process a withdrawal via online sports
838 betting. A licensee shall implement commercially and technologically reasonable
839 procedures to prevent access to sports betting by minors on its online sports betting
840 platforms. A licensee may use information obtained from third parties to verify that an

841 individual is authorized to open an account, place wagers, and make deposits and
842 withdrawals.

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

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

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

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

851 (A) Legal name;

852 (B) Date of birth;

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

854 (D) Phone number;

855 (E) A unique username; and

856 (F) An active email account.

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

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

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

- 868 (f) When a bettor's account is created, a bettor may fund the account through:
869 (1) Electronic bank transfer of funds, including such transfers through third parties;
870 (2) Debit cards;
871 (3) Online and mobile payment systems that support online money transfers; and
872 (4) Any other method approved by rules and regulations of the corporation.
- 873 (g)(1) Licensees shall not allow bets to be placed until first verifying the identity of the
874 bettor pursuant to this Code section and by rules promulgated by the corporation.
875 Further, and pursuant to rules promulgated by the corporation, licensees shall establish
876 safeguards, including, but not limited to, access notifications and similar security
877 safeguards, to protect each bettor's account.
- 878 (2) If a licensee determines that the information provided by a bettor to make a deposit
879 or process a withdrawal is inaccurate or incapable of verification or violates the policies
880 and procedures of the licensee, the licensee shall, within ten days, require the submission
881 of additional information that can be used to verify the identity of such bettor.
- 882 (3) If such information is not provided or does not result in verification of the bettor's
883 identity, the licensee shall:
- 884 (A) Immediately suspend the bettor's account and shall not allow the bettor to place
885 wagers;
- 886 (B) Retain any winnings attributable to the bettor;
- 887 (C) Refund the balance of deposits made to the account to the source of such deposit
888 or by issuance of a check; and
- 889 (D) Suspend the account.
- 890 (h) A licensee shall utilize geofencing technology to ensure that online sports betting is
891 available only to bettors who are physically located in this state. Servers, including the use
892 of backup servers, may be located outside of this state, consistent with federal law. To the
893 extent required by federal law, a licensee shall maintain in this state the servers it uses to
894 accept wagers on a sporting event placed by bettors located in this state.

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

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

900 50-27-171.

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

907 (b) The corporation shall promulgate rules and regulations that require a licensee to
908 implement responsible sports betting programs that include comprehensive training on
909 responding to circumstances in which individuals present signs of problem gambling or a
910 betting or gambling disorder.

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

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

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

928 50-27-172.

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

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

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

937 Part 6

938 50-27-180.

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

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

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

945 (b)(1) A professional sports governing body or sporting events operator headquartered
946 in the United States may notify the corporation that it desires licensees to use official
947 league data or official event data for determining the results of tier 2 sports wagers on its
948 sporting events. A notification under this subsection shall be made in the form and
949 manner as the corporation shall require. The corporation shall notify each licensee within
950 five days after receipt of such notification from a professional sports governing body or
951 sporting events operator. If a professional sports governing body or sporting events
952 operator does not notify the corporation of its desire to supply official league data or
953 official event data, licensees are not required to use official league data or official event
954 data for determining the results of any tier 2 wagers on sporting events of that
955 professional sports governing body or sporting events operator.

956 (2) Within 60 days after the corporation notifies each licensee as provided under
957 paragraph (1) of this subsection, or within a longer period as may be agreed between such
958 professional sports governing body or sporting events operator and the applicable
959 licensee, each such licensee shall be required to use only official league data or official
960 event data, as applicable, to determine the results of tier 2 sports wagers on sporting
961 events sanctioned by such professional sports governing body or sporting events operator,
962 except when:

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

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

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

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

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

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

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

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

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

996 (4) Notwithstanding any provisions to the contrary in this Code section, including,
997 without limitation, paragraph (2) of this subsection, while the corporation is evaluating
998 whether a professional sports governing body or a sporting events operator, or the
999 designee thereof, will provide a feed of official league data or official event data on
1000 commercially reasonable terms and conditions pursuant to paragraph (3) of this
1001 subsection, licensees are not required to use official league data or official event data for
1002 determining the results of tier 2 sports wagers.

1003 (5) The corporation shall make a determination under paragraph (3) of this subsection
1004 within 60 days after the licensee notifies the corporation that it desires to demonstrate that
1005 the professional sports governing body or sporting events operator, or a designee thereof,
1006 will not provide a feed of official league data or official event data to such licensee on
1007 commercially reasonable terms and conditions.

1008 Part 7

1009 50-27-190.

1010 Members of the corporation or designated employees thereof may, during normal business
1011 hours, enter the premises of any facility of a licensee, or a third party utilized by the
1012 licensee to operate and conduct business in accordance with this article, for the purpose of
1013 inspecting books and records kept as required by this article to ensure that the licensee is
1014 in compliance with this article or to make any other inspection of the premises necessary
1015 to protect the public interests of this state and its consumers.

1016 50-27-191.

1017 (a) The corporation, licensees, corporation vendors, and vendors shall use commercially
1018 reasonable efforts to cooperate with investigations conducted by any professional sports
1019 governing body, any sporting events operator, and law enforcement agencies, including,

1020 but not limited to, using commercially reasonable efforts to provide or facilitate the
1021 provision of betting information.

1022 (b) Licensees shall promptly report to the corporation any information relating to:

1023 (1) Abnormal betting activity or patterns that may indicate a concern with the integrity
1024 of a sporting event; and

1025 (2) Conduct that corrupts the betting outcome of a sporting event for purposes of
1026 financial gain, including match fixing.

1027 (c) Licensees shall as soon as is practicable report any information relating to conduct
1028 described in subsection (b) of this Code section to the professional sports governing body
1029 or sporting events operator.

1030 (d) Licensees shall use commercially reasonable efforts to maintain, in real time and at the
1031 account level, anonymized information regarding a bettor; the amount and type of bet; the
1032 time the bet was placed; the location of the bet, including the internet protocol address if
1033 applicable; the outcome of the bet; and records of abnormal betting activity for three years
1034 after the sporting event occurs. The corporation may request such information in the form
1035 and manner required by rules and regulations of the corporation. For purposes of this
1036 subsection, the term 'real time' means on a commercially reasonable periodic interval.

1037 (e) All records, documents, and information received by the corporation pursuant to this
1038 Code section shall be considered investigative records of a law enforcement agency, shall
1039 not be subject to Article 4 of Chapter 18 of this title, and shall not be released under any
1040 condition without the permission of the person providing such records, documents, or
1041 information.

1042 (f) Nothing in this Code section shall require a sports betting licensee to provide any
1043 information that is prohibited by federal, state, or local laws or rules and regulations,
1044 including, without limitation, laws and rules and regulations relating to privacy and
1045 personally identifiable information.

1046 (g) If a professional sports governing body or sporting events operator has notified the
1047 corporation that access to the information described in subsection (d) of this Code section
1048 for wagers placed on its sporting events is necessary to monitor the integrity of its sporting
1049 events and represents to the corporation that it specifically uses such data for the purpose
1050 of monitoring the integrity of sporting events of such professional sports governing body
1051 or sporting events operator, then licensees shall share, in a commercially reasonable
1052 frequency, form, and manner, with the professional sports governing body or sporting
1053 events operator, or a designee thereof, the same information the licensee is required to
1054 maintain under subsection (d) of this Code section with respect to sports wagers on such
1055 a body's or operator's sporting events. A professional sports governing body or sporting
1056 events operator, or a designee thereof, shall use information received under this subsection
1057 for integrity-monitoring purposes only and shall not use such information for a commercial
1058 or any other purpose. Nothing in this subsection shall require a licensee to provide any
1059 information that is prohibited by federal, state, or local laws, rules, or regulations,
1060 including, but not limited to, laws, rules, or regulations relating to privacy and personally
1061 identifiable information.

1062 50-27-192.

1063 The corporation shall assist in any investigations by law enforcement to determine whether:

1064 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1065 wagers in this state; and

1066 (2) An individual is unlawfully accepting wagers from another individual without a
1067 license or at a location in violation of this article.

1068 50-27-193.

1069 (a) The corporation may investigate and conduct a hearing with respect to a licensee upon
1070 information and belief that the licensee has violated this article or upon the receipt of a

1071 credible complaint from any person that a licensee has violated this article. The
1072 corporation shall conduct investigations and hearings in accordance with rules and
1073 regulations adopted by the corporation.

1074 (b) If the corporation determines that a licensee has violated any provision of this article
1075 or any rules and regulations of the corporation, the corporation may suspend, revoke, or
1076 refuse to renew a license; impose an administrative fine not to exceed \$25,000.00 per
1077 violation; or both.

1078 (c) The corporation shall promulgate rules and regulations establishing a schedule of
1079 administrative fines that may be assessed in accordance with subsection (b) of this Code
1080 section for each violation of this article; provided, however, if the corporation finds that:

1081 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1082 wagers in this state, the corporation shall impose a fine against the licensee as follows:

1083 (A) For a first offense, \$1,000.00;

1084 (B) For a second offense, \$2,000.00; and

1085 (C) For a third or subsequent offense, \$5,000.00; or

1086 (2) An individual is unlawfully accepting wagers from another individual without a
1087 license, the corporation shall impose a fine against the individual as follows:

1088 (A) For a first offense, \$10,000.00;

1089 (B) For a second offense, \$15,000.00; and

1090 (C) For a third or subsequent offense, \$25,000.00.

1091 (d) The corporation may refer conduct that it reasonably believes is a violation of Article 2
1092 of Chapter 12 of Title 16 to the appropriate law enforcement agency.

1093 50-27-194.

1094 (a) Any person that violates any provisions of this article shall be liable for a civil penalty
1095 of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising

1096 out of the same transaction or occurrence, which shall accrue to the corporation and may
1097 be recovered in a civil action brought by or on behalf of the corporation.

1098 (b) The corporation may seek and obtain an injunction in a court of competent jurisdiction
1099 for purposes of enforcing this article.

1100 (c) Costs shall not be taxed against the corporation or this state for actions brought under
1101 this article.

1102 50-27-195.

1103 (a) Fines assessed under this article shall be accounted for separately for use by the
1104 corporation in a manner consistent with rules and regulations of the corporation.

1105 (b) The corporation may issue subpoenas to compel the attendance of witnesses and the
1106 production of relevant books, accounts, records, and documents for purposes of carrying
1107 out its duties under this article.

1108 50-27-196.

1109 (a) A licensee or other individual aggrieved by a final decision or action of the corporation
1110 may appeal such decision or action to the Superior Court of Fulton County.

1111 (b) The Superior Court of Fulton County shall hear appeals from decisions or actions of
1112 the corporation and, based upon the record of the proceedings before the corporation, may
1113 reverse the decision or action of the corporation only if the appellant proves the decision
1114 or action to be:

1115 (1) Clearly erroneous;

1116 (2) Arbitrary and capricious;

1117 (3) Procured by fraud;

1118 (4) A result of substantial misconduct by the corporation; or

1119 (5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.

1120 (c) The Superior Court of Fulton County may remand an appeal to the corporation to
 1121 conduct further hearings.

1122 50-27-197.

1123 (a) It shall be unlawful for any person, directly or indirectly, to knowingly receive, supply,
 1124 broadcast, display, or otherwise transmit material nonpublic information for the purpose
 1125 of betting on a sporting event or influencing another individual's or entity's wager on a
 1126 sporting event.

1127 (b) This Code section shall not apply to the dissemination of public information as news,
 1128 entertainment, or advertising.

1129 (c) Any person in violation of this Code section shall be guilty of a misdemeanor."

1130

PART III

1131

SECTION 3-1.

1132 Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
 1133 relating to gambling, is amended by revising paragraph (1) of Code Section 16-12-20,
 1134 relating to definitions, as follows:

1135 "(1) 'Bet' means an agreement that, dependent upon chance even though accompanied
 1136 by some skill, one stands to win or lose something of value. A bet does not include:

1137 (A) Contracts of indemnity or guaranty or life, health, property, or accident insurance;

1138 or

1139 (B) An offer of a prize, award, or compensation to the actual contestants in any bona
 1140 fide contest for the determination of skill, speed, strength, or endurance or to the owners
 1141 of animals, vehicles, watercraft, or aircraft entered in such contest; or

1142 (C) Any consideration paid to a person licensed by the Georgia Lottery Corporation
 1143 under Article 4 of Chapter 27 of Title 50 or an employee, agent, or other person acting

1144 in furtherance of his or her employment by such licensee on the partial or final result
1145 of or performance during any professional or intercollegiate sporting event, contest, or
1146 exhibition that had not begun at the time the consideration was paid."

1147 **SECTION 3-2.**

1148 Said part is further amended by revising Code Section 16-12-27, relating to advertisement
1149 or solicitation for participation in lotteries, as follows:

1150 "16-12-27.

1151 (a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to
1152 sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio
1153 commercial, or any book, magazine, periodical, newspaper, or other written or printed
1154 matter containing an advertisement or solicitation for participation in any lottery declared
1155 to be unlawful by the laws of this state unless such advertisement, commercial, or
1156 solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be
1157 clearly legible or audible to persons viewing or hearing such advertisement, commercial,
1158 or solicitation.

1159 (b) Any person, partnership, firm, corporation, or other entity violating subsection (a) of
1160 this Code section shall be guilty of a misdemeanor.

1161 (c) This Code section shall not apply to any advertisement or solicitation for participation
1162 in a lottery game of online sports betting by any person licensed by the Georgia Lottery
1163 Corporation under Article 4 of Chapter 27 of Title 50 that is concerning such licensee's
1164 lawful activities."

1165 **SECTION 3-3.**

1166 Said part is further amended by revising Code Section 16-12-28, relating to communicating
1167 gambling information, as follows:

1168 "16-12-28.

1169 (a) A person who knowingly communicates information as to bets, betting odds, or
1170 changes in betting odds or who knowingly installs or maintains equipment for the
1171 transmission or receipt of such information with the intent to further gambling commits the
1172 offense of communicating gambling information.

1173 (b) A person who commits the offense of communicating gambling information, upon
1174 conviction thereof, shall be punished by imprisonment for not less than one nor more than
1175 five years or by a fine not to exceed \$5,000.00, or both.

1176 (c) This Code section shall not apply to the activities of a person licensed by the Georgia
1177 Lottery Corporation under Article 4 of Chapter 27 of Title 50 or an employee, agent, or
1178 other person acting in furtherance of his or her employment by such licensee."

1179 **PART IV**
1180 **SECTION 4-1.**

1181 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
1182 amended by revising paragraph (55) of Code Section 48-8-3, relating to exemptions from
1183 state sales and use tax, as follows:

1184 "(55) The sale of lottery tickets authorized by Chapter 27 of Title 50 or wagers
1185 authorized by Article 4 of Chapter 27 of Title 50;"

1186 **PART V**
1187 **SECTION 5-1.**

1188 This Act shall become effective upon its approval by the Governor or upon its becoming law
1189 without such approval.

1190

SECTION 5-2.

1191 All laws and parts of laws in conflict with this Act are repealed.