

The House Committee on Economic Development and Tourism offers the following substitute to SR 135:

### A RESOLUTION

1 Proposing an amendment to the Constitution of the State of Georgia, so as to provide for  
 2 sports betting in this state; to change the minimum funding requirement for the educational  
 3 shortfall reserves derived from sports betting and other lotteries; to provide for related  
 4 matters; to provide for the submission of this amendment for ratification or rejection; and for  
 5 other purposes.

6 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

#### 7 SECTION 1.

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

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

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

16 (c) The General Assembly may by law provide for the operation and regulation of a  
 17 lottery or lotteries, including, but not limited to sports betting, by or on behalf of the state

18 and for any matters relating to the purposes or provisions of this subparagraph. Such  
19 lottery or lotteries, including, but not limited to sports betting, shall be implemented and  
20 regulated by the Georgia Lottery Corporation or any successor entity created by the  
21 General Assembly consistent with the enabling legislation for the Georgia Lottery  
22 Corporation or any such successor entity. Except as provided in subparagraph (e) of this  
23 Paragraph for sports betting lotteries, proceeds Proceeds derived from the lottery or  
24 lotteries operated by or on behalf of the state shall be used to pay the operating expenses  
25 of the lottery or lotteries, including all prizes, without any appropriation required by law,  
26 and for educational programs and purposes as hereinafter provided. Lottery proceeds shall  
27 not be subject to Article VII, Section III, Paragraph II; Article III, Section IX,  
28 Paragraph VI(a); or Article III, Section IX, Paragraph IV(c), except that the net proceeds  
29 after payment of such operating expenses shall be subject to Article VII, Section III,  
30 Paragraph II. Except as provided in subparagraph (e) of this Paragraph for sports betting  
31 lotteries, net Net proceeds after payment of such operating expenses shall be separately  
32 accounted for and shall be specifically identified by the Governor in his or her annual  
33 budget presented to the General Assembly as a separate budget category entitled 'Lottery  
34 Proceeds,' and the Governor shall make specific recommendations as to educational  
35 programs and educational purposes to which said net proceeds shall be appropriated. In  
36 the General Appropriations Act adopted by the General Assembly, the General Assembly  
37 shall appropriate all net proceeds of the lottery or lotteries, except as provided in  
38 subparagraph (e) of this Paragraph for sports betting lotteries, by such separate budget  
39 category to educational programs and educational purposes. Such net proceeds shall be  
40 used to support improvements and enhancements for educational programs and purposes  
41 and such net proceeds shall be used to supplement, not supplant, ~~non-lottery~~ nonlottery  
42 educational resources for educational programs and purposes. The educational programs  
43 and educational purposes for which proceeds may be so appropriated shall include only the  
44 following:

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

50 (2) Voluntary pre-kindergarten;

51 (3) One or more educational shortfall reserves in a total amount of not less than ~~40~~ 50  
52 percent or more than 60 percent of the annual average of the net proceeds of the lottery  
53 deposited into such reserves for the preceding three fiscal year years; provided, however,  
54 that for Fiscal Year 2023, the total amount shall not be more than 75 percent of the annual  
55 average of the net proceeds of the lottery deposited into such reserves for the preceding  
56 three fiscal years; and for Fiscal Year 2024, the total amount shall not be more than 65  
57 percent of the annual average of the net proceeds of the lottery deposited into such  
58 reserves for the preceding three fiscal years;

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

66 (5) Capital outlay projects for educational facilities;  
67 provided, however, that no funds shall be appropriated for the items listed in ~~paragraphs~~  
68 ~~(4) and (5) of this subsection~~ subparagraphs (c)(4) and (c)(5) of this Paragraph until all  
69 persons eligible for and applying for assistance as provided in ~~paragraph (1) of this~~  
70 ~~subsection~~ subparagraph (c)(1) of this Paragraph have received such assistance, all  
71 approved pre-kindergarten programs provided for in ~~paragraph (2) of this subsection~~

72 subparagraph (c)(2) of this Paragraph have been fully funded, and the education shortfall  
73 reserve or reserves provided for in ~~paragraph (3) of this subsection~~ subparagraph (c)(3) of  
74 this Paragraph have been fully funded.

75 (d) In addition to the sports betting lotteries provided for in subparagraph (c) of this  
76 Paragraph, the General Assembly may by law provide for the operation and regulation of  
77 sports betting activities by or on behalf of the state. For the purpose of regulation and  
78 taxation of such sports betting activities, the General Assembly shall create a gaming  
79 commission and shall provide such commission with such powers and duties as necessary  
80 to provide appropriate regulation of such sports betting activities provided for under this  
81 subparagraph and to tax such activities. The proceeds derived from the taxation of the  
82 sports betting activities provided for in this subparagraph shall be used as provided for in  
83 subparagraph (e)(1) of this Paragraph and all other proceeds derived from the regulation  
84 of such activities shall be used to pay the operating expenses of the gaming commission.  
85 Such proceeds derived from the regulation and taxation of sports betting activities shall be  
86 separately accounted for and shall be specifically identified by the Governor in his or her  
87 annual budget presented to the General Assembly as a separate budget category entitled  
88 'Sports Betting Proceeds.'

89 (e)(1) Proceeds derived from the taxation of the sports betting lotteries in paragraph (c)  
90 of this Paragraph and the sports betting activities provided for in subparagraph (d) of this  
91 Paragraph shall be appropriated by the General Assembly, as provided by law, for the  
92 following purposes:

93 (A) Forty and one-half percent to the educational programs and educational purposes  
94 provided for in subparagraph (c)(1) of this Paragraph;

95 (B) Twenty and one-half percent for need based scholarships, grants, or loans to  
96 citizens of this state to enable such citizens to attend units of the University System of  
97 Georgia, branches of the Technical College System of Georgia, or eligible private  
98 colleges and universities;

99        (C) Twelve percent for rural health care services and health care insurance coverage  
100 as may be provided by general law;

101        (D) Twelve percent for mental health services as may be provided by general law;

102        (E) Three percent for the costs associated with hosting major sporting events. The  
103 proceeds may be utilized to provide awards, grants, and any other means as may be  
104 provided by general law to pay for such costs and may be distributed directly to host  
105 committees, through public-private partnerships, and through such other methods as  
106 may be provided by general law, which shall not be subject to Article III, Section VI,  
107 Paragraph VI, relating to gratuities; and

108        (F) Twelve percent for the deployment of broadband services and other  
109 communications technologies throughout the state at adequate speeds with priority  
110 given to rural areas with the least amount of broadband coverage and the lowest speeds  
111 as may be provided by general law. The proceeds may be utilized to provide awards,  
112 grants, loans, and any other means for such deployment as may be provided by general  
113 law and may be distributed directly to service providers, through public-private  
114 partnerships, and through such other methods as may be provided by general law,  
115 which shall not be subject to Article III, Section VI, Paragraph VI, relating to gratuities.

116        (2) The General Assembly is authorized to create and appropriate moneys to the  
117 Lottery for Education Fund, Education Opportunity Fund, the Healthcare Equality Fund,  
118 the Mental Health Services Fund, the Major Sporting Events Fund, and the Broadband  
119 and Communications Technologies Fund from which funds shall be disbursed for those  
120 purposes respectively set forth in subparagraphs (A) through (F) of subparagraph (e)(1)  
121 of this Paragraph. The moneys paid into such funds shall not be subject to the provisions  
122 of Article III, Section IX, Paragraph IV(c), relating to the lapsing of funds; Article III,  
123 Section IX, Paragraph VI(a), relating to allocation of proceeds; or Article VII, Section III,  
124 Paragraph II(a), relating to payment into the general fund of the state treasury.

125 ~~(d)~~(f) On and after January 1, 1995, the holding of raffles by nonprofit organizations  
 126 shall be lawful and shall not be prohibited by any law enacted prior to January 1, 1994.  
 127 Laws enacted on or after January 1, 1994, however, may restrict, regulate, or prohibit the  
 128 operation of such raffles."

129 **SECTION 2.**

130 The above proposed amendment to the Constitution shall be published and submitted as  
 131 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the  
 132 above proposed amendment shall have written or printed thereon the following:

133 "( ) YES Shall the Constitution of Georgia be amended so as to authorize online sports  
 134 wagering in this state with the proceeds to be used for need based and other  
 135 ( ) NO educational funding, rural health care services, mental health services, hosting  
 136 major sporting events, and deployment of broadband services, and to increase  
 137 the minimum funding requirement for the educational shortfall reserves?"

138 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

139 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If  
 140 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall  
 141 become a part of the Constitution of this state.