

The Senate Committee on Economic Development and Tourism offered the following substitute to SB 543:

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 2 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia
2 Annotated, relating to bingo, so as to provide for the operation of bingo games by certain
3 nonprofit, tax-exempt organizations and local governments, subject to certain requirements
4 and restrictions; to provide for legislative intent; to provide for definitions; to provide for
5 the Secretary of State to issue bingo licenses to certain local governments; to provide for
6 prohibited activities and required record keeping related to electronic bingo and electronic
7 bingo machines; to provide for inspections; to provide for removal of defective electronic
8 bingo machines; to provide for a penalty; to provide for rules and regulations; to remove
9 certain limitations regarding premises on which bingo games operated by nonprofit,
10 tax-exempt organizations may be held; to authorize the use of electronic bingo machines and
11 bingo based games by licensed local governments at certain locations; to remove and provide
12 exceptions to certain limitations on bingo based games operated by certain nonprofit,
13 tax-exempt organizations and licensed local governments; to change certain provisions
14 relating to the prizes and proceeds of certain bingo games; to amend Code Section 48-14-1
15 of the Official Code of Georgia Annotated, relating to grants to counties containing more
16 than 20,000 acres of state owned land not subject to taxation, limit on amount of grants,
17 evaluation and assessment, and procedure for billing State Forestry Commission, so as to
18 revise grant awards to counties licensed to operate bingo games; to provide definitions; to

19 authorize local governments to operate bingo based games to offset reduced tax collections
20 that result from the ownership by the State of Georgia of large amounts of forest lands; to
21 provide that certain bingo proceeds collected by such counties are remitted to the state; to
22 provide for related matters; to provide for effective dates; to repeal conflicting laws; and for
23 other purposes.

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

25 **SECTION 1.**

26 Part 2 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
27 relating to bingo, is amended by revising Code Section 16-12-50, relating to legislative
28 intent, as follows:

29 "16-12-50.

30 (a) It is the intention of the General Assembly that, except for recreational bingo, only
31 nonprofit, tax-exempt organizations which are properly licensed pursuant to this part shall
32 be allowed to operate bingo games.

33 (b) The General Assembly recognizes that in certain counties the State of Georgia owns
34 significant acreage of property that has been taken off of such counties' tax digests. It is
35 the further intention of the General Assembly to provide a process and resource for those
36 counties to mitigate the fiscal impact of not receiving tax revenue from such state owned
37 property while also raising revenue to remove the burden of maintaining such property
38 from the state government by authorizing certain local governments with highly impacted
39 tax digests which are also properly licensed pursuant to this part to operate a bingo game.

40 **SECTION 2.**

41 Said part is further amended by revising Code Section 16-12-51, relating to definitions, as
42 follows:

"16-12-51.

As used in this part, the term:

(.1) 'Adjusted net income' means the income generated by a bingo game operated pursuant to this part by a local government with a highly impacted tax digest less any costs associated with the administration, operation, or marketing of the bingo game.

(1) 'Bingo game' or 'nonprofit bingo game' means a game of chance played on cards or electronic bingo machines with numbered squares in which counters or indicators are placed on numbers chosen by lot and won by covering a previously specified number or order of numbered squares. A bingo game may be played manually or with an electronic ~~or computer device~~ bingo machine that stores the numbers from a player's card or cards, tracks the numbers chosen by lot when such numbers are entered by the player, and notifies the player of a winning combination; provided, however, that, except as provided for in this part, the numbers chosen by lot shall be chosen by a natural person who is physically located on the premises or property described in Code Section 16-12-57 on which the game is operated. Such words, terms, or phrases, as used in this paragraph, shall be strictly construed to include only the series of acts generally defined as bingo and shall exclude all other activity. Such term shall also include a game played on an electronic bingo machine.

(2) 'Bingo session' means a time period during which bingo games are played.

(2.1) 'Electronic bingo machine' means a stand-alone electronic or computer device on which a bingo based game is played, provided that the person playing such game is physically located within three feet of the machine and further provided that the numbers chosen in such game need not be chosen by a natural person who is physically located on the premises or property described in subsection (a) of Code Section 16-12-57 on which the game is operated.

(2.2) 'Local government with a highly impacted tax digest' means a county that meets the requirements established pursuant to subsection (a) of Code Section 48-14-1 or any municipal corporation located within such county.

(3) 'Nonprofit, tax-exempt organization' means an organization, association, corporation, or other legal entity which has been determined by the federal Internal Revenue Service to be exempt from taxation under federal tax law and which is exempt from taxation under the income tax laws of this state under Code Section 48-7-25; which is organized or incorporated in this state or authorized to do business in this state; and which uses the proceeds from any bingo games conducted or operated by such organization solely within this state.

(4) 'Operate,' 'operated,' or 'operating' means the direction, supervision, management, operation, control, or guidance of activity.

(5) 'Recreational bingo' means a bingo session operated by any person or entity at no charge to participants in which the prizes for each bingo game during the bingo session shall be noncash prizes and the total of such prizes for each such game shall not exceed the amount established pursuant to regulations established by the Secretary of State. No such noncash prize awarded in recreational bingo shall be exchanged or redeemed for money or for any other prize with a value in excess of the amount established pursuant to regulations established by the Secretary of State. Recreational bingo shall also include a bingo session operated by a nonprofit, tax-exempt licensed operator of bingo games at no charge to participants in which the participants are senior citizens attending a function at a facility of the tax-exempt licensed organization or are residents of nursing homes, retirement homes, senior centers, or hospitals and in which the prizes for each bingo game during the bingo session shall be nominal cash prizes not to exceed \$5.00 for any single prize and the total of such prizes for each such game shall not exceed the amount established pursuant to regulations established by the Secretary of State. Recreational bingo shall also include a bingo session operated by an employer with ten or more

95 full-time employees for the purposes of providing a safe workplace incentive and in
96 which the prizes are determined by the employer; provided, however, that no monetary
97 consideration is required by any participant other than the employer and the employer
98 expressly prohibits any monetary consideration from any employee. Recreational bingo
99 shall not be considered a lottery as defined in paragraph (4) of Code Section 16-12-20 or
100 a form of gambling as defined in Code Section 16-12-21."

101 **SECTION 3.**

102 Said part is further amended by adding new Code sections to read as follows:

103 "16-12-53.1.

104 (a) Any local government with a highly impacted tax digest desiring to obtain a license to
105 operate bingo games shall make application to the Secretary of State on forms prescribed
106 by the Secretary of State and shall pay an annual fee of \$1,000.00. A bingo license issued
107 pursuant to this Code section shall be valid for ten years. Applications for renewal of a
108 bingo license shall be submitted to the Secretary of State not less than 60 days prior to the
109 expiration of the bingo license on a form prescribed by the Secretary of State.

110 (b) Each application for a bingo license and each application for renewal of a bingo license
111 shall contain the following information:

112 (1) The name and mailing address of the applicant local government entity;

113 (2) The names, titles, and contact information of the persons who will be supervising the
114 operation of the bingo games for the local government entity;

115 (3) A statement affirming that the applicant meets the requirements established pursuant
116 to subsection (a) of Code Section 48-14-1 or is a municipal corporation located within a
117 county that meets such requirements;

118 (4) The location at which the applicant will operate the bingo games and, if the premises
119 on which the games are to be operated are to be leased, a copy of the lease or rental
120 agreement; and

121 (5) Any other necessary and reasonable information which the Secretary of State may
122 require.

123 (c) The Secretary of State shall grant a bingo license to any applicant that provides fully
124 the information required by this Code section.

125 16-12-53.2.

126 (a) No electronic bingo machine shall be sold, leased, or otherwise furnished in the State
127 of Georgia without the Secretary of State first inspecting and testing the model of machine
128 that is being proposed for use in order to ensure that such machine is designed and shall
129 function for no purpose other than the game of bingo.

130 (b) The Secretary of State may examine and inspect any portion of an electronic bingo
131 machine at any time. Such examination and inspection includes immediate access to any
132 portion of the electronic bingo machine the Secretary of State determines needs to be
133 inspected or any system that is related to such machine.

134 (c) If the Secretary of State detects or discovers any problem with an electronic bingo
135 machine or its associated system that affects the security or integrity of the bingo game or
136 the system, the Secretary of State may direct the bingo location to cease the use of the
137 device or system as applicable. The Secretary of State may require the facility utilizing
138 such electronic bingo machine to correct the problem or recall the device or system
139 immediately upon notification by the Secretary of State to the licensee that is responsible
140 for the electronic bingo game. If the bingo location detects or discovers any defect,
141 malfunction, or problem with any component of the system, the bingo location shall
142 immediately remove the component from use or play and immediately notify the Secretary
143 of State of such action.

144 (d) A licensee utilizing electronic bingo machines and the associated system must maintain
145 a log showing the date, model, and serial number of every machine that is in use at its
146 facility. This information is required to be reported monthly to the Secretary of State.

(e) Each manufacturer or distributor selling electronic bingo machines and the associated system must maintain a log showing the date, model, serial number, and to whom they were sold. This information is required to be reported monthly to the Secretary of State.

(f) Each licensee utilizing electronic bingo machines must maintain a record showing the date, model number, and serial number for each machine it is utilizing. Additionally, all records, reports, and receipts relating to an electronic bingo machine or its associated system's sales, maintenance, and repairs must be retained by the entity licensed to operate an electronic bingo game.

(g) No electronic bingo location may display, use, or otherwise furnish an electronic bingo device having been marked, defaced, tampered with, or altered in any manner which may deceive the public or affect a participant's chances of winning.

(h) The participant in any electronic bingo machine shall be physically present at the electronic bingo location where the game is actually conducted and when the game is called.

(i) An electronic bingo machine shall not be capable of dispensing currency by any means or any other form of automatic payout.

(j) A licensee shall maintain a record of each payout that is made from any electronic bingo machine at its facility. The Secretary of State shall inspect such records not less than once per year. The Secretary of State may inspect the payout records required pursuant to this subsection at any time he or she deems necessary.

(k) The Secretary of State shall develop a process to maintain records and receipts for all payments made out to participants in electronic bingo. Such process shall contain, but not be limited to, receipts that include:

(1) Name of the licensee;

(2) Session number;

(3) Time and date of purchase. The circuitry and programs that maintain and control the time and date must be of the type that can only be reset by service personnel and must

174 retain the last transaction number issued even throughout adverse conditions or power
175 interruptions;
176 (4) Amount paid for the opportunity to play each game or game pack;
177 (5) Total amount paid; and
178 (6) A record of all voided transactions.
179 (l) In addition to any rules or regulations the Secretary of State adopts pursuant to Code
180 Section 16-12-61, the Secretary of State shall establish rules and regulations regarding the
181 minimum standards for electronic bingo machines.
182 (m) Any violation of this Code section shall be punished by a fine of no more
183 than \$5,000.00."

184 **SECTION 4.**

185 Said part is further amended by revising Code Section 16-12-57, relating to restrictions as
186 to ownership of premises utilized, as follows:

187 "16-12-57.

188 (a) Bingo games shall be operated only on premises owned by the nonprofit, tax-exempt
189 organization operating the bingo game, on property leased by the nonprofit, tax-exempt
190 organization and used regularly by that organization for purposes other than the operation
191 of a bingo game, or on property leased by the nonprofit, tax-exempt organization operating
192 the bingo game from another nonprofit, tax-exempt organization.

193 (b) Notwithstanding any provisions of subsection (a) of this Code section to the contrary,
194 a local government with a highly impacted tax digest licensed pursuant to this part may
195 operate a bingo game pursuant to this part and shall be authorized to contract with a private
196 entity to operate such bingo game. The adjusted net income from a bingo game operated
197 pursuant to this part shall be used for a public purpose. A bingo game operated pursuant
198 to this part may utilize one or more electronic bingo machines."

SECTION 5.

Said part is further amended by revising Code Section 16-12-60, relating to rules and regulations, as follows:

"16-12-60.

(a) A licensee that conducts or operates a bingo session shall maintain the following records for at least three years from the date on which the bingo session is conducted or operated:

(1) An itemized list of the gross receipts for each session;

(2) An itemized list of all expenses other than prizes that are incurred in the conducting or operation of the bingo session as well as the name of each person to whom the expenses are paid and a receipt for all of the expenses;

(3) A list of all prizes awarded during the bingo session and the name and address of all persons who are winners of prizes of \$50.00 or more in value;

(4) An itemized list of the recipients other than the licensee of the proceeds of the bingo game, including the name and address of each recipient to whom such funds are distributed; and

(5) A record of the number of persons who participate in any bingo session conducted or operated by the licensee.

(b) A licensee shall:

(1) Own all the equipment used to conduct or operate a bingo game or lease such equipment;

(2) Display its bingo license conspicuously at the location where the bingo game is conducted or operated;

(3) Conduct or operate bingo games only at the ~~single~~ location or locations specified in the licensee's application; and

(4) Not conduct or operate more than ~~one~~ three bingo ~~session~~ sessions during any one calendar day, ~~which provided that each~~ session shall not exceed five hours.

~~(c) No nonprofit, tax-exempt organization shall enter into any contract with any individual, firm, association, or corporation to have such individual, firm, association, or corporation operate bingo games or concessions on behalf of the nonprofit, tax-exempt organization.~~

(d) A nonprofit, tax-exempt organization shall not lend its name nor allow its identity to be used by any individual, firm, association, or corporation in the operating or advertising of a bingo game in which said nonprofit, tax-exempt organization is not directly and solely operating the bingo game.

~~(e) It shall be unlawful for two or more nonprofit, tax-exempt organizations which are properly licensed pursuant to this part to operate bingo games jointly or to operate bingo games upon the same premises during any 18 hour period.~~

(f)(d) It shall be unlawful to award prizes in excess of ~~\$3,000.00~~ \$6,000.00 in cash or gifts of equivalent value during any calendar week. It shall be unlawful to exceed such limitation at any combination of locations operated by a single licensee or such licensee's agents or employees. It shall be unlawful for two or more licensees to pyramid the valuation of prizes in such manner as to exceed the limitation contained in this Code section. The term 'equivalent value' shall mean the fair market value of the gift on the date the gift is given as the prize in a bingo game.

~~(g)(e) No person or organization by whatever name or composition thereof shall take any salary, expense money, or fees for the operation of any bingo game, except that not more than \$30.00 per day may be paid to one or more individuals for assisting in the conduct of such games on such day~~ receive any of the proceeds of a bingo game; provided, however, that a commercially reasonable amount may be paid for the skill and tasks required for conducting or operating a bingo game; provided, further, that such amount is a fixed sum or fixed hourly rate agreed upon in advance and not determined as a percentage of the proceeds.

~~(h)(f) No person shall pay consulting fees to any person for any services performed in relation to the operation or conduct~~ conduct or operation of a bingo game.

253 ~~(i)~~(g) A person who is a member of more than one nonprofit, tax-exempt organization
254 shall be permitted to participate in the bingo operations of only two organizations of which
255 such person is a member; provided, however, that such person shall not receive ~~more than~~
256 ~~\$30.00 per day~~ any payment or proceeds in violation of subsection (e) of this Code section
257 for assisting in the conduct or operation of bingo games regardless of whether such person
258 assists both organizations in the same day.
259 (h) The provisions of this Code section shall not apply to a local government with a highly
260 impacted tax digest licensed pursuant to this part."

261 **SECTION 6.**

262 Code Section 48-14-1 of the Official Code of Georgia Annotated, relating to grants to
263 counties containing more than 20,000 acres of state-owned land not subject to taxation, limit
264 on amount of grants, evaluation and assessment, and procedure for billing State Forestry
265 Commission, is amended as follows:

266 "48-14-1.

267 (a)(1) For the purposes of this subsection, the term:

268 (A) 'Bingo license' means a license granted to a qualified county pursuant to Part 2 of
269 Article 2 of Chapter 12 of Title 16.

270 (B) 'Grant' means funds granted to a county by the State Forestry Commission for state
271 owned land.

272 (C) 'Qualified county' means a county which consists of at least 50,000 acres of state
273 owned land on which such county is not lawfully able to collect tax revenue.

274 (D) 'State owned land' means land in a qualified county that the State of Georgia owns
275 from which the county receives no tax revenue.

276 (2) The governing authority of a qualified county may receive a grant for state owned
277 land. The amount of funds to be granted pursuant to such grant shall not exceed the

amount the qualified county would have received were the land subject to taxation during the applicable time period based on property evaluation and millage assessment.

(3) A qualified county that has a bingo license and is operating one or more bingo games shall not receive a grant pursuant to this subsection. After a qualified county has collected proceeds from its bingo game or games in an amount greater than the amount it otherwise would have been qualified to receive from a grant pursuant to paragraph (2) of this subsection for that fiscal year, the qualified county shall remit to the State of Georgia 5 percent of its adjusted net income from bingo games for that fiscal year.

~~Each county in which is located land belonging to the state which consists of 20,000 acres and from which the county receives no tax revenue may receive from the State Forestry Commission a grant of funds for such land. The amount of funds to be granted may not exceed the amount the county would have received were the land subject to taxation during the applicable time period based on property evaluation and millage assessment.~~

(b) Immediately upon an evaluation of the property involved and a determination of the millage assessment for the property, the county tax official for the county involved shall bill the State Forestry Commission for the proper amount as determined under this Code section. The county tax official shall send the bill to the State Forestry Commission at the same time as the county tax bills are sent to the property owners of the county who are subject to county taxation."

SECTION 7.

For purposes of proposing rules and regulations, this Act shall become effective upon its approval by the Governor or upon its becoming law without such approval. For all other purposes, this Act shall become effective on July 1, 2024.

SECTION 8.

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