

The House Committee on Regulated Industries offers the following substitute to SR 841:

A RESOLUTION

1 Proposing an amendment to the Constitution of the State of Georgia so as to provide for
 2 pari-mutuel betting, casino gambling, and sports betting in this state under certain
 3 circumstances; to provide for related matters; to provide for the submission of this
 4 amendment for ratification or rejection; and for other purposes.

5 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Article I, Section II of the Constitution is amended by revising Paragraph VIII as follows:

8 "Paragraph VIII. ***Lotteries, ~~and nonprofit bingo games, betting, and casino gambling.~~***

9 (a) Except as herein specifically provided in this Paragraph ~~VIII~~, all lotteries, and the sale
 10 of lottery tickets, and all forms of pari-mutuel betting and casino gambling are hereby
 11 prohibited; and this prohibition shall be enforced by penal laws.

12 (b) The General Assembly may by law provide that the operation of a nonprofit bingo
 13 game shall not be a lottery and shall be legal in this state. The General Assembly may by
 14 law define a nonprofit bingo game and provide for the regulation of nonprofit bingo games.

15 (c) The General Assembly may by law provide for the operation and regulation of a
 16 lottery or lotteries and of sports betting by or on behalf of the state and for any matters
 17 relating to the purposes or provisions of this subparagraph. Such lottery or lotteries and
 18 sports betting shall be implemented and regulated by the Georgia Lottery Corporation or
 19 any successor entity created by the General Assembly consistent with the enabling
 20 legislation for the Georgia Lottery Corporation or any such successor entity. Proceeds
 21 derived from the lottery or lotteries and sports betting operated by or on behalf of the state
 22 shall be used to pay the operating expenses of the lottery or lotteries and sports betting,
 23 including all prizes and winnings, without any appropriation required by law, and for
 24 educational programs and purposes as hereinafter provided. Lottery and sports betting
 25 proceeds shall not be subject to Article VII, Section III, Paragraph II; Article III,
 26 Section IX, Paragraph VI(a); or Article III, Section IX, Paragraph IV(c), except that the net
 27 proceeds after payment of such operating expenses shall be subject to Article VII, Section

28 III, Paragraph II. Net proceeds after payment of such operating expenses shall be
 29 separately accounted for and shall be specifically identified by the Governor in his or her
 30 annual budget presented to the General Assembly as a separate budget category entitled
 31 '~~Lottery Proceeds~~ Proceeds,' and the Governor shall make specific recommendations as to
 32 educational programs and educational purposes to which said net proceeds shall be
 33 appropriated. In the General Appropriations Act adopted by the General Assembly, the
 34 General Assembly shall appropriate all net proceeds of the lottery or lotteries and sports
 35 betting by such separate budget category to educational programs and educational
 36 purposes. Such net proceeds shall be used to support improvements and enhancements for
 37 educational programs and purposes and such net proceeds shall be used to supplement, not
 38 supplant, ~~non-lottery~~ nonlottery and sports betting educational resources for educational
 39 programs and purposes. The educational programs and educational purposes for which
 40 proceeds may be so appropriated shall include only the following:

41 (1) Tuition grants, scholarships, or loans to citizens of this state to enable such citizens
 42 to attend colleges and universities located within this state, regardless of whether such
 43 colleges or universities are operated by the board of regents, or to attend institutions
 44 operated under the authority of the ~~Department of Technical and Adult Education~~
 45 Technical College System of Georgia;

46 (2) Voluntary pre-kindergarten;

47 (3) One or more educational shortfall reserves in a total amount of not less than 10
 48 percent of the net proceeds of the lottery for the preceding fiscal year;

49 (4) Costs of providing to teachers at accredited public institutions who teach
 50 levels K-12, personnel at public postsecondary technical institutes under the authority of
 51 the ~~Department of Technical and Adult Education~~ Technical College System of Georgia,
 52 and professors and instructors within the University System of Georgia the necessary
 53 training in the use and application of computers and advanced electronic instructional
 54 technology to implement interactive learning environments in the classroom and to access
 55 the state-wide distance learning network; and

56 (5) Capital outlay projects for educational facilities;

57 provided, however, that no funds shall be appropriated for the items listed in ~~paragraphs~~
 58 ~~(4) and (5) of this subsection~~ subparagraphs (c)(4) and (c)(5) of this Paragraph until all
 59 persons eligible for and applying for assistance as provided in ~~paragraph (1) of this~~
 60 ~~subsection~~ subparagraph (c)(1) of this Paragraph have received such assistance, all
 61 approved pre-kindergarten programs provided for in ~~paragraph (2) of this subsection~~
 62 subparagraph (c)(2) of this Paragraph have been fully funded, and the education shortfall
 63 reserve or reserves provided for in ~~paragraph (3) of this subsection~~ subparagraph (c)(3)
 64 of this Paragraph have been fully funded.

65 (d)(1) In addition to those activities provided for in subparagraph (c) of this Paragraph,
66 the General Assembly may by law provide for the operation and regulation of pari-mutuel
67 betting, casino gambling, and sports betting by or on behalf of the state; provided,
68 however, that sports betting as provided for in this subparagraph shall only be allowed
69 on the premises of a racetrack or casino. All pari-mutuel betting, casino gambling, or
70 sports betting provided for under this subparagraph shall take place at a racetrack or
71 casino, as no off-track or off-site pari-mutuel betting, casino gambling, or sports betting
72 shall be permitted or authorized under this subparagraph. For the purpose of regulation
73 and taxation of such activities, the General Assembly shall create a gaming commission
74 and provide such commission with such powers and duties as necessary to provide
75 appropriate regulation of such pari-mutuel betting, casino gambling, and sports betting
76 provided for under this subparagraph and to tax such activities. The proceeds derived
77 from the taxation of the pari-mutuel betting, casino gambling, and sports betting activities
78 provided for in this subparagraph shall be used as provided for in subparagraph (d)(2) of
79 this Paragraph, and all other proceeds derived from the regulation of such activities shall
80 be used to pay the operating expenses of the gaming commission.

81 (2) Proceeds derived from the taxation of the pari-mutuel betting, casino gambling, and
82 sports betting activities provided for in subparagraph (d)(1) of this Paragraph shall be
83 used first to maintain the Emergency Powers Fund at a level equal to 10 percent of prior
84 year receipts of the general fund of the state treasury. Any remaining proceeds shall be
85 split equally between the Opportunity Fund and the general fund of the state treasury.
86 Such proceeds shall not be subject to Article VII, Section III, Paragraph II; Article III,
87 Section IX, Paragraph VI(a); or Article III, Section IX, Paragraph IV(c). The Emergency
88 Powers Fund is hereby created from which funds shall be disbursed for emergency
89 expenditures as the General Assembly shall provide by law. The Opportunity Fund is
90 hereby created from which funds shall be disbursed for the provision of pre-kindergarten
91 and postsecondary educational services to citizens of this state whose household income
92 is below the median household income in this state as the General Assembly shall provide
93 by law. The General Assembly is authorized to appropriate moneys to both funds and
94 such moneys paid into the funds shall not be subject to the provisions of Article III,
95 Section IX, Paragraph IV(c), relative to the lapsing of funds.

96 (3) Proceeds derived from the regulation and taxation of the pari-mutuel betting, casino
97 gambling, and sports betting activities provided for in subparagraph (d)(1) of this
98 Paragraph shall be separately accounted for and shall be specifically identified by the
99 Governor in his or her annual budget presented to the General Assembly as a separate
100 budget category entitled 'Pari-mutuel Betting, Casino Gambling, and Sports Betting
101 Proceeds.'

