

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 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.

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

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

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

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

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

## SECTION 2.

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

"48-17-2.

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

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

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

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

(2) Level two license. (A) For six or more machines but not more than 60 machines, the 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

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

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

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

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

(1) Is effective for a single business entity;

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

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

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

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

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

(h) An application for a master license or permit to do business under this chapter shall contain a complete statement regarding the ownership of the business to be licensed or the 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~~  
~~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.