

Senate Bill 536

By: Senators Dixon of the 45th, Miller of the 49th, Lucas of the 26th, Harbison of the 15th, Albers of the 56th and others

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 provide that administrative
3 procedures and actions regarding bona fide coin operated amusement machines shall be
4 subject to Chapter 13 of Title 50; to provide a definition; to provide for a limitation on the
5 permitted noncash redemption award for Class A machines; to provide for redemption for
6 successful play of bona fide coin operated amusement machines by automated kiosks under
7 certain conditions; to provide for penalties for violations; to provide for exceptions to
8 provisions of law regarding the amount of funds that may come from the play of bona fide
9 coin operated amusement machines for certain historical fraternal benefit associations or
10 veterans organizations; to provide for related matters; to repeal conflicting laws; and for
11 other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**

14 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to lottery for
15 education, is amended by revising paragraph (19) of subsection (a) of Code Section 50-27-9,
16 relating to the general powers of the Georgia Lottery Corporation, as follows:

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

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SECTION 2.

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

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

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

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

38 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift
39 certificates, or novelties in compliance with the provisions of subsection (c) or
40 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a
41 successful player with any item prohibited as a reward in subsection (i) of Code Section

42 16-12-35 or any reward redeemable as an item prohibited as a reward in subsection (i)
43 of Code Section 16-12-35;

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

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

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

52 "(5.1) 'Gift certificate' or 'gift card' means an electronic payment device or system issued
53 for a specific amount which:

54 (A) May or may not be increased in value or reloaded;

55 (B) Is provided or loaded on a prepaid basis for the future purchase or delivery of any
56 merchandise or service permitted by law from single or multiple merchants or service
57 providers, whether affiliated or not;

58 (C) Is honored upon presentation but cannot be exchanged for cash, change, or currency;
59 and

60 (D) May be used off the premises of the location licensee, but is loaded or reloaded or
61 caused to be loaded or reloaded only:

62 (1) At the location licensee premises; or

63 (2) By the location licensee or its employees at the location licensee's premises."

64 **SECTION 3.**

65 Said chapter is further amended by revising Code Section 50-27-71, relating to license fees,
66 issuance of license, display of license, control number, duplicate certificate, application for

67 license or renewal, and penalty for noncompliance, by adding a new subsection to read as
68 follows:

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

76 (2) Notwithstanding any provision of law to the contrary, the merchandise, prizes, toys,
77 gift certificates, gift card, novelties, or rewards which may be awarded to a successful
78 player shall include or be redeemable or exchangeable for any goods or services which
79 the person to which such goods or services are to be awarded is entitled or permitted by
80 law to purchase.

81 (3) Notwithstanding the provisions of Code Section 16-12-35 or any other Code section
82 to the contrary, a location owner or location operator shall be permitted to allow a player
83 of a bona fide coin operated amusement machine to redeem winnings for a gift certificate,
84 or gift card and the awarding of such gift certificate or gift card shall be a lawful act of
85 in-store redemption and shall be permitted to be fully redeemed off the premises.

86 (4) Subject to the requirements of this subsection, successful players may redeem their
87 winnings on a gift card or gift certificate from a self-service gift card or gift certificate
88 redemption device. The device and the cost of such device may be provided by the
89 location owner or location operator, the master license holder, or both."

90

SECTION 4.

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

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

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

103

SECTION 5.

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

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SECTION 6.

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