

The House Committee on Regulated Industries offers the following substitute to HR 378:

A RESOLUTION

1 Proposing an amendment to the Constitution of the State of Georgia so as to provide for
 2 pari-mutuel betting, casino gambling, and sports betting in this state under certain
 3 circumstances; to provide for related matters; to provide for the submission of this
 4 amendment for ratification or rejection; and for other purposes.

5 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Article I, Section II of the Constitution is amended by revising Paragraph VIII as follows:

8 "Paragraph VIII. *Lotteries and nonprofit bingo games.* (a) Except as herein specifically
 9 provided in this Paragraph ~~VIII~~, all lotteries, and the sale of lottery tickets, and all forms
 10 of pari-mutuel betting and casino gambling are hereby prohibited; and this prohibition shall
 11 be enforced by penal laws.

12 (b) The General Assembly may by law provide that the operation of a nonprofit bingo
 13 game shall not be a lottery and shall be legal in this state. The General Assembly may by
 14 law define a nonprofit bingo game and provide for the regulation of nonprofit bingo games.

15 (c) The General Assembly may by law provide for the operation and regulation of a
 16 lottery or lotteries, including the operation and regulation of sports betting in conjunction
 17 with such lottery or lotteries, by or on behalf of the state and for any matters relating to the
 18 purposes or provisions of this subparagraph. Such lottery or lotteries, with such associated
 19 sports betting, shall be implemented and regulated by the Georgia Lottery Corporation or
 20 any successor entity created by the General Assembly consistent with the enabling
 21 legislation for the Georgia Lottery Corporation or any such successor entity. Proceeds
 22 derived from the lottery or lotteries and associated sports betting operated by or on behalf
 23 of the state shall be used to pay the operating expenses of the lottery or lotteries and sports
 24 betting, including all lottery prizes, without any appropriation required by law, and for
 25 educational programs and purposes as hereinafter provided. Lottery and sports betting
 26 proceeds shall not be subject to Article VII, Section III, Paragraph II; Article III,
 27 Section IX, Paragraph VI(a); or Article III, Section IX, Paragraph IV(c), except that the net

28 proceeds after payment of such operating expenses shall be subject to Article VII, Section
 29 III, Paragraph II. Net proceeds after payment of such operating expenses shall be
 30 separately accounted for and shall be specifically identified by the Governor in his or her
 31 annual budget presented to the General Assembly as a separate budget category entitled
 32 '~~Lottery Proceeds~~ Proceeds,' and the Governor shall make specific recommendations as to
 33 educational programs and educational purposes to which said net proceeds shall be
 34 appropriated. In the General Appropriations Act adopted by the General Assembly, the
 35 General Assembly shall appropriate all net proceeds of the lottery or lotteries and sports
 36 betting by such separate budget category to educational programs and educational
 37 purposes. Such net proceeds shall be used to support improvements and enhancements for
 38 educational programs and purposes and such net proceeds shall be used to supplement, not
 39 supplant, ~~non-lottery~~ nonlottery and sports betting educational resources for educational
 40 programs and purposes. The educational programs and educational purposes for which
 41 proceeds may be so appropriated shall include only the following:

42 (1) Tuition grants, scholarships, or loans to citizens of this state to enable such citizens
 43 to attend colleges and universities located within this state, regardless of whether such
 44 colleges or universities are operated by the board of regents, or to attend institutions
 45 operated under the authority of the ~~Department of Technical and Adult Education~~
 46 Technical College System of Georgia;

47 (2) Voluntary pre-kindergarten;

48 (3) One or more educational shortfall reserves in a total amount of not less than 10
 49 percent of the net proceeds of the lottery for the preceding fiscal year;

50 (4) Costs of providing to teachers at accredited public institutions who teach
 51 levels K-12, personnel at public postsecondary technical institutes under the authority of
 52 the ~~Department of Technical and Adult Education~~ Technical College System of Georgia,
 53 and professors and instructors within the University System of Georgia the necessary
 54 training in the use and application of computers and advanced electronic instructional
 55 technology to implement interactive learning environments in the classroom and to access
 56 the state-wide distance learning network; and

57 (5) Capital outlay projects for educational facilities;

58 provided, however, that no funds shall be appropriated for the items listed in ~~paragraphs (4)~~
 59 ~~and (5)~~ subparagraphs (c)(4) and (c)(5) of this ~~subsection Paragraph~~ until all persons
 60 eligible for and applying for assistance as provided in ~~paragraph (1)~~ subparagraph (c)(2)
 61 of this ~~subsection Paragraph~~ have received such assistance, all approved pre-kindergarten
 62 programs provided for in ~~paragraph (2)~~ subparagraph (c)(2) of this ~~subsection Paragraph~~
 63 have been fully funded, and the education shortfall reserve or reserves provided for in
 64 ~~paragraph (3)~~ subparagraph (c)(3) of this ~~subsection Paragraph~~ have been fully funded.

65 (d) With the exception of those activities provided for in subparagraph (c) of this
66 Paragraph, the General Assembly may by law provide for the operation and regulation of
67 pari-mutuel betting, casino gambling, and sports betting only on the premises of racetracks
68 and casinos by or on behalf of the state and for any matters relating to the purposes or
69 provisions of this subparagraph. No off-track or off-site pari-mutuel betting, casino
70 gambling, or sports betting under this subparagraph shall be permitted or authorized. For
71 the purpose of regulation and taxation of such activities, the General Assembly shall create
72 a gaming commission and provide such commission with such powers and duties as
73 necessary to provide appropriate regulation of such pari-mutuel betting, casino gambling,
74 and sports betting and to tax such activities except as provided for in subparagraph (c) of
75 this Paragraph. Proceeds derived from the regulation and taxation of such pari-mutuel
76 betting, casino gambling, and sports betting activities shall be used to pay the expenses of
77 such regulation and taxation and to fund health care services and health insurance coverage
78 in this state. Such proceeds shall not be subject to Article VII, Section III, Paragraph II;
79 Article III, Section IX, Paragraph VI(a); or Article III, Section IX, Paragraph IV(c), except
80 that the net proceeds after payment of such expenses of regulation and taxation shall be
81 subject to Article VII, Section III, Paragraph II. Net proceeds after payment of such
82 operating expenses of regulation and taxation shall be separately accounted for and shall
83 be specifically identified by the Governor in his or her annual budget presented to the
84 General Assembly as a separate budget category entitled 'Pari-mutuel Betting, Casino
85 Gambling, and Sports Betting Proceeds' and the Governor shall make specific
86 recommendations as to health care services and health insurance coverage to which such
87 net proceeds shall be appropriated. In the General Appropriations Act adopted by the
88 General Assembly, the General Assembly shall appropriate all net proceeds of the
89 pari-mutuel betting, casino gambling, and sports betting activities by such separate budget
90 category to the provision of health care services and health insurance coverage in this state.
91 Such net proceeds shall be used to support improvements and enhancements for health care
92 services and health care insurance coverage and such net proceeds shall be used to
93 supplement, not supplant, nonpari-mutuel betting, casino gambling, and sports betting
94 resources for health care services and health insurance coverage. No pari-mutuel betting,
95 casino gambling, or sports betting under this subparagraph shall take place in any county
96 in this state unless the electors of such county voting in a referendum on such authorization
97 approve such authorization. Such referendum shall be initiated either by the adoption of
98 a resolution by the governing authority of such county authorizing such pari-mutuel
99 betting, casino gambling, or sports betting, or a combination of such activities, within such
100 county or by a petition by a number of electors of such county as provided by general law
101 for a referendum to authorize such pari-mutuel betting, casino gambling, or sports betting,

102 or a combination of such activities, within such county. The General Assembly shall
103 provide by law procedures for such authorization.

104 ~~(d)~~(e) On and after January 1, 1995, the holding of raffles by nonprofit organizations
105 shall be lawful and shall not be prohibited by any law enacted prior to January 1, 1994.
106 Laws enacted on or after January 1, 1994, however, may restrict, regulate, or prohibit the
107 operation of such raffles."

108 **SECTION 2.**

109 The above proposed amendment to the Constitution shall be published and submitted as
110 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
111 above proposed amendment shall have written or printed thereon the following:

112 "() YES Shall the Constitution of Georgia be amended so as to authorize pari-mutuel
113 () NO betting, casino gambling, and sports betting in this state under certain
114 circumstances?"

115 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

116 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
117 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
118 become a part of the Constitution of this state.