

The House Committee on Judiciary Non-civil offers the following substitute to SB 454:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 17 of Title 48 of the Official Code of Georgia Annotated, relating to coin  
2 operated amusement machines, so as to revise definitions; to provide for classes of machines,  
3 location licenses, fees, procedures for collection and refunds, display of certificates, contents  
4 of certificates and stickers, duplicate permits, and late fees; to provide for the terms and  
5 conditions of location licenses and annual fees for additional machines; to provide that  
6 applications for licenses and permits are open to public inspection; to provide for issuance,  
7 renewal, denial, suspension, and revocation of such licenses and permits; to provide for the  
8 continued validity of prior existing obligations to the state; to provide that this Act shall not  
9 affect offenses committed or prosecutions begun under preexisting law; to provide for related  
10 matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Chapter 17 of Title 48 of the Official Code of Georgia Annotated, relating to taxation of bona  
14 fide coin operated amusement machines, is amended by adding new paragraphs to Code  
15 Section 48-17-1, relating to definitions, to read as follows:

16 "(2.2) 'Class A machine' means a bona fide coin operated amusement machine that is not  
17 a Class B machine and:

18 (A) Provides no reward to a successful player; or

19 (B) Rewards a successful player with free replays or additional time to play.

20 (2.3) 'Class B machine' means a bona fide coin operated amusement machine that  
21 rewards a successful player with any combination of items listed in  
22 subparagraphs (d)(1)(B) and (d)(1)(C) of Code Section 16-12-35."

23 "(3.1) 'Location license' means the initial and annually renewed license which every  
24 business owner or business operator must purchase and display in the location where one  
25 or more bona fide coin operated amusement machines are available for commercial use  
26 by the public for play in order to operate legally any such machine in this state.

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27 (3.2) 'Location license fee' means the fee paid to obtain the location license."

28 "(7.1) 'Single play' or 'one play' means the completion of a sequence of a game, or replay  
 29 of a game, where the player receives a score and from the score the player can secure free  
 30 replays, merchandise, points, tokens, vouchers, tickets, or other evidence of winnings as  
 31 set forth in subsection (c) or (d) of Code Section 16-12-35. A player may, but is not  
 32 required to, exchange a score for rewards permitted by subparagraphs (A), (B), (C), and  
 33 (D) of paragraph (d)(1) of Code Section 16-12-35 after each play."

34 "(9) 'Slot machine or any simulation or variation thereof' means any contrivance which,  
 35 for a consideration, affords the player an opportunity to obtain money or other thing of  
 36 value, the award of which is determined solely by chance, whether or not a prize is  
 37 automatically paid by the contrivance.

38 (10) 'Successful player' means an individual who wins on one or more plays of a bona  
 39 fide coin operated amusement machine.

40 (11) 'Temporary location permit' means the permit which every business owner or  
 41 business operator must purchase and display in the location where one or more bona fide  
 42 coin operated amusement machines are available for commercial use by the public for  
 43 play in order to operate legally the machine or machines in this state for seven days or  
 44 less. Such temporary location permits shall be subject to the same regulations and  
 45 conditions as location licenses."

## 46 SECTION 2.

47 Said chapter is further amended by revising Code Section 48-17-2, relating to license fees,  
 48 as follows:

49 "48-17-2.

50 (a) Every owner, except an owner holding a bona fide coin operated amusement machine  
 51 solely for personal use or resale, who offers others the opportunity to play for a charge,  
 52 whether directly or indirectly, any bona fide coin operated amusement machine shall pay  
 53 annual master license fees as follows:

54 (1) ~~Level one license. For Class A machines:~~

55 (A) For five or fewer machines, the owner shall pay a master license fee of ~~\$250.00~~  
 56 \$500.00.

57 ~~(B)~~ In the event such owner acquires a sixth or greater number of machines during a  
 58 calendar year which require a certificate for lawful operation under this chapter so that  
 59 the total number of machines owned does not exceed 60 machines or more, such owner  
 60 shall pay an additional master license fee of ~~\$1,250.00~~ \$1,500.00;

61 ~~(2) Level two license. (A) For six or more machines but not more than 60 machines, the~~  
 62 ~~owner shall pay a master license fee of \$1,500.00.~~

63 (B) For six or more machines but not more than 60 machines, the owner shall pay a  
 64 master license fee of \$2,000.00. In the event such owner acquires a sixty-first or  
 65 greater number of machines during a calendar year which require a certificate for lawful  
 66 operation under this chapter, such owner shall pay an additional master license fee of  
 67 ~~\$1,000.00~~ \$1,500.00; or

68 ~~(3)(C) Level three license:~~ For 61 or more machines, the owner shall pay a master  
 69 license fee of ~~\$2,500.00~~ \$3,500.00; and

70 (2) For any number of Class B machines, the owner shall pay a master license fee of  
 71 \$5,000.00.

72 The cost of the license shall be paid to the commissioner by company check, cash, cashier's  
 73 check, or money order. Upon said payment, the commissioner shall issue a master license  
 74 certificate to the owner. The master license fee levied by this ~~chapter~~ Code section shall  
 75 be collected by the commissioner on an annual basis, ~~provided that an owner may purchase~~  
 76 ~~a six-month master license during the calendar year for \$175.00 for a level one license,~~  
 77 ~~\$1,050.00 for a level two license, or \$1,750.00 for a level three license~~ for the period from  
 78 July 1 to June 30. The commissioner may establish procedures for master license  
 79 collection and set due dates for these license payments. No refund or credit of the master  
 80 license charge levied by this ~~chapter~~ Code section may be allowed to any owner who  
 81 ceases the operation of bona fide coin operated amusement machines prior to the end of  
 82 any calendar year license or permit period.

83 (a.1) Every business owner or business operator, as defined in Code Section 48-17-1, shall  
 84 pay an annual location license fee for each bona fide coin operated amusement machine  
 85 offered to the public for play. The annual location license fee shall be \$25.00 for each  
 86 Class A machine and \$125.00 for each Class B machine. The annual location license fee  
 87 levied by this Code section shall be collected by the commissioner on an annual basis from  
 88 July 1 to June 30. The location license fee shall be paid to the commissioner by company  
 89 check, cash, cashier's check, or money order. Upon payment, the commissioner shall issue  
 90 a location license certificate that shall state the number of bona fide coin operated  
 91 amusement machines permitted for each class without further description or identification  
 92 of specific machines. The commissioner may establish procedures for location license fee  
 93 collection and set due dates for payment of such fees. No refund or credit of the location  
 94 license fee shall be allowed to any business owner or business operator who ceases to offer  
 95 bona fide coin operated amusement machines to the public for commercial use prior the  
 96 end of any license period.

97 (b) A copy of an owner's master license and the business owner's or business operator's  
 98 location license shall be prominently displayed at all locations where the owner has and  
 99 business owner or business operator have bona fide coin operated amusement machines

100 available for commercial use and for play by the public to evidence the payment of the ~~fee~~  
 101 fees levied under this Code section.

102 (c) Each master license and each location license shall ~~not~~ list the name and address of the  
 103 owner ~~but shall have a control number which corresponds with the control number issued~~  
 104 ~~on the permit sticker to allow for effective monitoring of the licensing and permit system~~  
 105 or business owner or business operator, as applicable.

106 (d) The commissioner may provide a duplicate original master license certificate or  
 107 location license certificate if the original ~~master license~~ certificate has been lost, stolen, or  
 108 destroyed. The fee for a duplicate original ~~master license~~ certificate is \$100.00. If the  
 109 original ~~master license~~ certificate is lost, stolen, or destroyed, a sworn, written statement  
 110 must be submitted explaining the circumstances by which the ~~master license~~ certificate was  
 111 lost, stolen, or destroyed and including the number of the lost, stolen, or destroyed ~~master~~  
 112 ~~license~~ certificate, if applicable, before a duplicate original ~~master license~~ certificate can  
 113 be issued. A ~~master license~~ certificate for which a duplicate ~~master license~~ certificate has  
 114 been issued is void.

115 (e) A ~~master license~~ or permit issued under this ~~chapter~~ Code section:

116 (1) Is effective for a single business entity;

117 (2) Vests no property or right in the ~~licensee~~ holder of the license or permit except to  
 118 conduct the licensed or permitted business during the period the license or permit is in  
 119 effect;

120 (3) Is nontransferable, nonassignable by and between owners or business owners and  
 121 business operators, and not subject to execution; and

122 (4) Expires upon the death of an individual ~~licensee~~ holder of a license or permit or upon  
 123 the dissolution of any other ~~licensee~~ holder of a license or permit.

124 (f) An application for the renewal of a license or permit must be made to the commissioner  
 125 by ~~December~~ June 1 of each year.

126 (g) Acceptance of a ~~master license~~ or permit issued under this ~~chapter~~ Code section  
 127 constitutes consent by the licensee and the business owner or business operator of the  
 128 business where bona fide coin operated amusement machines are available for commercial  
 129 use and for play by the public that the commissioner or ~~his~~ the commissioner's agents may  
 130 freely enter the ~~licensed~~ business premises where the licensed and permitted machines are  
 131 located during normal business hours for the purpose of ensuring compliance with this  
 132 chapter.

133 (h) An application for a ~~master license~~ or permit to do business under this chapter shall  
 134 contain a complete statement regarding the ownership of the business to be licensed or the  
 135 business where the permitted machines are to be located. This statement of ownership shall

136 specify the same information that is required ~~of~~ by the application to secure a sales tax  
137 number for the State of Georgia.

138 (i) ~~The~~ An application for a master license shall be accompanied by either the annual or  
139 semiannual fee plus the required permit fee due for each machine. Additional per machine  
140 permits can be purchased during the year if needed by the owner. An application for a  
141 location license shall be accompanied by the appropriate fee.

142 (j) ~~The statement of ownership information which is contained in the application will be~~  
143 ~~treated in the same manner as sales tax information records maintained by the department~~  
144 An application is subject to public inspection.

145 (k) A renewal application filed on or after ~~January~~ July 1, but before the master license  
146 expires, shall be accompanied by a late fee of \$125.00. ~~If an owner's master license has~~  
147 ~~been expired for more than 90 days, the owner may not renew the master license.~~ A master  
148 license or location license that has been expired for more than 90 days may not be renewed.

149 In such a case, the owner shall obtain a new master license or the business owner or  
150 business operator shall obtain a new location license, as applicable, by complying with the  
151 requirements and procedures for obtaining an original master license or location license.

152 (l) ~~An owner~~ A holder of a license who properly completes the application and remits all  
153 fees with it by the due date may continue to operate bona fide coin operated amusement  
154 machines after the expiration date if its license or permit renewal has not been issued,  
155 unless the ~~licensee~~ holder of the license is notified by the commissioner prior to the ~~license~~  
156 expiration date of a problem with the ~~license~~ renewal.

157 (m)  Holders of location licenses and temporary location permits shall be subject to the  
158  same provisions of this chapter with regard to refunds, license renewals, license  
159  suspensions, and license revocations as are holders of master licenses."

### 160 SECTION 3.

161 Said chapter is further amended by revising Code Section 48-17-9, relating to payment and  
162 collection of annual permit fee, as follows:

163 "48-17-9.

164 (a) Every owner, except an owner holding a coin operated amusement machine solely for  
165 personal use or resale, who offers others the opportunity to play for a charge, whether  
166 direct or indirect, any bona fide coin operated amusement machine shall pay a ~~uniform~~ an  
167 annual permit fee ~~of \$25.00 per~~ for each bona fide coin operated amusement machine in  
168 the amount of \$25.00 for each Class A machine and \$125.00 for each Class B machine.

169 The fee shall be paid to the commissioner by company check, cash, cashier's check, or  
170 money order. Upon payment, the commissioner shall issue a sticker for each ~~\$25.00~~  
171 ~~payment for each~~ bona fide coin operated amusement machine. The annual fees levied by

172 this chapter ~~will~~ shall be collected by the commissioner on an annual basis for the period  
 173 from July 1 to June 30. The commissioner may establish procedures for annual collection  
 174 and set due dates for the fee payments. No refund or credit of the annual fee levied by this  
 175 chapter shall be allowed to any owner who ceases the exhibition or display of any bona fide  
 176 coin operated amusement machine prior to the end of any ~~calendar year~~ license or permit  
 177 period.

178 (b) The sticker issued by the commissioner to evidence the payment of the fee under this  
 179 Code section shall be securely attached to the machine. Owners may transfer stickers from  
 180 one machine to another in the same class and from location to location so long as all  
 181 machines in commercial use available for play by the public have a sticker of the correct  
 182 class and the owner uses the stickers only for machines that it owns.

183 (c) Each permit sticker shall not list the name of the owner but shall have a control number  
 184 which corresponds with the control number issued on the master license certificate to allow  
 185 for effective monitoring of the licensing and permit system. Permit stickers are only  
 186 required for bona fide coin operated amusement machines in commercial use available to  
 187 the public for play at a location.

188 (d) The commissioner may provide a duplicate permit sticker if a valid permit sticker has  
 189 been lost, stolen, or destroyed. The fee for a duplicate permit sticker shall be \$10.00. If  
 190 a permit sticker is lost, stolen, or destroyed, a sworn, written statement must be submitted  
 191 explaining the circumstances by which the permit sticker was lost, stolen, or destroyed and  
 192 including the number of the lost, stolen, or destroyed permit before a replacement permit  
 193 can be issued. A permit for which a duplicate permit sticker has been issued is void."

#### 194 **SECTION 4.**

195 Said chapter is further amended by revising Code Section 48-17-11, relating to permit fees  
 196 for additional machines, as follows:

197 "48-17-11.

198 If an owner purchases or receives additional bona fide coin operated amusement machines  
 199 during the calendar year, the ~~\$25.00~~ applicable annual permit fee shall be paid to the  
 200 commissioner and the sticker shall be affixed to the machine ~~or placed at the location~~  
 201 ~~where the machine is located~~ before the machine may be legally operated. A penalty fee  
 202 ~~of \$50.00~~ equal to twice the applicable annual permit fee shall be assessed by the  
 203 commissioner for every machine in operation without a permit sticker."

#### 204 **SECTION 5.**

205 Said chapter is further amended by revising Code Section 48-17-14, relating to validity of  
 206 prior existing obligations to state, as follows:

207 "48-17-14.

208 (a) All taxes, fees, penalties, and interest accruing to the State of Georgia under any other  
209 provision of this title as it existed prior to ~~January 1, 1993~~, the effective date of the  
210 amendment of this Code section shall be and remain valid and binding obligations to the  
211 State of Georgia for all taxes, penalties, and interest accruing under the provisions of prior  
212 or preexisting laws and all such taxes, penalties, and interest now or hereafter becoming  
213 delinquent to the State of Georgia prior to ~~January 1, 1993~~, the effective date of the  
214 amendment of this Code section are expressly preserved and declared to be legal and valid  
215 obligations to the state.

216 (b) The enactment and amendment of this chapter shall not affect offenses committed or  
217 prosecutions begun under any preexisting law, but any such offenses or prosecutions may  
218 be conducted under the law as it existed at the time of the commission of the offense.

219 (c) Nothing in this chapter shall be construed or have the effect to license, permit,  
220 authorize, or legalize any machine, device, table, or bona fide coin operated amusement  
221 machine the keeping, exhibition, operation, display, or maintenance of which is in violation  
222 of the laws or Constitution of this state."

223 **SECTION 6.**

224 This Act shall become effective on July 1, 2010.

225 **SECTION 7.**

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