

The House Committee on Judiciary Non-civil offers the following substitute to HB 259:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
2 relating to gambling and related offenses, so as to provide that certain nonprofit organizations
3 may give away certain noncash prizes to advance the purposes of such nonprofit
4 organization; to provide conditions for the giving of such prizes by nonprofit organizations
5 and businesses; to provide for related matters; to provide for an effective date and
6 applicability; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to
10 gambling and related offenses, is amended by revising paragraph (4) of Code Section
11 16-12-20, relating to definitions, as follows:

12 "(4) 'Lottery' means any scheme or procedure whereby one or more prizes are distributed
13 by chance among persons who have paid or promised consideration for a chance to win
14 such prize, whether such scheme or procedure is called a pool, lottery, raffle, gift, gift
15 enterprise, sale, policy game, or by some other name. A lottery shall also include the
16 organization of chain letter or pyramid clubs as provided in Code Section 16-12-38. A
17 lottery shall not mean a:

18 (A) Promotional giveaway or contest which conforms with the qualifications of a
19 lawful promotion specified in paragraph (16) of subsection (b) of Code Section
20 10-1-393;

21 (B) Scheme whereby a business or a nonprofit organization qualified under Section
22 501(c) of the federal Internal Revenue Code gives away noncash prizes that cannot be
23 exchanged or redeemed for cash to persons selected by lot if such prizes are made on
24 the following conditions:

25 (i) Such prizes are conducted as advertising and promotional undertakings in good
26 faith solely for the purpose of advertising the goods, wares, and merchandise of such

1 business or solely to advance the purposes of such nonprofit organization; provided,
 2 however, that a business may participate in a promotion to advance the purposes of
 3 a nonprofit organization; and

4 (ii) ~~No~~ A person to be eligible to receive such prize may, but shall not be required to:

5 (I) Pay any tangible consideration to the operator of such business or to such
 6 nonprofit organization in the form of money or other property or thing of value;

7 (II) Purchase any goods, wares, merchandise, or anything of value from such
 8 business or such nonprofit organization; or

9 (III) Be present or be asked to participate in a seminar, sales presentation, or any
 10 other presentation, by whatever name denominated, in order to win such prizes; ~~or~~

11 (iii) A business or nonprofit organization that offers promotional prizes to the public
 12 by means of a mechanical or electronic device shall not offer more than two such
 13 promotions using such devices in any location at any given time;

14 (iv) The rules or procedures for eligibility for such prizes must clearly and
 15 conspicuously allow a person to become eligible without paying any tangible
 16 consideration to the operator of such business or to such nonprofit organization in the
 17 form of money or other property or thing of value; purchasing any goods, wares,
 18 merchandise, or anything of value from such business or nonprofit organization; or
 19 being present or participating in a seminar, sales presentation, or any other
 20 presentation by whatever name denominated; and

21 (v) The method actually used to select winners of such prizes shall not discriminate
 22 against persons who have followed eligibility procedures described in division (iv)
 23 of this subparagraph; or

24 (C) Raffle authorized under Code Section 16-12-22.1."

25 SECTION 2.

26 This Act shall become effective on July 1, 2007, and shall apply to the award of prizes and
 27 related conduct that occurs on or after such date. Any offense committed before July 1,
 28 2007, shall be punishable as provided by the statute in effect at the time the offense was
 29 committed.

30 SECTION 3.

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