

The House Committee on Rules offers the following substitute to SB 95:

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to provide conditions for meetings and public hearings to be held by teleconference in
3 emergency conditions; to provide conditions for certain agency members to participate in
4 nonemergency meetings by teleconference; to change the composition of the board of
5 directors of the lottery; to revise definitions; to revise the prizes which may be awarded to
6 successful players of bona fide coin operated amusement machines; to clarify what
7 information may be sought in connection with a license application or renewal; to provide
8 additional information and standards for reviewing license applications and renewals; to
9 provide for the application of the Georgia Administrative Procedure Act; to provide for the
10 measurement of gross retail receipts; to revise certain receipt distributions among the
11 corporation, master license holders, and location owners and location operators; to provide
12 for an exemption for certain charitable organizations; to provide for related matters; to
13 provide for an effective date; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

S. B. 95 (SUB)

- 1 -

SECTION 1.

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Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended by revising subsection (g) of Code Section 50-14-1, relating to meetings to be open to public, limitation on action to contest agency action, recording, notice of time and place, access to minutes, and teleconference, as follows:

"(g)(1) As used in this paragraph, emergency conditions shall include, but shall not be limited to, declarations of federal, state, or local states of emergency; provided, however, that no such declaration shall be necessary for an agency as defined by subparagraph (A) of paragraph (1) of subsection (a) of this Code section to find that emergency conditions exist thereby necessitating meeting by teleconference.

(2) Under circumstances necessitated by emergency conditions involving public safety or the preservation of property or public services, agencies or committees thereof not otherwise permitted by subsection (f) of this Code section to conduct meetings by teleconference may meet by means of teleconference so long as the notice required by this chapter is provided and means are afforded for the public to have simultaneous access to the teleconference meeting. The participation by teleconference of members of agencies or committees means full participation in the same manner as if such members were physically present. In the event such teleconference meeting is a public hearing, members of the public must be afforded the means to participate fully in the same manner as if such members of the public were physically present.

(3) On any other nonemergency occasion of the meeting of an agency or committee thereof, and so long as a quorum is present in person, a member may participate by teleconference if necessary due to reasons of health or absence from the jurisdiction so long as the other requirements of this chapter are met. Such participation by teleconference means full participation in the same manner as if such member was physically present. Absent emergency conditions or the written opinion of a physician or other health professional that reasons of health prevent a member's physical presence,

42 no member shall participate by teleconference pursuant to this subsection more than twice
43 in one calendar year."

44 **SECTION 2.**

45 Said title is further amended by revising subsections (a), (b), and (c) of Code
46 Section 50-27-5, relating to membership of board of directors, appointment, terms, filling of
47 vacancies, conflict of interests, reimbursement for expenses, officers and quorum, as follows:

48 "50-27-5.

49 (a) The corporation shall be governed by a board of directors composed of ~~seven~~ eight
50 members to be appointed by the Governor and the chairperson of the Bona Fide Coin
51 Operated Amusement Machine Operator Advisory Board. Members shall be appointed
52 with a view toward equitable geographic representation.

53 (b) Members shall be residents of the State of Georgia, shall be prominent persons in their
54 businesses or professions, and shall not have been convicted of any felony offense. The
55 Governor should consider appointing to the board an attorney, an accountant, and a person
56 having expertise in marketing. The Governor shall appoint one member who shall have
57 experience in the bona fide coin operated amusement machine industry.

58 (c) Members shall serve terms of five years, except that of the initial members appointed,
59 three shall be appointed for initial terms of two years, two shall be appointed for initial
60 terms of four years, and two shall be appointed for initial terms of five years. Any vacancy
61 occurring on the board shall be filled by the Governor by appointment for the unexpired
62 term. The eighth member shall be appointed by the Governor to an initial term of five
63 years."

64 **SECTION 3.**

65 Said title is further amended in subsection (b) of Code Section 50-27-70, relating to
66 legislative findings and definitions relating to bona fide coin operated amusement machines,

67 by revising paragraphs (3) and (5) and adding a new subparagraph to paragraph (2) to read
68 as follows:

69 "(C) Notwithstanding any provision of law to the contrary, the merchandise, prizes,
70 toys, gift certificates, gift card, novelties, or rewards which may be awarded to a
71 successful player shall include or be redeemable or exchangeable for any goods or
72 services which the person to which such goods or services are to be awarded is entitled
73 or permitted by law to purchase. Gift certificates referenced in Code Section 16-12-35
74 shall include any gift cards so long as such gift cards cannot be exchanged for cash,
75 change, or currency. Notwithstanding the provisions of subsections (h) and (i) of Code
76 Section 16-12-35 or any other Code section to the contrary, a location owner or location
77 operator shall be permitted to allow a player of a bona fide coin operated amusement
78 machine to redeem winnings for a gift certificate or gift card, and the awarding of such
79 gift certificate or gift card shall be a lawful act of in-store redemption."

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

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

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

85 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift
86 certificates, or novelties in compliance with the provisions of subsection (c) or
87 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a
88 successful player with any item prohibited as a reward in subsection (i) of Code
89 Section 16-12-35 or any reward redeemable as an item prohibited as a reward in
90 subsection (i) of Code Section 16-12-35;

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

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

96 Notwithstanding the provisions of Code Section 16-12-35 or any other Code section to
97 the contrary, the permitted noncash redemption award on a per play basis for a Class A
98 machine shall not exceed the wholesale value of \$50.00."

99 "(5) 'Distributor' means a person, individual, partnership, corporation, limited liability
100 company, or any other business entity that buys, sells, or distributes Class B machines or
101 Class B machine parts, components, hardware, or software to or from operators."

102 SECTION 4.

103 Said title is further amended in Code Section 50-27-71, relating to license fees, issuance of
104 license, display of license, control number, duplicate certificates, application for license or
105 renewal, and penalty for noncompliance, by revising subsection (a.1) and adding new
106 subsections to read as follows:

107 "(a.1) Every location owner or location operator shall pay an annual location license fee
108 for each bona fide coin operated amusement machine offered to the public for play. The
109 annual location license fee shall be \$25.00 for each Class A machine and \$125.00 for each
110 Class B machine. The annual location license fee levied by this Code section shall be
111 collected by the corporation, and the board may establish procedures for location license
112 fee collection and set due dates for payment of such fees. The location license fee shall be
113 paid to the corporation by company check, cash, cashier's check, money order, or any other
114 method approved by the chief executive officer. The application for a location owner or
115 location operator, including any application for renewal of the location owner or location
116 operator, shall identify, at a minimum, the person from whom the location owner or
117 operator leases the real property where the location operates, if any; the officers of the
118 corporation applying for the license, if any; and any persons who are not employees and
119 who are compensated for providing management or other operational services to the

120 location owner or location operator. Upon payment, the corporation shall issue a location
121 license certificate that shall state the number of bona fide coin operated amusement
122 machines permitted for each class without further description or identification of specific
123 machines. No refund or credit of the location license fee shall be allowed to any location
124 owner or location operator who ceases to offer bona fide coin operated amusement
125 machines to the public for commercial use prior the end of any license period.

126 "(a.3) Beginning with licenses for fiscal year 2022-2023, when applying for the issuance
127 or renewal of a Class B master license, the applicant shall provide to the corporation such
128 documents and information for the licensee and its affiliated or related businesses and its
129 principal shareholders as required by the corporation through rule and regulation. At a
130 minimum, each applicant or licensee shall supply the following:

131 (1) Complete copies of federal and state income tax returns of the applicant for the most
132 recent three years;

133 (2) In the event the applicant is an individual, complete copies of individual federal and
134 state income tax returns for the most recent three years;

135 (3) In the case of an application for the renewal of a master license, a profit and loss
136 statement prepared by a certified public accountant covering the most recent three years
137 of the operation of the applicant;

138 (4) In the case of an application for the issuance of a master license, detailed banking
139 records or records of other financial transactions showing the origin of the funds used in
140 the purchase of the operator license; and

141 (5) A complete list of all employees and independent contractors of the applicant."

142 "(p) The coin operated amusement machine division of the corporation shall be fully
143 subject to the provisions of Chapter 13 of this title, the 'Georgia Administrative Procedure
144 Act.'"

145 **SECTION 5.**

146 Said title is further amended in Code Section 50-27-84, relating to limitation on percent of
147 monthly gross retail receipts derived from machines, monthly verified reports, issuance of
148 fine or revocation or suspension of license for violations, and submission of electronic
149 reports, by revising subsection (b) by adding a new paragraph and by adding a new
150 subsection to read as follows:

151 "(3) The amount of gross retail receipts for the business location shall be measured on
152 a quarterly basis."

153 "(g) Provided that all funds raised from the operation of coin operated amusement
154 machines are used for the charitable purposes of the organization and such organization
155 only operates one location, this Code section shall not apply to entities that are charitable
156 organizations that have been in existence for more than ten years. For the purpose of this
157 Code section, the term 'charitable organization' means an entity described by:

158 (1) Section 501(c)(3) of the federal Internal Revenue Code, 26 U.S.C. Section 501(c)(3);

159 or

160 (2) Section 170(c) of the federal Internal Revenue Code, 26 U.S.C. Section 170(c)."

161 **SECTION 6.**

162 Said title is further amended by revising subsection (b) of Code Section 50-27-102, relating
163 to role of corporation, implementation and certification, separation of funds and accounting,
164 and disputes, as follows:

165 "(b) In each fiscal year after the implementation and certification required by subsection
166 (a) of this Code section, the corporation's share shall increase 1 percent, taken evenly from
167 the location owner or location operator and the operator holding the master license, to a
168 maximum of 10 percent. Beginning July 1, 2022, the corporation's share shall increase by
169 1 percent to a maximum of 11 percent, with the additional 1 percent to be taken from the
170 share of the operator holding the master license."

171 **SECTION 7.**

172 This Act shall become effective upon its approval by the Governor or upon its becoming law
173 without such approval.

174 **SECTION 8.**

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