

Senators Cowser of the 46th, Harbison of the 15th and Tippins of the 37th offered the following amendment:

1 *Amend the House substitute to SB 95 (LC 28 0351S) by replacing lines 1 to the end with the*
2 *following:*
3 To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to
4 lottery for education, so as to provide that administrative procedures and actions regarding
5 bona fide coin operated amusement machines shall be subject to Chapter 13 of Title 50; to
6 change a definition; to provide for a limitation on the permitted noncash redemption award
7 for Class A machines; to prohibit location licenses from being issued for certain locations;
8 to provide a location owner or operator to offer gift cards for noncash redemption under
9 certain circumstances; to provide for exceptions to provisions of law regarding the amount
10 of funds that may come from the play of bona fide coin operated amusement machines for
11 certain historical fraternal benefit associations or veterans organizations; to increase the
12 percentage of net receipts of Class B machines to be paid to the Georgia Lottery Corporation;
13 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
14 for other purposes.

15 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

16 **SECTION 1.**

17 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to lottery for
18 education, is amended by deleting "and" at the end of paragraph (18), by revising paragraph
19 (19) of, and by adding a new paragraph to subsection (a) of Code Section 50-27-9, relating
20 to the general powers of the Georgia Lottery Corporation, to read as follows:

21 "(18.1)(A) The corporation shall be charged with conducting an ongoing investigative
22 study that shall include an audit and an evaluation of whether location owners and
23 location operators are awarding cash prizes to winners of Class B coin operated
24 amusement machine games in violation of this part. The first report detailing the
25 process and conclusions of such study shall be completed no later than December 31,
26 2023, and shall be due on December 31 of each year thereafter.

27 (B) The corporation may seek the assistance of or contract with any state agencies to
28 perform the investigative study, including, but not limited to, the GDAC Project and the
29 Department of Audits and Accounts, or both. If so requested by the corporation, the
30 GDAC Project shall conduct or assist in the investigative study, and for such limited
31 purpose, the corporation shall be considered a state agency under Part 3 of Article 4 of
32 Chapter 12 of Title 45; and

33 (19) To adopt and amend such regulations, policies, and procedures as necessary to carry
34 out and implement its powers and duties, organize and operate the corporation, regulate
35 the conduct of lottery games in general, and any other matters necessary or desirable for
36 the efficient and effective operation of the lottery or the convenience of the public. The
37 promulgation of any such regulations, policies, and procedures pursuant to Articles 1 and
38 2 of this chapter shall be exempt from the requirements of Chapter 13 of this title, the
39 'Georgia Administrative Procedure Act.' Notwithstanding any other provision of law to
40 the contrary, the promulgation of any form of licensure, rules, regulations, policies,
41 procedures, and any administrative hearings regarding violations of Article 3 of this
42 chapter shall be subject to the provisions of Chapter 13 of this title. Hearings under Code
43 Section 50-27-102 shall be held in accordance with the provisions of the Georgia
44 Arbitration Code."

45

SECTION 2.

46 Said chapter is further amended by revising paragraph (3) of and adding a new paragraph to
47 subsection (b) of Code Section 50-27-70, relating to legislative findings and definitions, to
48 read as follows:

49 "(3) 'Class A machine' means a bona fide coin operated amusement machine that is not
50 a Class B machine, does not allow a successful player to carry over points won on one
51 play to a subsequent play or plays, and:

52 (A) Provides no reward to a successful player;

53 (B) Rewards a successful player only with free replays or additional time to play;

54 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift
55 certificates, or novelties in compliance with the provisions of subsection (c) or
56 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a
57 successful player with any item prohibited as a reward in subsection (i) of Code Section
58 16-12-35 or any reward redeemable as an item prohibited as a reward in subsection (i)
59 of Code Section 16-12-35;

60 (D) Rewards a successful player with points, tokens, tickets, or other evidence of
61 winnings that may be exchanged only for items listed in subparagraph (C) of this
62 paragraph; or

63 (E) Rewards a successful player with any combination of items listed in
64 subparagraphs (B), (C), and (D) of this paragraph.

65 Notwithstanding the provisions of Code Section 16-12-35 or any other Code section to the
66 contrary, the permitted noncash redemption award on a per play basis for a Class A
67 machine shall not exceed the wholesale value of \$50.00; provided, however, that such
68 noncash redemption award shall not be for any items prohibited as redeemable or
69 exchangeable under subsection (i) of Code Section 16-12-35."

70 "(5.1) 'Gift certificate' or 'gift card' means an electronic payment device or system issued
71 for a specific amount which:

- 72 (A) May or may not be increased in value or reloaded;
73 (B) Is provided or loaded on a prepaid basis for the future purchase or delivery of any
74 merchandise or service permitted by law at the location licensee's premises other than
75 debit cards, gift cards, or gift certificates redeemable for goods or services provided by
76 other individuals or entities;
77 (C) Is honored upon presentation but cannot be exchanged for cash, change, or
78 currency;
79 (D) May not be used off the premises of the location licensee; and
80 (E) Is loaded or reloaded only:
81 (i) At the location licensee's premises; or
82 (ii) By the location licensee or its employees at the location licensee's premises."

83

SECTION 3.

84 Said chapter is further amended by revising subsection (a.1) of and adding a new subsection
85 to Code Section 50-27-71, relating to license fees, issuance of license, display of license,
86 control number, duplicate certificates, application for license or renewal, and penalty for
87 noncompliance, to read as follows:

88 "(a.1) Every location owner or location operator shall pay an annual location license fee
89 for each bona fide coin operated amusement machine offered to the public for play. The
90 annual location license fee shall be \$25.00 for each Class A machine and \$125.00 for each
91 Class B machine. No location license for a Class B machine shall be issued for any
92 location which offers or sells malt beverages, wine, or distilled spirits by the drink. The
93 annual location license fee levied by this Code section shall be collected by the corporation,
94 and the board may establish procedures for location license fee collection and set due dates
95 for payment of such fees. The location license fee shall be paid to the corporation by
96 company check, cash, cashier's check, money order, or any other method approved by the
97 chief executive officer. Upon payment, the corporation shall issue a location license

98 certificate that shall state the number of bona fide coin operated amusement machines
99 permitted for each class without further description or identification of specific machines.
100 No refund or credit of the location license fee shall be allowed to any location owner or
101 location operator who ceases to offer bona fide coin operated amusement machines to the
102 public for commercial use prior the end of any license period."

103 "(a.3)(1) A location owner or operator may offer gift cards or gift certificates for noncash
104 redemption for successful play of Class A and Class B coin operated amusement
105 machines at such location in the same manner as other merchandise for sale at such
106 location. The acceptance of a gift card offered by the location owner or operator shall
107 constitute the act of in-store redemption by a successful player. No value shall be placed
108 on such card unless such value has been won by the player by the successful play of a
109 game on such coin operated amusement machines.

110 (2) Notwithstanding any provision of law to the contrary, the merchandise, prizes, toys,
111 gift certificates, gift cards, novelties, or rewards which may be awarded to a successful
112 player shall include or be redeemable or exchangeable for any goods or services which
113 the person to which such goods or services are to be awarded is entitled or permitted by
114 law to purchase at the location licensee's premises.

115 (3) Notwithstanding the provisions of Code Section 16-12-35 or any other Code section
116 to the contrary, a location owner or location operator shall be permitted to allow a player
117 of a bona fide coin operated amusement machine to redeem winnings for a gift certificate
118 or gift card, and the awarding of such gift certificate or gift card at the location licensee's
119 premises shall be a lawful act of in-store redemption."

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SECTION 4.

121 Said chapter is further amended by revising paragraph (1) of subsection (b) of Code
122 Section 50-27-84, relating to limitation on percent of monthly gross retail receipts derived

123 from machines, monthly verified reports, issuance of fine or revocation or suspension of
124 license for violations, and submission of electronic reports, as follows:

125 "(b)(1) No location owner or location operator shall derive more than 50 percent of such
126 location owner's or location operator's monthly gross retail receipts for the business
127 location in which the Class B machine or machines are situated from such Class B
128 machines; provided, however, that revenues that are due to a master licensee or the
129 corporation or noncash redemption that is earned by the player shall not be deemed
130 revenue derived from Class B machines. This Code section shall not apply to historical
131 fraternal benefit associations or veterans organizations which are exempt from taxes and
132 are described in Code Sections 48-5-41 and 48-5-478.4."

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SECTION 5.

134 Said chapter is further amended by adding one new subparagraph to paragraph (3) of
135 subsection (b) of Code Section 50-27-87, relating to master licenses and requirements and
136 restrictions for licensees, as follows:

137 "(D) An agreement between a location owner or operator and a master licensee may
138 be terminated by the location owner or operator under the terms of the agreement or
139 upon just cause based upon, but not limited to, substantial lack of service from the
140 master licensee, materially poor quality coin operated amusement machines, or
141 nonperforming coin operated amusement machines; provided, however, that actions by
142 a third party or the location owner or operator which would constitute a violation of this
143 article shall not constitute just cause, including the offering or receiving of an
144 inducement prohibited by Code Section 50-27-87.1."

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SECTION 6.

146 Said chapter is further amended by revising subsections (a) and (b) of Code Section
147 50-27-102, relating to role of corporation, implementation and certification, separation of
148 funds and accounting, and disputes, as follows:

149 ~~"(a) Upon successful implementation and certification of the Class B accounting terminal~~
150 ~~under the provisions of Code Section 50-27-101, and for the first fiscal year thereafter, the~~
151 The corporation shall:

152 (1) Retain ~~5~~ 30 percent of the net receipts;

153 (2) Provide, within five business days of receipt, ~~47.5~~ 35 percent of the net receipts to
154 the location owner and location operator for the cost associated with allowing the Class B
155 machines to be placed; and

156 (3) Provide, within five business days of receipt, ~~47.5~~ 35 percent of the net receipts to
157 the operator holding the Class B master license for the cost of securing, operating, and
158 monitoring the machines.

159 ~~(b) In each fiscal year after the implementation and certification required by subsection (a)~~
160 ~~of this Code section, the corporation's share shall increase 1 percent, taken evenly from the~~
161 ~~location owner or location operator and the operator, to a maximum of 10 percent~~
162 Reserved."

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SECTION 7.

164 This Act shall become effective on January 1, 2023.

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SECTION 8.

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