

House Bill 351

By: Representatives Harbin of the 122nd, Cheokas of the 138th, Marin of the 96th, and Fludd of the 64th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 27 of Title 50 of the Official Code of Georgia Annotated,
2 relating to bona fide coin operated amusement machines, so as to change certain provisions
3 relating to master licenses and requirements and restrictions for licensees; to change certain
4 provisions relating to the Class B accounting terminal, communication networks, and other
5 procedures and policies; to provide for a definition; to provide for related matters; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

9 Article 3 of Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to
10 bona fide coin operated amusement machines, is amended by revising subsection (a) of Code
11 Section 50-27-87, relating to master licenses and requirements and restrictions for licensees,
12 as follows:

13 "50-27-87.

14 (a)(1) Except as provided in this Code section, a person shall not own, maintain, place,
15 or lease a bona fide coin operated amusement machine unless he or she has a valid master
16 license; provided, however, that a manufacturer or distributor may own a bona fide coin
17 operated amusement machine intended for sale to an operator, master licensee,
18 manufacturer, or distributor.

19 (2) A master licensee shall only place or lease bona fide coin operated amusement
20 machines for use in Georgia in a licensed location owner's or location operator's
21 establishments.

22 (3) To be eligible as a master licensee, the person shall not have had a gambling license
23 in any state for at least five years prior to obtaining or renewing a Georgia master's
24 license.

25 (4) On or after July 1, 2013, no person with or applying for a master license shall have
26 an interest in any manufacturer, distributor, location owner, or location operator in this

27 state. Additionally, no group or association whose membership includes manufacturers,
 28 distributors, operators, master licensees, location owners, or location operators shall
 29 obtain a master license nor shall they form an entity which acts as a master licensee,
 30 operator, location owner, or location operator for the purpose of obtaining a master
 31 license; provided, however, that through June 30, 2015, this paragraph shall not apply to
 32 persons who, as of December 31, 2013, have or will have continuously possessed a
 33 master license for ten or more years and, for ten or more years, have or will have
 34 continuously owned or operated a location where a bona fide coin operated machine has
 35 been placed.

36 (5) No person with or applying for a master license shall make, create, or develop any
 37 Class B machines, its parts, or software or hardware, for such person's own use or for use
 38 by others.

39 ~~(5)~~(6) Failure to adhere to the provisions of this subsection shall result in a fine of not
 40 more than \$50,000.00 and loss of the license for a period of one to five years per incident
 41 and subject the master licensee to the loss of any other state or local license held by the
 42 master licensee. The corporation shall notify any state or federal agency that issues a
 43 license to such master licensee of the breach of its duties under this article."

44 **SECTION 2.**

45 Said article is further amended by revising Code Section 50-27-101, relating to Class B
 46 accounting terminal, communication networks, and other procedures and policies, as follows:
 47 "50-27-101.

48 (a) On or before July 1, 2014, in cooperation with the Bona Fide Coin Operated
 49 Amusement Machine Operator Advisory Board established under Code Section 50-27-89,
 50 the corporation shall procure a Class B accounting terminal linked by a communications
 51 network through which all Class B machines in a location shall connect to a single point
 52 of commerce for the purpose of accounting and reporting to the state. In no event shall the
 53 terminal approved by the corporation limit participation to only one manufacturer or one
 54 type of bona fide coin operated amusement machine. Consideration shall be given to the
 55 cost associated with retrofitting all existing Class B machines and efforts made to minimize
 56 that cost.

57 (b) Six months after the procurement of a Class B accounting terminal and successful pilot
 58 testing, all Class B machines shall be linked by a communications network to a Class B
 59 accounting terminal for purposes of monitoring and reading device activities as provided
 60 for in this Code section. When the corporation is satisfied with the operation of the Class
 61 B accounting terminal it shall certify the effective status of the Class B accounting terminal
 62 and notify all licensees of such certification. On and after January 1, 2016, the connection

63 of all Class B machines to such communications network shall be a direct connection
64 without the use of a transitional solution. For purposes of this subsection, the term
65 'transitional solution' means a device used by a Class B machine to communicate with the
66 corporation's Class B accounting terminal that relays information from the Class B machine
67 to the communications network that links the Class B machine to the Class B accounting
68 terminal and which prevents direct communication, or substitutes direct communication,
69 between such communications network and the Class B machine's motherboard.

70 (c) The Class B accounting terminal shall be designed and operated to allow the
71 monitoring and reading of all Class B machines for the purpose of compliance with regard
72 to their obligations to the state. The Class B accounting terminal shall be located within
73 and administered by the corporation.

74 (d) The Class B accounting terminal shall not provide for the monitoring or reading of
75 personal or financial information concerning patrons of bona fide coin operated amusement
76 machines.

77 (e) Any entity that acts as a vendor for the corporation in building, operating, maintaining,
78 or contracting to build, operate, or maintain a Class B accounting terminal shall be
79 prohibited from obtaining a license as an operator or location owner or location operator.
80 As used in this subsection, the term 'entity' shall also include the entity's employees,
81 independent contractors, consultants, or any other person as defined in paragraph (15) of
82 subsection (b) of Code Section 50-27-70 which is related to the entity during the time the
83 vendor is involved with providing service as it relates to the Class B accounting terminal
84 for the corporation.

85 (f) Except as provided in subsection (e) of Code Section 50-27-73, nothing in this part
86 shall be construed to provide any authority to the corporation to limit or eliminate Class B
87 machines or to limit, eliminate, or unduly restrict the number of licenses, permits, or
88 certifications for operators or location owners or location operators.

89 (g) The corporation shall not expand, limit, or otherwise alter what constitutes a bona fide
90 coin operated amusement machine and the permitted redemption related items, except that
91 the corporation shall be permitted to authorize any ticket or product of the corporation.

92 (h) On and after January 1, 2016, all software used by any Class B machines shall be
93 tested and approved by a recognized and independent gaming laboratory to verify the
94 following:

95 (1) The hand count feature has been set to the correct value as specified in subsection (d)
96 of Code Section 16-12-35;

97 (2) The hand count feature and setting cannot be manipulated by an operator or location
98 owner or location operator;

