

House Bill 570

By: Representative Stephens of the 164th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to the
2 lottery for education, so as to provide for sports betting in this state; to provide for
3 definitions; to provide for a Georgia sports betting director; to provide for the comprehensive
4 regulation of sports betting and related activities; to provide for the issuance, renewal, denial,
5 and revocation of permits; to provide for restrictions and penalties; to provide for the
6 promulgation of rules and regulations; to provide for related matters; to provide for a
7 contingent effective date; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 This Act shall be known and may be cited as the "Georgia Sports Betting Act."

11 **SECTION 2.**

12 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to the lottery for
13 education, is amended by adding a new article to read as follows:

14 "ARTICLE 4

15 50-27-120.

16 As used in this article, the term:

17 (1) 'Adjusted gross revenue' means gross betting revenue received by the interactive
18 sports betting operator for all sports wagers authorized under this article, excluding the
19 following:

20 (A) All cash or cash equivalents paid out as winnings to registered players;

21 (B) The actual cost paid by the interactive sports betting operator for any personal
22 property distributed to a registered player as a result of a sports wager authorized under
23 this article;

24 (C) The cash value of any bonuses or promotions provided to registered players that
25 are then returned to the interactive sports betting operator in the form of a deposit or
26 wager; and

27 (D) Uncollectible receivables, not to exceed 4 percent of gross revenue.

28 (2) 'Cash equivalent' means an asset that is readily convertible to cash and is approved
29 by the corporation for use in connection with authorized sports betting, including, but not
30 limited to:

31 (A) Traveler's checks;

32 (B) Foreign currency and coin;

33 (C) Certified checks, cashier's checks, and money orders;

34 (D) Personal checks and drafts;

35 (E) Digital, crypto, and virtual currencies; and

36 (F) Prepaid access instruments.

37 (3) 'College sports' means an athletic or sporting event in which at least one participant
38 is a team or contestant competing on behalf or under the sponsorship of a public or
39 private institution of postsecondary education.

40 (4) 'Corporation' means the Georgia Lottery Corporation.

41 (5) 'Covered services' means any service that involves the operation, management, or
42 control of bets authorized by this article, including the development or operation of the
43 sports betting platform and the provision of odds and line information; provided,
44 however, that such terms do not include:

45 (A) Payment processing and similar financial services;

46 (B) Customer identity, age verification, and geolocation services;

47 (C) Streaming or other video and data that do not include odds or line information;

48 (D) Telecommunications, internet service providers, and other similar services not
49 specifically designed for sports betting; and

50 (E) Other goods or services not specifically designed for use in connection with sports
51 betting.

52 (6) 'Director' means the Georgia sports betting director as provided for in Code Section
53 50-27-122.

54 (7) 'Interactive sports betting operator' means the holder of an interactive sports betting
55 permit issued pursuant to this article.

56 (8) 'Interactive sports betting permit' means a permit issued by the corporation that
57 authorizes the operation of interactive sports in accordance with this article.

58 (9) 'Key person' means an officer, director, or shareholder of an interactive sports betting
59 operator who is directly involved in the operation, management, or control of sports

60 betting authorized under this article or who exercises substantial influence or control over
61 the interactive sports betting operator or its sports betting activities.

62 (10) 'Professional sports' means an athletic or sporting event involving at least two
63 human competitors who receive compensation, in excess of their expenses, for
64 participating in such event.

65 (11) 'Registered player' means an individual who has entered into an interactive account
66 agreement with an interactive sports betting operator.

67 (12) 'Service provider' means the holder of a service provider permit.

68 (13) 'Service provider permit' means a permit issued by the corporation that authorizes
69 the provision of covered services.

70 (14) 'Sports betting' means the placing or accepting of wagers on any nonyouth sports
71 event, including collegiate and professional sports events, as authorized in this article,
72 including, but not limited to, single-game bets, teaser bets, parlays, over-under,
73 moneyline, pools, exchange wagering, in-game wagering, in-play bets, proposition bets,
74 and straight bets.

75 (15) 'Sports betting brand' means the names, logos and brands by which an interactive
76 sports betting operator advertises, promotes, or otherwise holds out to the public its sports
77 betting platform.

78 (16) 'Sports betting platform' means a website, mobile application, or other interactive
79 platform accessible via the internet or mobile, wireless, or similar communications
80 technology that registered players may use to place sports bets authorized under this
81 article.

82 (17) 'Youth sports' means an athletic or sporting event in which the team or contestants
83 are predominantly under the age of 18 or are competing on behalf or under the
84 sponsorship of one or more public or private preschool, elementary, middle, or secondary
85 schools. The term does not include professional sports or events that occur under the
86 sponsorship or oversight of national or international athletic bodies that are not
87 educational institutions and that include participants both over and under the age of 18.

88 50-27-121.

89 (a) The corporation shall authorize up to ten interactive sports betting operators to offer
90 and accept sports bets or wagers to and from registered players on professional sports,
91 college sports, and such other sporting events or contests as the corporation may deem
92 appropriate.

93 (b) The corporation shall not authorize sports bets or wagers involving youth sports.

94 (c) Sports betting activity authorized pursuant to and conducted in accordance with this
95 article shall not be considered unlawful under any other provision of state law.

96 50-27-122.

97 (a) The corporation shall name a director who shall serve at the pleasure of the corporation
98 for terms that may be decided and renewed by the corporation. The director shall be
99 known as the Georgia sports betting director.

100 (b) The director is empowered with all administrative powers carried out by the
101 corporation, including, but not limited to, the authority to hire and fire personnel and to
102 name senior leadership.

103 (c) The director shall certify to the corporation and the comptroller general a full and
104 complete monthly statement of sports betting revenues and expenses for the previous
105 month and within 30 days of the end of the fiscal year, provide a full and complete
106 statement of sports betting revenues and expenses for the fiscal year, along with any
107 recommendations for changes to this article that may be warranted to prevent abuses,
108 evasions, or other problems that the director deems prudent.

109 50-27-123.

110 (a) An applicant for an interactive sports betting permit shall:

111 (1) Submit an application to the director, on forms prescribed by the corporation,
112 containing at a minimum information as to:

113 (A) The applicant's background in sports betting or the covered service;

114 (B) The applicant's experience in connection with sports betting or other wagering
115 activities in other jurisdictions, including, but not limited to:

116 (i) Such applicant's history and reputation of integrity and compliance;

117 (ii) A list of all active permits for sports betting or other wagering activities; and

118 (iii) A list of any lapsed permits for sports betting or other wagering activities and the
119 reason for any such lapsed permits;

120 (C) Such personal information as the corporation may determine by rule or regulation
121 should be required concerning the applicant's key persons;

122 (D) The applicant's proposed internal controls, including, but not limited to, controls
123 to ensure that no ineligible person will be able to participate in sports betting;

124 (E) The applicant's history of working to prevent compulsive gambling, including, but
125 not limited to, training programs for its employees;

126 (F) The applicant's proposed measures to address age and identity verification and
127 geolocation requirements to ensure that only eligible persons located within the borders
128 of the state may participate in sports betting;

129 (G) The applicant's written information security program, including, but not limited to,
130 the details concerning information security governance and the designation of a chief
131 security officer or equivalent;

- 132 (H) The applicant's proposed initial business plan, which shall include the range of
 133 contemplated types and modes of sports betting; and
 134 (i) Any other information the director deems necessary; and
 135 (ii) Payment of a nonrefundable application fee of \$20,000.00 to the corporation.
 136 (b) An applicant for a service provider permit shall:
 137 (1) Submit an application to the director, on forms prescribed by the corporation,
 138 containing at a minimum information as to:
 139 (A) The applicant's background in sports betting or the covered service;
 140 (B) The applicant's experience in connection with sports betting or other wagering
 141 activities in other jurisdictions, including, but not limited to:
 142 (i) Such applicant's history and reputation of integrity and compliance;
 143 (ii) A list of all active permits for sports betting or other wagering activities; and
 144 (iii) A list of any lapsed permits for sports betting or other wagering activities and the
 145 reason for any such lapsed permits; and
 146 (C) Any other information the director deems necessary; and
 147 (2) Payment of a nonrefundable application fee of \$20,000.00 to the corporation.
 148 (c) The director shall conduct a background investigation on the applicant and key persons.
 149 Such background investigation shall include a credit history check, a tax record check, and
 150 a criminal history records check.
 151 (d) The information an applicant submits pursuant to this section will be held confidential
 152 and exempt from public disclosure pursuant to Article 4 of Chapter 18 of this title.
- 153 50-27-124.
 154 (a) The director shall not issue more than ten interactive sports betting permits pursuant
 155 to this article; provided, however, that if a permit is revoked, expires, or otherwise becomes
 156 ineffective, such permit shall be reissued in the manner directed in **Code Section X.**
 157 (b) If there are more than ten applicants, the director shall issue permits to those applicants
 158 whom he or she determines will be best able to meet the duties of a permit holder, as
 159 specified in this article, and maximize tax revenues for the state.
 160 (c) The director shall grant or deny a permit within 90 days of receipt of a completed
 161 application. The director's action shall be final, but appealable to the corporation in
 162 accordance with its rules and regulations. The corporation's decision shall be final and not
 163 appealable.
 164 (d) The following shall constitute the sole grounds for denial of a permit:
 165 (1) The director reasonably believes the applicant will be unable to satisfy the duties of
 166 a permit holder described in this article;

- 167 (2) The director reasonably believes that the applicant or any of its key persons are not
 168 of good character, honesty, or integrity;
- 169 (3) The director reasonably believes that the applicant's or any of its key persons' prior
 170 activities, criminal record, reputation, or associations are likely to:
- 171 (A) Pose a threat to the public interest;
 172 (B) Impede the regulation of sports betting; or
 173 (C) Promote unfair or illegal activities in the conduct of sports betting;
- 174 (4) The applicant or a key person knowingly makes a false statement of material fact or
 175 deliberately fails to disclose information requested by the director;
- 176 (5) The applicant or a key person knowingly fails to comply with the provisions of this
 177 article or any requirements of the director;
- 178 (6) The applicant or a key person was convicted of a felony, a crime of moral turpitude,
 179 or any criminal offense involving dishonesty or breach of trust within the ten years prior
 180 to the submission date of the application;
- 181 (7) The applicant's or a key person's license, registration, or permit to conduct sports
 182 betting, other forms of gambling activity, or a covered service issued by any other state
 183 has been suspended or revoked;
- 184 (8) The applicant defaults in payment of any obligation or debt due to the state; or
 185 (9) The director already has authorized the maximum permissible number of interactive
 186 sports betting permits, and all such permits remain valid and in effect.

187 50-27-125.

- 188 (a) A permit issued pursuant to this article shall be valid for five years after the date such
 189 permit was issued.
- 190 (b) Not later than 60 days before the expiration of a permit, the permit holder that wants
 191 to renew such permit shall submit a renewal application on forms prescribed by the
 192 corporation, including a renewal fee of \$10,000.00 for interactive sports betting permits
 193 and \$10,000.00 for service provider permits.
- 194 (c) The director may deny a permit renewal if he or she finds grounds for denial as
 195 described in subsection (d) of Code Section 50-27-124 or, in the case of an interactive
 196 sports betting permit, if the director finds good cause to believe approval of another
 197 applicant would better meet the objectives of this article in generating tax revenues for the
 198 state, protecting the public interest, and otherwise satisfying the criteria for issuance, and
 199 no additional permits are available. The director's action shall be final, but appealable to
 200 the corporation in accordance with its rules and regulations. The corporation's decision
 201 shall be final and not appealable.

202 50-27-126.

203 (a) An interactive sports betting operator shall ensure that it implements reasonable
204 measures:

205 (1) To ensure that only registered players are able to place bets through its sports betting
206 platforms;

207 (2) To ensure that only persons physically located in state or as otherwise may be
208 authorized by the corporation are able to place a bet through its sports betting platforms;

209 (3) To protect the confidential information of registered players using its sports betting
210 platforms;

211 (4) To prevent betting on prohibited events as set out in this article or as otherwise
212 determined by the corporation through rules and regulations;

213 (5) To allow persons to restrict themselves from placing bets through its sports betting
214 platforms as set out in this article, including at the person's request, sharing his or her
215 request for self-exclusion with the corporation for the sole purpose of disseminating the
216 request to other interactive sports betting operators;

217 (6) To establish procedures to detect suspicious or illegal betting activity, including
218 measures to report such activity to the corporation; and

219 (7) To provide for the withholding or reporting of income tax of registered players where
220 required by applicable state or federal law.

221 (b) At all times as may be required by the corporation, an interactive sports betting
222 operator shall maintain records on:

223 (1) All bets, including the identity of the registered player, the amount and type of bet,
224 the time and location of the bet, and the outcome of the bet; and

225 (2) Suspicious or illegal betting activity.

226 (c) In advertising its sports betting platform, the interactive sports betting operator shall
227 ensure that its advertisements:

228 (1) Do not target persons under the age of 21;

229 (2) Disclose the identity of the interactive sports betting operator;

230 (3) Provide information about or links to resources related to gambling addiction; and

231 (4) Are not misleading to a reasonable person.

232 (d) An interactive sports betting operator shall not utilize more than three sports betting
233 brands at any given time. Each sports betting brand shall be registered with the corporation
234 prior to use.

235 (e) The interactive sports betting operator shall disclose the records required under this
236 Code section to the corporation upon request.

237 50-27-127.

238 (a) Only a registered player who has entered into an interactive account agreement with
 239 an interactive sports betting operator shall be permitted to deposit funds or to place a sports
 240 bet with that operator. The operator shall be responsible for verifying the identity of the
 241 registered player and ensuring that the registered player is at least 21 years of age.

242 (b) A registered player may not have more than one interactive account associated with
 243 each sports betting platform or sports betting brand operated or offered by the interactive
 244 sports betting operator.

245 (c) The following persons shall be deemed ineligible to be registered players:

246 (1) Any person under the age of 21;

247 (2) Any person who has requested and not revoked exclusion from sports betting
 248 pursuant to this article or who otherwise has been adjudicated by law as prohibited from
 249 engaging in sports betting;

250 (3) Any member, officer, or employee of the corporation;

251 (4) Any employee or key person of a holder of an interactive sports betting permit or of
 252 a service provider permit; and

253 (5) Any participant, including any athlete, coach, trainer, graduate assistant, referee or
 254 other official, and any employee or other staff of a participant, in a competition that is the
 255 subject of sports betting pursuant to this article, or of a governing or authorizing league
 256 or similar sponsoring organization for such competition.

257 (d) An interactive account shall:

258 (1) Be established in the name of and on behalf of the registered player who is a natural
 259 person; it may not be in the name of any beneficiary, custodian, joint trust, corporation,
 260 partnership, or any other entity;

261 (2) Be established through the operator's sports betting platforms or a specialized website
 262 or interface established for that purpose; and

263 (3) Include terms that:

264 (A) Prohibit the transfer or sale of an account or account balance;

265 (B) Prohibit the use of any virtual private network or other technology that may
 266 obscure or falsify the registered player's physical location;

267 (C) Prohibit any form of collusion, cheating, or other unlawful activity;

268 (D) Affirm that the registered player meets all eligibility requirements for registration;

269 (E) Authorize the provision of notices and other required communications either
 270 through a designated mobile or other interface or to an electronic mail address
 271 designated by the registered player; and

272 (F) Contain an acknowledgment that the representations made by the registered player
 273 in opening the interactive account are true under penalty of perjury under the laws of
 274 this state.

275 (e) The interactive sports betting operator may allow for the establishment of interactive
 276 accounts remotely; provided, however, that it has sufficient measures in place to verify the
 277 age and identity of the registered player.

278 (f) An interactive account shall be suspended or terminated if:

279 (1) It is determined that the registered player has provided any false or misleading
 280 information in connection with the opening of the account or has engaged in cheating or
 281 other unlawful conduct;

282 (2) The registered player is or has been barred from placing bets in the state;

283 (3) The registered player is or otherwise becomes ineligible pursuant to this article;

284 (4) The interactive sports betting operator determines that it lacks sufficient information
 285 to verify the age and eligibility of the registered player; or

286 (5) For any other reason at the sole discretion of the interactive sports betting operator,
 287 provided that it is not on the basis of a registered player's actual or believed sex, gender
 288 identity, race, religion, national origin, sexual orientation, or other lawfully protected
 289 characteristic.

290 (g) In the event of termination for any reason other than as set forth in subsection (f) of this
 291 Code section, the registered player shall be provided an ability to timely access and
 292 withdraw any funds remaining in the interactive account.

293 57-27-128.

294 (a) No sports betting operator shall accept a bet on youth sports.

295 (b) Prior to the commencement of sports betting pursuant to this article, the corporation
 296 shall promulgate and implement rules and regulations that shall include a monitoring
 297 program sufficient to protect the integrity of competitions and the participants in
 298 competitions that are the subject of sports betting permitted under this article.

299 (c) The director shall have the authority to suspend betting on any competition, category
 300 or type of competition, or any aspect of such competitions, if deemed necessary to protect
 301 the integrity of those competitions or the participants.

302 57-27-129.

303 If the director determines that the holder of an interactive sports betting permit has violated
 304 any provision of this article or any rules or regulations promulgated hereunder, the director,
 305 with at least 15 days' notice and a hearing, may suspend or revoke that permit and impose
 306 a monetary penalty of not more than \$10,000 for each violation. The director's decision

307 may be appealed to the corporation within such time frames as the corporation shall specify
308 by rules and regulations. A decision by the corporation shall be final.

309 57-27-130.

310 Whoever knowingly and willfully falsifies, conceals, or misrepresents a material fact or
311 knowingly and willfully makes a false, fictitious, or fraudulent statement or representation
312 in any application pursuant to this article commits the offense of false swearing within the
313 meaning of Code Section 16-10-71.

314 57-27-131.

315 (a) Any person that conspires, confederates, or combines with another, either inside or
316 outside this state, to commit a felony prohibited by this article shall be guilty of a felony
317 and, upon conviction thereof, shall be punished by a fine not to exceed \$100,000.00.

318 (b) Any person that attempts to commit any act prohibited by this article shall be guilty of
319 a criminal offense and shall be punished as provided in Code Section 16-4-6.

320 57-27-132.

321 Any person not licensed in accordance with this article to conduct sports betting shall be
322 guilty of a felony and, upon conviction thereof, shall be punished by imprisonment for not
323 less than one nor more than ten years or a fine not to exceed \$100,000.00, or both.

324 57-27-133.

325 (a) There shall be imposed a tax of 10 percent on the interactive sports betting operator's
326 adjusted gross revenue. The tax imposed pursuant to this section shall be due monthly to
327 the corporation and shall be remitted on or before the 20th day of the next succeeding
328 calendar month. If the interactive sports betting operator's accounting necessitates
329 corrections to a previously remitted tax, it shall document such corrections when it pays
330 the following month's taxes.

331 (b) A person offering sports betting to persons in this state without a permit shall be liable
332 for all taxes and withholding and reporting obligations set forth in this article in the same
333 manner and amounts as if such person held an interactive sports betting permit. Timely
334 payment of such taxes shall not constitute a defense to any prosecution or other proceeding
335 in connection with the sports betting activity, except for a prosecution or proceeding
336 alleging failure to make such payment.

337 57-27-134.

338 (a) The corporation shall pay the operating expenses of the corporation and the director
339 in administrating this article. As nearly as practical, for each fiscal year, net proceeds shall
340 equal at least 75 percent of proceeds collected by the corporation.

341 (b) On or before the fifteenth day of each quarter, the corporation shall transfer to the
342 general fund of the state treasury, for credit to the Lottery for Education Account for the
343 preceding quarter, the amount of all net proceeds during the preceding quarter. Such net
344 proceeds of the corporation shall be treated in the same manner as net proceeds of the
345 corporation and shall subject to provisions of subsections (b) through (f) of Code Section
346 50-27-13.

347 57-27-135.

348 The corporation shall adopt rules and regulations to establish and implement a voluntary
349 exclusion program. Such rules and regulations shall include:

350 (1) A requirement that each interactive sports betting operator implement a procedure
351 by which individuals may ask to be excluded from participation in sports betting and
352 pursuant to which such interactive sports betting operator will bar those individuals from
353 any further such participation;

354 (2) A provision that requires an individual who participates in the voluntary exclusion
355 program to agree to refrain from participating in sports betting;

356 (3) A provision that prohibits a person who participates in the voluntary exclusion
357 program from petitioning the corporation for removal from the program; and

358 (4) A requirement that interactive sports betting operators shall make all reasonable
359 attempts, and shall cause their sales agents and others operating on their behalf to make
360 all reasonable efforts, to cease all direct marketing efforts to persons participating in the
361 program; provided, however, that the voluntary exclusion program shall not preclude
362 interactive sports betting operators and their agents and others operating on their behalf
363 from seeking the payment of a debt accrued by a person before entering the program.

364 57-27-136.

365 If an individual does not claim winnings from a sports bet placed pursuant to this article
366 within one year from the date of the outcome of the bet, the obligation of the interactive
367 sports betting operator to pay the winnings shall expire, and such interactive sports betting
368 operator shall retain 50 percent of the winnings and, within 45 days, shall remit the
369 remaining 50 percent to the corporation for disposition in the same manner as tax revenue
370 under this article.

371 57-27-137.

372 The corporation shall promulgate rules and regulations permitting interactive sports betting
373 operators and service providers to employ systems that offset loss or manage or lay off risk
374 in the operation of sports betting pursuant to this article, including through liquidity pools,
375 exchanges or similar mechanisms in another approved jurisdiction in which the interactive
376 sports betting operator, service provider, or an affiliate of either or other third party also
377 holds a permit or the equivalent, provided, however, that at all times adequate protections
378 are maintained to ensure sufficient funds are available to pay all registered players.

379 57-27-138.

380 In addition to any specific rules and regulations required under this article, the corporation
381 is hereby authorized and directed to promulgate such rules and regulations as it may deem
382 necessary to effectuate the purposes of this article."

383 **SECTION 3.**

384 Providing that an amendment to the Constitution of the State of Georgia that authorizes
385 sports betting is passed by the General Assembly and ratified by the voters in the 2020
386 general election, this Act shall become effective on January 1, 2021.

387 **SECTION 4.**

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