

The Senate Committee on Economic Development and Tourism offered the following substitute to SB 386:

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 increase funding to the state's Pre-K programs; to provide for the
6 corporation to engage in certain activities related to sports betting; to provide for a short title;
7 to provide for legislative findings; to revise and provide for definitions; to provide for the
8 corporation's powers and duties relative to sports betting; to provide for the procedures,
9 limitations, requirements, and qualifications of the licensing of any person offering,
10 operating, or managing sports betting in this state; to provide for rules and regulations
11 promulgated by the corporation; to provide for a privilege tax; to require certain reports; to
12 regulate wagers and provide requirements for bettors; to provide for bettors to restrict
13 themselves from placing certain wagers; to provide certain resources for individuals with
14 problem gambling or a betting or gambling disorder; to provide for the collection and
15 disposition of fees and fines; to prohibit certain conduct by the corporation, employees of the
16 corporation, licensees, and other persons; to provide for certain penalties; to provide for
17 construction; to amend Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of
18 Georgia Annotated, relating to gambling, so as to exclude any consideration paid to a sports

19 betting licensee from the definition of "bet"; to provide for the exemption of persons licensed
20 for online sports betting from regulations and restrictions regarding gambling information;
21 to amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
22 taxation, so as to exempt wagers placed as part of sports betting; to provide for related
23 matters; to provide for an effective date; to repeal conflicting 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 2025, 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 2025 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, protects consumers, and ensures that sports betting is
101 operated in this state with integrity and dignity and free of political influence;

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

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

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

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

113 50-27-122.

114 As used in this article, the term:

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

142 (11) 'Gross sports betting income' means the total of all moneys paid by bettors to a
143 licensee as wagers, but does not include the value of promotional credits used to place
144 wagers.

145 (12) 'Institutional investor' means:

146 (A) A retirement fund administered by a public agency for the exclusive benefit of
147 federal, state, or local public employees;

148 (B) An investment company registered under the Investment Company Act of 1940;

149 (C) A chartered or licensed life insurance company or property and casualty insurance
150 company;

151 (D) A banking and other chartered or licensed lending institution;

152 (E) An investment advisor registered under the Investment Advisers Act of 1940; or

153 (F) A pension investment board.

154 (13) 'License' means any of the licenses issued by the corporation under this article.

155 (14) 'Licensee' means a person that holds a license issued by the corporation under this
156 article.

157 (15) 'Master sports betting licensee' means the Georgia Lottery Corporation.

158 (16) 'Material nonpublic information' means information that has not been disseminated
159 publicly concerning an athlete, contestant, prospective contestant, or athletic team,
160 including, without limitation, confidential information related to medical conditions or
161 treatment, physical or mental health or conditioning, physical therapy or recovery,
162 discipline, sanctions, academic status, education records, eligibility, playbooks, signals,
163 schemes, techniques, game plans, practices, strategies, assessments, systems, drills, or
164 recordings of practices or other athletic activities.

165 (17) 'Merchandise' means any goods or services provided to bettors free of charge, at a
166 discounted rate, or in the form of a rebate or credit.

167 (18) 'Minor' means an individual who is less than 21 years of age.

168 (19) 'Moneyline wager' means the fixed odds in relation to a dollar amount that a team
169 or person participating in a sporting event will win outright regardless of the spread.

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

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

180 (22) 'Online sports betting' means a wager on a sporting event that is placed via the
181 internet through any electronic device and accepted through an online sports betting
182 platform.

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

186 (24) 'Online sports betting services provider' means a person that contracts with the
187 master sports betting licensee or a Type 1 sports betting licensee under Code Section
188 50-27-133 to operate online sports betting on behalf of such licensee and that is licensed
189 by the corporation.

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

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

195 (27) 'Person' means an individual or entity.

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

198 (29) 'Professional sporting event' means an athletic or sporting event involving at least
199 two competitors who have the opportunity to receive compensation for participating in
200 such event.

201 (30) 'Professional sports governing body' means the organization, league, or association
202 whose corporate headquarters is based in the United States that oversees a sport and
203 prescribes final rules and enforces codes of conduct with respect to such sport and
204 participants therein.

205 (31) 'Professional sports team' means a major league professional team:

206 (A) Based in this state;

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

208 (C) Whose regular season games have had the highest attendance for its respective
209 professional sport in the state during the past five years.

210 (32) 'Proposition wager' means a wager on a single specific action, statistic, occurrence,
211 or nonoccurrence to be determined during a sporting event and includes any such action,
212 statistic, occurrence, or nonoccurrence that does not directly affect the final outcome of
213 the sporting event to which it relates.

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

218 (34) 'Sporting event' means any:

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

221 (B) Collegiate sporting event;

- 222 (C) Olympic sporting or athletic event;
223 (D) Sporting or athletic event sanctioned by a national or international organization or
224 association;
225 (E) Sporting or athletic event conducted or organized by a sporting events operator;
226 (F) Esports event; or
227 (G) Other event authorized by the corporation.

228 Such term shall not include a nonprofessional, noncollegiate, or non-Olympic sporting
229 or athletic event if the majority of the participants are under the age of 18 years and shall
230 not include any Special Olympics sporting or athletic event.

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

234 (36) 'Sports betting' means online sports betting.

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

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

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

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

240 (38)(A) 'Sports betting supplier' means a person that provides sports betting equipment
241 necessary for the creation of sports betting markets and the determination of bet
242 outcomes, directly to any licensee involved in the acceptance of bets, including any of
243 the following:

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

245 (ii) Platform providers;

246 (iii) Risk management providers;

247 (iv) Integrity monitoring providers; and

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

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

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

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

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

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

260 (41) 'Tier 1 sports wager' means a sports wager that is determined solely by the final
261 score or final outcome of the sporting event and is placed before the sporting event has
262 begun.

263 (42) 'Tier 2 sports wager' means a wager that is not a tier 1 sports wager.

264 (43) 'Type 1 eligible entity' means any of the following:

265 (A) Any professional sports team;

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

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

272 (D) The owner of a facility located in this state that hosts automobile races on a
273 national association for stock car racing national tour or a wholly owned for-profit

274 subsidiary of the owner of such a facility, if the owner is a nonprofit corporation or
275 nonprofit organization; and

276 (E) The Georgia Lottery Corporation.

277 (44) 'Type 1 sports betting licensee' means the master sports betting licensee, an online
278 sports betting services provider awarded a Type 1 license via the public procurement
279 process by the master sports betting licensee, or a Type 1 eligible entity licensed or
280 authorized by the corporation to directly or indirectly offer online sports betting.

281 (45) 'Wager' or 'bet' means a sum of money that is risked by a bettor on the unknown
282 outcome of one or more sporting events or portions of sporting events. Such term shall
283 include single-game wagers, futures wagers, tier 1 or tier 2 wagers, teaser wagers, parlay
284 wagers, over/under wagers, moneyline wagers, pools, exchange wagering, in-game
285 wagering, in-play wagers, proposition wagers, straight wagers, fixed-odds betting, and
286 any other bet or wager approved by the corporation. Such term shall not include a
287 pari-mutuel bet or wager or an entry fee paid to participate in a fantasy or simulated
288 contest.

289 50-27-123.

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

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

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

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

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

308 (4) To promulgate any rules and regulations as the corporation deems necessary and
309 proper to administer the provisions of this article; provided, however, that the initial rules
310 and regulations governing sports betting shall be promulgated, provided for a period of
311 public comment, and adopted by the corporation within 90 days of the effective date of
312 this article. Such initial rules and regulations and all other rules and regulations of the
313 corporation promulgated and adopted pursuant to this article shall not be subject to
314 Chapter 13 of this title, the 'Georgia Administrative Procedure Act';

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

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

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

- 326 (8) To enter into arrangements with any foreign or domestic government or
327 governmental agency for the purposes of exchanging information or performing any other
328 act to better ensure the proper conduct of betting under this article;
- 329 (9) To order such audits, in addition to those otherwise required by this article, as the
330 corporation deems necessary and desirable;
- 331 (10) Upon the receipt of a complaint of an alleged criminal violation of this article, to
332 immediately report such complaint to the appropriate law enforcement agency with
333 jurisdiction to investigate criminal activity;
- 334 (11) To provide for the reporting of the applicable amount of state and federal income
335 tax of persons claiming a prize or payoff for a winning wager under this article;
- 336 (12) To establish and administer programs for providing assistance to individuals with
337 problem gambling or a betting or gambling disorder, including, but not limited to:
- 338 (A) Educating potential gamblers of methods and types of bets and fairly informing
339 potential gamblers of the odds or likelihood of winning such bets;
- 340 (B) Establishing and administering programs for educating potential gamblers about
341 responsible gambling, the warning signs of problem gambling or betting or gambling
342 disorders and how to prevent and treat problem gambling or betting or gambling
343 disorders;
- 344 (C) Developing and funding responsible gaming education campaigns coupled with
345 prevention and education efforts within communities that raise awareness of potential
346 signs or risk factors of problem gambling or betting or gambling disorders;
- 347 (D) Encouraging the use of harm-minimizing measures by bettors, such as utilizing
348 limit-setting tools and reviewing personal data and information to make informed
349 decisions about gambling;
- 350 (E) Promulgating rules and regulations that enable bettors to self-limit with a licensee
351 and self-exclude from sports betting activities state wide. Any such rules or regulations
352 related to self-exclusion shall require the individual seeking self-exclusion to provide

353 identifying information, including, at a minimum, full name, address, date of birth, and
354 social security number;

355 (F) Adopting processes for individuals to express concerns related to problem
356 gambling or betting or gambling disorders to the corporation;

357 (G) Developing state-wide advertising guidelines to ensure that the marketing of sports
358 betting is not targeted to minors and does not include content, themes, and promotions
359 that have special appeal to individuals with problem gambling or a betting or gambling
360 disorder;

361 (H) Requiring the electronic posting of signs or notifications on online sports betting
362 platforms that bear the 1-800-GAMBLER toll-free number, which provides or directs
363 callers to assistance and resources for individuals with problem gambling or a betting
364 or gambling disorder; and

365 (I) To require licensees to implement systems to monitor their customers' betting and
366 provide customers with guidance, information, and options when their betting may be
367 problematic;

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

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

373 (15) To comply with Code Section 50-27-14 as it relates to the lottery game of sports
374 betting in order to encourage participation by minority businesses.

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

377 50-27-124.

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

- 379 (1) The reserves that must be kept by licensees to comply with subparagraph (c)(7)(A)
380 of Code Section 50-27-130 to pay off bettors;
- 381 (2) Any insurance requirements for a licensee;
- 382 (3) Minimum requirements by which each licensee shall exercise effective control over
383 its internal fiscal affairs, including, without limitation, requirements for:
- 384 (A) Safeguarding assets and revenues, including evidence of indebtedness;
- 385 (B) Maintaining reliable records relating to accounts, transactions, profits and losses,
386 operations, and events; and
- 387 (C) Global risk management;
- 388 (4) Requirements for internal and independent audits of licensees;
- 389 (5) The manner in which periodic financial reports shall be submitted to the corporation
390 from each licensee, including the financial information to be included in the reports;
- 391 (6) The type of information deemed to be confidential financial or proprietary
392 information that is not subject to any reporting requirements under this article;
- 393 (7) Policies, procedures, and processes designed to mitigate the risk of cheating and
394 money laundering; and
- 395 (8) Any post-employment restrictions necessary to maintain the integrity of sports
396 betting in this state.

397 Part 2

398 50-27-130.

- 399 (a) Any person offering, operating, or managing sports betting in this state shall be
400 licensed by the corporation.
- 401 (b) The corporation shall issue licenses to qualified applicants able to meet the duties of
402 a license holder under this article and that the corporation determines will best satisfy the
403 following criteria:

- 404 (1) Expertise in the business of online sports betting;
405 (2) Integrity, sustainability, and safety of the online sports betting platform;
406 (3) Past relevant experience of the applicant;
407 (4) Advertising and promotional plans to increase and sustain revenue;
408 (5) The amount of adjusted gross income and associated tax revenue that an applicant
409 is projected to generate;
410 (6) Demonstrated commitment to and plans for the promotion of responsible gaming;
411 and
412 (7) Capacity to increase the number of bettors on the applicant's platform.
- 413 (c) An applicant for a license shall submit an application on a form in such manner and in
414 accordance with such requirements as may be prescribed by rules and regulations of the
415 corporation. Such rules and regulations shall require, at a minimum, that the application
416 include the following:
- 417 (1) If the applicant is an entity, identification of the applicant's principal owners, board
418 of directors, officers, and supervisory employees;
419 (2) Evidence of the applicant's certificate of fitness for sports betting affiliation. If the
420 applicant is an entity, such evidence shall be provided for every individual who is a
421 principal owner;
422 (3) Information, documentation, and assurances as may be required by the corporation
423 to establish by clear and convincing evidence the applicant's good character, honesty, and
424 integrity, including, but not limited to, information pertaining to family, habits, character,
425 reputation, criminal and arrest records, business activities, financial affairs, and business,
426 professional, and personal associates, covering at least the ten-year period immediately
427 preceding the filing of the application;
428 (4) Notice and a description of civil judgments obtained against the applicant pertaining
429 to antitrust or security regulation laws of the federal government, this state, or any other
430 state, jurisdiction, province, or country;

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

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

443 (7) Information, documentation, and assurances concerning financial background and
444 resources as may be required to establish by clear and convincing evidence the financial
445 stability, integrity, and responsibility of the applicant, including, but not limited to, bank
446 references, business and personal income and disbursement schedules, tax returns and
447 other reports filed with governmental agencies, and business and personal accounting and
448 check records and ledgers. Each applicant shall, in writing, authorize the examination of
449 all bank accounts and records as may be deemed necessary by the corporation. The
450 corporation may consider any relevant evidence of financial stability. In addition, the
451 applicant shall:

452 (A) Maintain a reserve of not less than \$500,000.00 or the amount required to cover
453 the outstanding liabilities for wagers accepted by the licensee, whichever is greater.
454 Outstanding liabilities for wagers shall mean the sum of patron account balances, the
455 amount paid by patrons for wagers that have not yet been determined, and the amount
456 owed but unpaid by licensees to patrons for wagers whose results have been
457 determined. The reserve may take the form of a bond, an irrevocable letter of credit,

458 payment processor reserves and receivables, cash or cash equivalents segregated from
459 operational funds, guaranty letter, or a combination thereof. Such reserve shall be
460 adequate to pay winning wagers to bettors when due. An applicant is presumed to have
461 met this standard if the applicant maintains, on a daily basis, subject to when banks are
462 open, a minimum reserve in an amount which is at least equal to the average daily
463 minimum reserve, calculated on a monthly basis, for the corresponding month in the
464 previous year;

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

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

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

472 (9) Information, as required by rules and regulations of the corporation, regarding the
473 financial standing of the applicant;

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

475 (A) Applicants for a Type 1 sports betting license shall pay a nonrefundable
476 application fee in the amount of \$100,000.00 and an annual licensing fee in the amount
477 of \$1 million;

478 (B) Applicants for an online sports betting services provider license shall pay a
479 nonrefundable application fee in the amount of \$10,000.00 and an annual licensing fee
480 of \$100,000.00; provided, however, that an online sports betting services provider that
481 applies for and obtains a Type 1 sports betting license pursuant to paragraph (3) of
482 subsection (b) of Code Section 50-27-133 shall only be required to pay the
483 nonrefundable application fee and annual licensing fee applicable to the applicant's
484 Type 1 sports betting license; and

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

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

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

492 50-27-131.

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

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

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

505 (d) A professional sports governing body and a Type 1 eligible entity may enter into
506 commercial agreements with an online sports betting services provider or other entities that
507 provide for such professional sports governing body and Type 1 eligible entity to share in
508 the amounts wagered or revenue derived from wagers on the sporting events of such
509 professional sports governing body and Type 1 eligible entity. A professional sports
510 governing body and a Type 1 eligible entity shall not be required to obtain any approval

511 or other form of authorization from the corporation to enter into such commercial
512 agreements or to lawfully accept such amounts or revenues. The corporation shall not
513 prescribe any terms or conditions that are required to be included in such commercial
514 agreements.

515 (e) A person that holds a license or permit to engage in sports betting issued by another
516 jurisdiction, either directly or through a parent company or affiliated subsidiary, may
517 submit a request to the corporation for a temporary license for such person to immediately
518 commence engagement in this state in sports betting. Such request shall include the
519 application fee and annual licensing fee required under paragraph (10) of subsection (c) of
520 Code Section 50-27-130.

521 (f) Upon receiving a request for a temporary license, the chief executive officer shall
522 review the request. If the chief executive officer reviews the request and determines that
523 the person requesting the temporary license holds a license or permit issued by another
524 jurisdiction to engage in sports betting and has paid the required application fee and annual
525 licensing fee, the chief executive officer may authorize such person to engage in sports
526 betting pursuant to this article under a temporary license for up to one year or until a final
527 determination on such person's application is made, whichever is later.

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

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

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

535 50-27-132.

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

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

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

543 (3) A coach of or player for a collegiate, professional, or Olympic sports team or sport
544 for which the applicant offers sports betting, or an entity that has an affiliation or interest
545 in such a sports team or sport;

546 (4) An individual who is a member or employee of any professional sports governing
547 body or sporting events operator for which the applicant offers sports betting;

548 (5) An individual or entity with an owner, officer, or director who has been convicted of
549 a crime of moral turpitude or similar degree as specified in rules and regulations
550 promulgated by the corporation pursuant to this article;

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

553 (7) A trustee or regent of a governing board of a public or private institution of higher
554 education;

555 (8) An individual prohibited by the rules or regulations of a professional sports
556 governing body or sporting events operator of a collegiate sports team, league, or
557 association from participating in sports betting;

558 (9) A student or an employee of a public or private institution of higher education who
559 has access to material nonpublic information concerning a student athlete or a sports
560 team, unless such access to information is deemed incidental; and

561 (10) Any other category of persons, established by rules and regulations of the
562 corporation, that, if licensed, would negatively affect the integrity of sports betting in this
563 state.

564 (b) An individual listed in paragraphs (2) through (10) of subsection (a) of this Code
565 section may hold an ownership interest in an applicant or licensee without disqualifying
566 the applicant or licensee from obtaining or holding a license; provided, however, that such
567 an ownership interest of 25 percent or more shall require approval from the corporation.
568 In determining whether such an ownership interest shall be the basis of disqualification, the
569 corporation shall consider whether such interest would negatively affect the integrity of
570 sports betting in this state and any other factors the corporation shall deem relevant.

571 50-27-133.

572 (a) A Type 1 sports betting license authorizes the licensee, or its designated online sports
573 betting services provider, to offer online sports betting. If a Type 1 eligible entity
574 designates an online sports betting services provider, the designated online sports betting
575 services provider shall instead fulfill the application and operational requirements for sports
576 betting offered pursuant to this article. The corporation shall establish a procedure for a
577 Type 1 eligible entity to designate an online sports betting provider.

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

579 (1) Five Type 1 sports betting licenses shall be reserved for the Type 1 eligible entities
580 defined in subparagraph (A) of paragraph (43) of Code Section 50-27-122; provided,
581 however, that more than one license may be issued to an owner of multiple professional
582 sports teams;

583 (2) One Type 1 sports betting license shall be reserved for each of the Type 1 eligible
584 entities defined in subparagraphs (B) through (E) of paragraph (43) of Code Section
585 50-27-122; and

586 (3) The corporation shall award the remaining seven Type 1 sports betting licenses to
587 separate online sports betting services providers via a public procurement process;

588 (c) The master sports betting license shall be deemed a Type 1 licensee and shall not be
589 required to apply for a license; provided, however, that an online sports betting services
590 provider engaged by the master sports betting licensee shall be required to apply for an
591 online sports betting services provider license to operate online sports betting on behalf of
592 the master sports betting licensee.

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

595 (e) A Type 1 eligible entity shall provide written notice to the corporation of its intention
596 to apply for a Type 1 sports betting license within 60 days of the effective date of this
597 article. The failure of a Type 1 eligible entity to provide such written notice shall result in
598 the permanent disqualification and prohibition of such Type 1 eligible entity from
599 obtaining a Type 1 sports betting license.

600 (f) A Type 1 sports betting licensee shall not offer online sports betting until the
601 corporation has issued a Type 1 sports betting license to at least one online sports betting
602 services provider via the public procurement process as determined by the corporation.

603 (g) The corporation shall begin to accept applications for all 16 Type 1 sports betting
604 licenses under subsection (b) of this Code section on the same date.

605 (h) All applicants for the 16 Type 1 sports betting licenses under subsection (b) of this
606 Code section that have submitted an application within 30 days of the date in which the
607 corporation began to accept applications for Type 1 sports betting licenses shall be given
608 an equal opportunity to first commence offering, conducting, or operating online sports
609 betting in this state on the same day, and in any event not later than January 31, 2025.

610 (i) A Type 1 eligible entity described in subparagraphs (A) through (D) of paragraph (43)
611 of Code Section 50-27-122 that becomes a Type 1 sports betting licensee or designates an
612 online sports betting services provider shall establish and maintain procedures with respect

613 to sporting events which the Type 1 eligible entity participates in or administers to ensure
614 avoidance of conflicts of interest in the operation of sports betting in this state.

615 50-27-134.

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

619 (b) An online sports betting services provider shall obtain a license under this article
620 before offering online sports betting pursuant to a contract with a Type 1 sports betting
621 licensee or master sports betting licensee. An online sports betting services provider
622 license shall entitle the holder to contract with no more than one Type 1 sports betting
623 licensee.

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

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

634 50-27-135.

635 Proposition wagers shall only be offered on online sports betting platforms by the master
636 sports betting licensee, an online sports betting services provider that contracts with the
637 master sports betting licensee, or a Type 1 sports betting licensee.

638

Part 3639 50-27-150.

640 (a) Notwithstanding any other law to the contrary, there shall be imposed an annual
641 privilege tax of 20 percent of the adjusted gross income derived from online sports betting
642 in accordance with this Code section.

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

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

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

658 (e) With the exception of application fees and annual licensing fees imposed by paragraph
659 (10) of subsection (c) of Code Section 50-27-130, this privilege tax is in lieu of all other
660 state and local sales and income taxes and fees imposed on the operation of sports betting
661 or on the proceeds from the operation of sports betting in this state. This subsection shall
662 not exempt goods and services purchased by licensees in the ordinary course of business

663 from the imposition of state or local sales taxes that would otherwise apply, nor shall it
664 exempt licensees from the payment of taxes on real property owned by the licensee.

665 50-27-151.

666 (a) Each Type 1 licensee or its sports betting services provider shall report to the
667 corporation, no later than January 15 of each year:

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

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

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

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

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

678 (2) The acquisition by any person of 10 percent or more of any class of corporate stock.

679 (c) With respect to information reported under subsection (b) of this Code section, a
680 licensee shall include with such report a statement of any conflict of interest that may exist
681 as a result of such election or acquisition.

682 (d) Upon receiving a report under this Code section or subsection (b) of Code
683 Section 50-27-191, the corporation may conduct a hearing in accordance with Code Section
684 50-27-193 to determine whether the licensee remains in compliance with this article.

685 Part 4

686 50-27-160.

687 (a) No person shall knowingly:

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

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

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

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

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

700 (b) If the corporation determines that a person has violated any provision of this Code
701 section, the corporation may impose an administrative fine not to exceed \$25,000.00 per
702 violation, or a total of \$50,000.00 for violations arising out of the same transaction or
703 occurrence.

704 50-27-161.

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

709 50-27-162.

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

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

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

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

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

721 (5) A contractor, subcontractor, or consultant or any officer or employee of a contractor,
722 subcontractor, or consultant of a licensee shall not place a wager on the licensee's
723 platform, if such individual is directly involved in the licensee's operation of sports
724 betting or the processing of sports betting claims or payments through the licensee's
725 platform;

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

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

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

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

737 (10) A principal owner of a team, employee of a team, player, umpire, or sports union
738 personnel, or employee, referee, coach, or official of a professional sports governing body
739 or sporting events operator shall not place a wager on any sporting event, if the wager is
740 based on a sporting event overseen by the individual's professional sports governing body
741 or sporting events operator;

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

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

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

750 (14) A student or an employee of a public or private institution of higher education who
751 has access to material nonpublic information concerning a student athlete or a sports team
752 shall be prohibited from placing a wager on a collegiate sporting event if such
753 information is relevant to the outcome of such event.

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

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

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

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

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

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

768 (B) Guilty of a misdemeanor; and

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

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

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

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

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

775 50-27-163.

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

779 (b)(1) A professional sports governing body or sporting events operator may submit to
780 the corporation in writing, by providing notice in such form and manner as the
781 corporation may require, a request to restrict, limit, or prohibit a certain type, form, or
782 category of sports betting with respect to its sporting events, if the professional sports
783 governing body or sporting events operator believes that such type, form, or category of
784 sports betting with respect to its sporting events may undermine the integrity or perceived
785 integrity of such professional sports governing body or sporting events operator or its
786 sporting events. The corporation shall request comments from sports betting licensees
787 and sports betting services provider licensees on all such requests it receives.

788 (2) After giving due consideration to all comments received, the corporation shall, upon
789 demonstration of good cause from the requestor that such type, form, or category of
790 sports betting is likely to undermine the integrity or perceived integrity of such
791 professional sports governing body or sporting events operator or its sporting events,
792 grant the request. The corporation shall respond to a request concerning a particular
793 sporting event before the start of the event, or if it is not feasible to respond before then,
794 no later than seven days after the request is made. If the corporation determines that the
795 requestor is more likely than not to prevail in successfully demonstrating good cause for
796 its request, the corporation may provisionally grant the request of the professional sports
797 governing body or sporting events operator until the corporation makes a final
798 determination as to whether the requestor has demonstrated good cause. Absent such a
799 provisional grant by the corporation, sports betting licensees may continue to offer sports
800 betting on sporting events that are the subject of such a request during the pendency of
801 the corporation's consideration of the applicable request.

802 Part 5

803 50-27-170.

804 (a) Prior to placing a wager with a licensee via online sports betting, a bettor shall register
805 and establish a player account with the licensee remotely during which the bettor shall
806 attest that he or she meets the requirements to place a wager with a licensee in this state.
807 Prior to verification of a bettor's identity in accordance with this Code section, a licensee
808 shall not allow the bettor to place a wager, make a deposit, or process a withdrawal via
809 online sports betting. A licensee shall implement commercially and technologically
810 reasonable procedures to prevent access to sports betting by minors on its online sports
811 betting platforms. A licensee may use information obtained from third parties to verify that

812 an individual is authorized to open an account, place wagers, and make deposits and
813 withdrawals.

814 (b) Each licensee shall adopt a registration policy to ensure that all bettors utilizing online
815 sports betting are authorized to place a wager with a licensee within this state. Such policy
816 shall include, without limitation, commercially reasonable mechanisms to:

817 (1) Verify the identity and age of the registrant;

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

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

821 (A) Legal name;

822 (B) Date of birth;

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

824 (D) Phone number;

825 (E) A unique username; and

826 (F) An active email account.

827 (c) Each licensee may in its discretion require a bettor to provide the licensee with a signed
828 and notarized document attesting that the bettor is qualified to engage in sports betting
829 under this article as part of the registration policy of the licensee.

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

833 (e) Each licensee, in addition to complying with state and federal law pertaining to the
834 protection of the private, personal information of registered bettors, shall use all other
835 commercially and technologically reasonable means to protect such information consistent
836 with industry standards.

837 (f) A bettor may fund an account through:

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

- 839 (2) Debit cards;
840 (3) Online and mobile payment systems that support online money transfers; and
841 (4) Any other method approved by rules and regulations of the corporation.
842 (g)(1) Licensees shall not allow bets to be placed until first verifying the identity of the
843 bettor pursuant to this Code section and by rules promulgated by the corporation.
844 Further, and pursuant to rules promulgated by the corporation, licensees shall establish
845 safeguards, including, but not limited to, access notifications and similar security
846 safeguards, to protect each bettor's account.
847 (2) If a licensee determines that the information provided by a bettor to make a deposit
848 or process a withdrawal is inaccurate or incapable of verification or violates the policies
849 and procedures of the licensee, the licensee shall, within ten days, require the submission
850 of additional information that can be used to verify the identity of such bettor.
851 (3) If such information is not provided or does not result in verification of the bettor's
852 identity, the licensee shall:
853 (A) Immediately suspend the bettor's account and shall not allow the bettor to place
854 wagers;
855 (B) Retain any winnings attributable to the bettor; and
856 (C) Refund the affected balance of deposits made to the account to the source of such
857 deposit or by issuance of a check.
858 (h) A licensee shall utilize geofencing technology to ensure that online sports betting is
859 available only to bettors who are physically located in this state. Servers, including the use
860 of backup servers, may be located outside of this state, consistent with federal law. To the
861 extent required by federal law, a licensee shall maintain in this state the servers it uses to
862 accept wagers on a sporting event placed by bettors located in this state.
863 (i) Each licensee shall clearly and conspicuously display on its website a statement
864 indicating that it is illegal for a person under 21 years of age to engage in sports betting in
865 this state.

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

868 50-27-171.

869 (a) Licensees shall allow bettors to limit their betting activity with the licensee by, at a
870 minimum, giving bettors the opportunity to place limits on the amounts deposited, the
871 amounts wagered, and the amount of time spent wagering. Licensees shall take reasonable
872 steps to prevent bettors from overriding their self-imposed responsible gambling limits.

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

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

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

886 (e) The corporation shall annually generate a report outlining activities with respect to
887 problem gambling and betting or gambling disorders, including, but not limited to,
888 descriptions of programs, grants, and other resources made available; the number of
889 individuals seeking assistance; the number of individuals who reported completing
890 programs and therapies; and the rate of recidivism, if known to the corporation. The
891 corporation shall file the annual report with the Governor, the Lieutenant Governor, and

892 the Speaker of the House of Representatives and shall publish such report on its website
893 no later than January 30 of each year.

894 50-27-172.

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

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

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

902 (2) Requirements for reporting suspicious wagers.

903 Part 6

904 50-27-180.

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

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

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

911 (b)(1) A professional sports governing body or sporting events operator headquartered
912 in the United States may notify the corporation that it desires licensees to use official
913 league data or official event data for determining the results of tier 2 sports wagers on its
914 sporting events. A notification under this subsection shall be made in the form and
915 manner as the corporation shall require. The corporation shall notify each licensee within

916 five days after receipt of such notification from a professional sports governing body or
917 sporting events operator. If a professional sports governing body or sporting events
918 operator does not notify the corporation of its desire to supply official league data or
919 official event data, licensees are not required to use official league data or official event
920 data for determining the results of any tier 2 wagers on sporting events of that
921 professional sports governing body or sporting events operator.

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

929 (A) The professional sports governing body or sporting events operator, or a designee
930 thereof, is unable to provide a feed of official league data or official event data to
931 determine the results of a particular type of tier 2 sports wager, in which case licensees
932 are not required to use official league data for determining the results of the applicable
933 tier 2 sports wager until the data feed becomes available on commercially reasonable
934 terms and conditions; or

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

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

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

947 (B) The nature and quantity of the official league data or official event data, including,
948 without limitation, its speed, accuracy, reliability, and overall quality as compared to
949 comparable nonofficial data;

950 (C) The quality and complexity of the process used to collect and distribute the official
951 league data or official event data as compared to comparable nonofficial data;

952 (D) The availability of tier 2 official league data of a professional sports governing
953 body or tier 2 official event data of a sporting events operator to a licensee from more
954 than one authorized source;

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

958 (F) The extent to which professional sports governing bodies or sporting events
959 operators, or designees thereof, have made available to licensees the data used to settle
960 the results of tier 2 sports wagers and any terms and conditions relating to the use of
961 such data.

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

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

974 Part 7

975 50-27-190.

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

982 50-27-191.

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

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

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

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

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

996 (d) Licensees shall use commercially reasonable efforts to maintain, in real time and at the
997 account level, anonymized information regarding a bettor; the amount and type of bet; the
998 time the bet was placed; the location of the bet, including the internet protocol address if
999 applicable; the outcome of the bet; and records of abnormal betting activity for three years
1000 after the sporting event occurs. The corporation may request such information in the form
1001 and manner required by rules and regulations of the corporation. For purposes of this
1002 subsection, the term 'real time' means on a commercially reasonable periodic interval.

1003 (e) All records, documents, and information received by the corporation pursuant to this
1004 Code section shall be considered investigative records of a law enforcement agency, shall
1005 not be subject to Article 4 of Chapter 18 of this title, and shall not be released under any
1006 condition without the permission of the person providing such records, documents, or
1007 information.

1008 (f) Nothing in this Code section shall require a sports betting licensee to provide any
1009 information that is prohibited by federal, state, or local laws or rules and regulations,
1010 including, without limitation, laws and rules and regulations relating to privacy and
1011 personally identifiable information.

1012 (g) If a professional sports governing body or sporting events operator has notified the
1013 corporation that access to the information described in subsection (d) of this Code section
1014 for wagers placed on its sporting events is necessary to monitor the integrity of its sporting
1015 events and represents to the corporation that it specifically uses such data for the purpose
1016 of monitoring the integrity of sporting events of such professional sports governing body
1017 or sporting events operator, then licensees shall share, in a commercially reasonable
1018 frequency, form, and manner, with the professional sports governing body or sporting
1019 events operator, or a designee thereof, the same information the licensee is required to

1020 maintain under subsection (d) of this Code section with respect to sports wagers on such
1021 a body's or operator's sporting events. A professional sports governing body or sporting
1022 events operator, or a designee thereof, shall use information received under this subsection
1023 for integrity-monitoring purposes only and shall not use such information for commercial
1024 or any other purposes. Nothing in this subsection shall require a licensee to provide any
1025 information that is prohibited by federal, state, or local laws, rules, or regulations,
1026 including, but not limited to, laws, rules, or regulations relating to privacy and personally
1027 identifiable information.

1028 50-27-192.

1029 The corporation shall assist in any investigations by law enforcement to determine whether:

1030 (1) A licensee is accepting wagers from minors or other persons ineligible to place
1031 wagers in this state; and

1032 (2) An individual is unlawfully accepting wagers from another individual without a
1033 license or at a location in violation of this article.

1034 50-27-193.

1035 (a) The corporation may investigate and conduct a hearing with respect to a licensee upon
1036 information and belief that the licensee has violated this article or upon the receipt of a
1037 credible complaint from any person that a licensee has violated this article. The
1038 corporation shall conduct investigations and hearings in accordance with rules and
1039 regulations adopted by the corporation.

1040 (b) If the corporation determines that a licensee has violated any provision of this article
1041 or any rules and regulations of the corporation, the corporation may suspend, revoke, or
1042 refuse to renew a license; impose an administrative fine not to exceed \$25,000.00 per
1043 violation or a total of \$50,000.00 for violations arising out of the same transaction or
1044 occurrence; or both.

1045 (c) The corporation shall promulgate rules and regulations establishing a schedule of
1046 administrative fines that may be assessed in accordance with subsection (b) of this Code
1047 section for each violation of this article; provided, however, that, if the corporation finds
1048 that:

1049 (1) A licensee is knowingly accepting wagers from minors or other persons ineligible to
1050 place wagers in this state, the corporation shall impose a fine against the licensee as
1051 follows:

1052 (A) For a first offense, \$1,000.00;

1053 (B) For a second offense, \$2,000.00; and

1054 (C) For a third or subsequent offense, \$5,000.00; or

1055 (2) An individual is unlawfully accepting wagers from another individual without a
1056 license, the corporation shall impose a fine against the individual as follows:

1057 (A) For a first offense, \$10,000.00;

1058 (B) For a second offense, \$15,000.00; and

1059 (C) For a third or subsequent offense, \$25,000.00.

1060 (d) The corporation may refer conduct that it reasonably believes is a violation of Article 2
1061 of Chapter 12 of Title 16 to the appropriate law enforcement agency.

1062 50-27-194.

1063 (a) Any person that violates any provisions of this article shall be liable for a civil penalty
1064 of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising
1065 out of the same transaction or occurrence, which shall accrue to the corporation and may
1066 be recovered in a civil action brought by or on behalf of the corporation.

1067 (b) The corporation may seek and obtain an injunction in a court of competent jurisdiction
1068 for purposes of enforcing this article.

1069 (c) Costs shall not be taxed against the corporation or this state for actions brought under
1070 this article.

1071 50-27-195.

1072 (a) Fines assessed under this article shall be accounted for separately for use by the
1073 corporation in a manner consistent with rules and regulations of the corporation.

1074 (b) The corporation may issue subpoenas to compel the attendance of witnesses and the
1075 production of relevant books, accounts, records, and documents for purposes of carrying
1076 out its duties under this article.

1077 50-27-196.

1078 (a) A licensee or other individual aggrieved by a final decision or action of the corporation
1079 may appeal such decision or action to the Superior Court of Fulton County.

1080 (b) The Superior Court of Fulton County shall hear appeals from decisions or actions of
1081 the corporation and, based upon the record of the proceedings before the corporation, may
1082 reverse the decision or action of the corporation only if the appellant proves the decision
1083 or action to be:

1084 (1) Clearly erroneous;

1085 (2) Arbitrary and capricious;

1086 (3) Procured by fraud;

1087 (4) A result of substantial misconduct by the corporation; or

1088 (5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.

1089 (c) The Superior Court of Fulton County may remand an appeal to the corporation to
1090 conduct further hearings.

1091 50-27-197.

1092 (a) It shall be unlawful for any person, directly or indirectly, to knowingly receive, supply,
1093 broadcast, display, or otherwise transmit material nonpublic information for the purpose
1094 of betting on a sporting event or influencing another individual's or entity's wager on a
1095 sporting event.

1096 (b) This Code section shall not apply to the dissemination of public information as news,
 1097 entertainment, or advertising.
 1098 (c) Any person in violation of this Code section shall be indefinitely prohibited from
 1099 placing a wager, be required to forfeit the proceeds of any illegal wager, and be guilty of
 1100 a misdemeanor."

1101 **PART III**
 1102 **SECTION 3-1.**

1103 Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
 1104 relating to gambling, is amended by revising paragraph (1) of Code Section 16-12-20,
 1105 relating to definitions, as follows:

1106 "(1) 'Bet' means an agreement that, dependent upon chance even though accompanied
 1107 by some skill, one stands to win or lose something of value. A bet does not include:
 1108 (A) Contracts of indemnity or guaranty or life, health, property, or accident insurance;
 1109 or
 1110 (B) An offer of a prize, award, or compensation to the actual contestants in any bona
 1111 fide contest for the determination of skill, speed, strength, or endurance or to the owners
 1112 of animals, vehicles, watercraft, or aircraft entered in such contest; or
 1113 (C) Any consideration paid to participate in a lottery game of online sports betting
 1114 offered pursuant to Article 4 of Chapter 27 of Title 50."

1115 **SECTION 3-2.**

1116 Said part is further amended by revising Code Section 16-12-27, relating to advertisement
 1117 or solicitation for participation in lotteries, as follows:

1118 "16-12-27.

1119 (a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to
1120 sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio
1121 commercial, or any book, magazine, periodical, newspaper, or other written or printed
1122 matter containing an advertisement or solicitation for participation in any lottery declared
1123 to be unlawful by the laws of this state unless such advertisement, commercial, or
1124 solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be
1125 clearly legible or audible to persons viewing or hearing such advertisement, commercial,
1126 or solicitation.

1127 (b) Any person, partnership, firm, corporation, or other entity violating subsection (a) of
1128 this Code section shall be guilty of a misdemeanor.

1129 (c) This Code section shall not apply to any advertisement or solicitation for participation
1130 in a lottery game of online sports betting by any person licensed by the Georgia Lottery
1131 Corporation under Article 4 of Chapter 27 of Title 50 that is concerning such licensee's
1132 lawful activities."

1133 **SECTION 3-3.**

1134 Said part is further amended by revising Code Section 16-12-28, relating to communicating
1135 gambling information, as follows:

1136 "16-12-28.

1137 (a) A person who knowingly communicates information as to bets, betting odds, or
1138 changes in betting odds or who knowingly installs or maintains equipment for the
1139 transmission or receipt of such information with the intent to further gambling commits the
1140 offense of communicating gambling information.

1141 (b) A person who commits the offense of communicating gambling information, upon
1142 conviction thereof, shall be punished by imprisonment for not less than one nor more than
1143 five years or by a fine not to exceed \$5,000.00, or both.

1144 (c) This Code section shall not apply to the activities of a person licensed by the Georgia
1145 Lottery Corporation under Article 4 of Chapter 27 of Title 50 or an employee, agent, or
1146 other person acting in furtherance of his or her employment by such licensee."

1147 **PART IV**
1148 **SECTION 4-1.**

1149 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
1150 amended by revising paragraph (55) of Code Section 48-8-3, relating to exemptions from
1151 state sales and use tax, as follows:

1152 "(55) The sale of lottery tickets authorized by Chapter 27 of Title 50 or wagers
1153 authorized by Article 4 of Chapter 27 of Title 50;"

1154 **PART V**
1155 **SECTION 5-1.**

1156 This Act shall become effective upon its approval by the Governor or upon its becoming law
1157 without such approval.

1158 **SECTION 5-2.**
1159 All laws and parts of laws in conflict with this Act are repealed.