

SENATE BILL 142¹: LOTTERY FOR EDUCATION; LOTTERY GAME OF SPORTS
WAGERING IN THIS STATE; PROVIDE

*Amending O.C.G.A. Chapter 27 of Title 50 and § 48-8-3; and Repealing All
Laws in Conflict with the Same*

First signature: Senator Jeff Mullis (53rd)

Co-Sponsors: Senator John Albers (56th), Senator Ed Harbison (15th) Senator
Harold Jones II (22nd), Senator Butch Miller (49th), Senator Elena Parent
(42nd), Senator Valencia Seay (34th), and Senator Ben Watson (1st)

Summary: “A BILL to be entitled an Act to amend Chapter 27 of Title 50
of the O.C.G.A., relating to lottery for education, so as to provide for the
lottery game of sports wagering in this state; to provide for and revise
certain definitions; to provide for oversight of such lottery game by the
Georgia Lottery Corporation and its board of directors; to amend Chapter 8
of Title 48 of the O.C.G.A., relating to sales and use taxes, so as to exempt
wagers placed as part of the lottery game of sports wagering; to provide for
violations and penalties; to provide for related matters; to provide for an
effective date; to repeal conflicting laws; and for other purposes.”²

Status: Senate Committee Favorably Reported by Substitute on March 29,
2022.³

TEXT OF SENATE BILL 142 (COMMITTEE SUBSTITUTE LC 36 4841S)⁴

PART I
SECTION 1-1.

Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to
lottery for
education, is amended by revising Code Section 50-27-3, relating to
definitions related to

¹ S.B. 142, 156th Gen. Assemb., 1st Reg. Sess. (Ga. 2021), *available at*
<https://www.legis.ga.gov/api/legislation/document/20212022/201283> (last visited Dec. 17,
2021).

² *2020-2021 Regular Session-SB 142, Lottery for Education; lottery game of sports wagering
in this state; provide*, GA. GEN. ASSEMB., <https://www.legis.ga.gov/legislation/59534> (last
visited March 29, 2022)

[hereinafter S.B. 142 Status Sheet].

³ *Id.*

⁴ S.B. 142, *supra* note 1

lottery for education, as follows:

“50-27-3.

As used in this chapter, the term:

- (1) ‘Administrative expenses’ means operating expenses, excluding amounts set aside for prizes, regardless of whether such prizes are claimed and excluding amounts held as a fidelity fund pursuant to Code Section 50-27-19.
- (2) ‘Assignee’ means any person or third party other than the winner to whom any portion of a prize or any right of any person to a prize awarded payable by the corporation in installment payments may be transferred or assigned pursuant to an appropriate judicial order as provided in Code Section 50-27-24.1.
- (3) ‘Assignment’ means the transfer of any portion of a prize or any right of any person to a prize awarded payable by the corporation in installment payments to any person or third party pursuant to an appropriate judicial order as provided in Code Section 50-27-24.1.
- (4) ‘Assignor’ means any person receiving installment payments seeking to assign or transfer any portion of a prize or any right of any person to a prize awarded to an assignee or any person or third party pursuant to an appropriate judicial order as provided in Code Section 50-27-24.1.
- (5) ‘Board’ means the board of directors of the Georgia Lottery Corporation.
- (6) ‘Capital outlay projects’ means the acquisition, construction, installation, modification, renovation, repair, extension, renewal, replacement, or rehabilitation of land, interests in land, buildings, structures, facilities, or other improvements and the acquisition, installation, modification, renovation, repair, extension, renewal, replacement, rehabilitation, or furnishing of fixtures, machinery, equipment, computers, software, laboratories, furniture, textbooks, and reference material or other property of any nature whatsoever used on, in, or in connection with educational facilities.
- (7) ‘Casino gambling’ means a location or business for the purpose of conducting illegal gambling activities, but excluding lottery games and the sale and purchase of lottery tickets or shares as authorized by this chapter.
- (8) ‘Chief executive officer’ means the chief executive officer of the Georgia Lottery Corporation.
- (9) ‘Corporation’ means the Georgia Lottery Corporation.
- (10) ‘Educational facilities’ means land, structures, and buildings owned or operated by and through the board of regents, the State Board of Education, the Technical College System of Georgia, or by any city, county, or independent school system within this state; provided, however,

that a public road or highway leading to an educational facility shall not be considered an educational facility.

(11) 'Educational purposes and programs' means capital outlay projects for educational facilities; tuition grants, scholarships, or loans to citizens of this state to enable such citizens to attend colleges and universities located within this state, regardless of whether such colleges and universities are owned or operated by the board of regents or to attend institutions operated under the authority of the Technical College System of Georgia; costs of providing to teachers at accredited public institutions who teach levels K-12, personnel at public postsecondary technical institutes under the authority of the Technical College System of Georgia, and professors and instructors within the University System of Georgia the necessary training in the use and application of computers and advanced electronic instructional technology to implement interactive learning environments in the classroom and to access the state-wide distance learning network; costs associated with repairing and maintaining advanced electronic instructional technology; voluntary pre-kindergarten; and an education shortfall reserve.

(12) 'Interested party' means any individual or entity that has notified the corporation of his or her interest in the prize or is a party to a civil matter adverse to the assignor, including actions for alimony and child support.

(13) 'Lottery,' lotteries, 'lottery game,' or 'lottery games' means any game of chance approved by the board and operated pursuant to this chapter, including, but not limited to, instant tickets, ~~on-line~~ online games, and games using mechanical or electronic devices, including, but not limited to, online sports wagering platforms as such term is defined in Code Section 50-27-122 but excluding pari-mutuel betting and casino gambling as defined in this Code section.

(14) 'Major procurement contract' means any gaming product or service costing in excess of \$75,000.00, including, but not limited to, major advertising contracts, annuity contracts, prize payment agreements, consulting services, equipment, tickets, and other products and services unique to the Georgia lottery, but not including materials, supplies, equipment, and services common to the ordinary operations of a corporation.

(15) 'Member' or 'members' means a director or directors of the board of directors of the Georgia Lottery Corporation.

(16) 'Member of a minority' means an individual who is a member of a race which comprises less than 50 percent of the total population of the state.

(17) Minority business means any business which is owned by:

(A) An individual who is a member of a minority who reports as his or her personal income for Georgia income tax purposes the income of such business;

(B) A partnership in which a majority of the ownership interest is owned by one or more members of a minority who report as their personal income for Georgia income tax purposes more than 50 percent of the income of the partnership; or

(C) A corporation organized under the laws of this state in which a majority of the common stock is owned by one or more members of a minority who report as their personal income for Georgia income tax purposes more than 50 percent of the distributed earnings of the corporation.

(18) 'Net proceeds' means all revenue derived from the sale of lottery tickets or shares and all other moneys derived from the lottery less operating expenses.

(19) 'Operating expenses' means all costs of doing business, including, but not limited to, prizes, commissions, and other compensation paid to retailers, advertising and marketing costs, personnel costs, capital costs, depreciation of property and equipment, funds for compulsive gambling education and treatment, amounts held in or paid from a fidelity fund pursuant to Code Section 50-27-19, and other operating costs.

(20) 'Pari-mutuel betting' means a method or system of wagering on actual races involving horses or dogs at tracks which involves the distribution of winnings by pools. Such term shall not mean the lottery game of sports wagering as defined in Code Section 50-27-122 or traditional lottery games which may involve the distribution of winnings by pools.

(21) 'Person' means any individual, corporation, partnership, unincorporated association, or other legal entity.

(22) 'Retailer' means a person who sells lottery tickets or shares on behalf of the corporation pursuant to a contract.

(23) 'Share' means any intangible evidence of participation in a lottery game.

(24) 'Ticket' means any tangible evidence issued by the lottery to provide participation in a lottery game.

(25) 'Vendor' means a person who provides or proposes to provide goods or services to the corporation pursuant to a major procurement contract, but does not include an employee of the corporation, a retailer, or a state agency or instrumentality thereof. Such term does not include any corporation whose shares are publicly traded and which is the parent company of the contracting party in a major procurement contract.

SECTION 1-2.

Said chapter is further amended by revising Code Section 50-27-9, relating to general powers of the Georgia Lottery Corporation, as follows:

“50-27-9.

(a) The corporation shall have any and all powers necessary or convenient to its usefulness in carrying out and effectuating the purposes and provisions of this chapter which are not in conflict with the Constitution of this state and which are generally exercised by corporations engaged in entrepreneurial pursuits, including, but without limiting the generality of the foregoing, the following powers:

- (1) To sue and be sued in contract and in tort and to complain and defend in all courts;
- (2) To adopt and alter a seal;
- (3) To adopt, amend, and repeal bylaws, regulations, and policies and procedures for the regulation of its affairs and the conduct of its business; to elect and prescribe the duties of officers and employees of the corporation; and to perform such other matters as the corporation may determine. In the adoption of bylaws, regulations, policies, and procedures or in the exercise of any regulatory power, the corporation shall be exempt from the requirements of Chapter 13 of this title, the ‘Georgia Administrative Procedure Act’;
- (4) To procure or to provide insurance;
- (5) To hold copyrights, trademarks, and service marks and enforce its rights with respect thereto;
- (6) To initiate, supervise, and administer the operation of the lottery in accordance with the provisions of this chapter and regulations, policies, and procedures adopted pursuant thereto;
- (7) To enter into written agreements with one or more other states or sovereigns for the operation, participation in marketing, and promotion of a joint lottery or joint lottery games;
- (8) To conduct such market research as is necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game and an analysis of advertising, promotion, public relations, incentives, and other aspects of communication;
- (9) To acquire or lease real property and make improvements thereon and acquire by lease or by purchase personal property, including, but not limited to, computers; mechanical, electronic, and ~~on-line~~ online equipment and terminals; and intangible property, including, but not limited to, computer programs, systems, and software;

(10) To enter into contracts to incur debt in its own name and enter into financing agreements with the state, agencies or instrumentalities of the state, or with any commercial bank or credit provider; provided, however, that any such debt must be approved by the Georgia State Financing and Investment Commission;

(11) To be authorized to administer oaths, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, papers, documents, and other evidence relative to any investigation or proceeding conducted by the corporation;

(12) To appoint and select officers, agents, and employees, including professional and administrative staff and personnel and hearing officers to conduct hearings required by this chapter, and to fix their compensation, pay their expenses, and provide a benefit program, including, but not limited to, a retirement plan and a group insurance plan;

(13) To select and contract with vendors and retailers;

(14) To enter into contracts or agreements with state or local law enforcement agencies, including the Department of Revenue, for the performance of law enforcement, background investigations, security checks, and auditing and enforcement of license requirements required by ~~Article 3 of~~ under this chapter;

(15) To enter into contracts of any and all types on such terms and conditions as the corporation may determine;

(16) To establish and maintain banking relationships, including, but not limited to, establishment of checking and savings accounts and lines of credit;

(17) To advertise and promote ~~the lottery and~~ lottery games;

(18) To act as a retailer, to conduct promotions which involve the dispensing of lottery tickets or shares, and to establish and operate a sales facility to sell lottery tickets or shares and any related merchandise; ~~and~~

(19) To offer the lottery game of sports wagering and to regulate sports wagering in this state; and

~~(19)~~(20) To adopt and amend such regulations, policies, and procedures as necessary to carry out and implement its powers and duties, organize and operate the corporation, regulate the conduct of lottery games in general, and any other matters necessary or desirable for the efficient and effective operation of the lottery or the convenience of the public. The promulgation of any such regulations, policies, and procedures shall be exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative Procedure Act.'

(b) The powers enumerated in subsection (a) of this Code section are cumulative of and in addition to those powers enumerated elsewhere in this

chapter, and no such powers limit or restrict any other powers of the corporation.”

SECTION 1-3.

Said chapter is further amended in Code Section 50-27-13, relating to disposition of lottery proceeds, budget report by Governor, appropriations by General Assembly, and shortfall reserve subaccount, by revising paragraph (3) of subsection (b) as follows:

“(3)(A) A shortfall reserve shall be maintained within the Lottery for Education Account ~~in an amount equal to at least 50 percent. For Fiscal Year 2022, the shortfall reserve amount shall not be more than 85 percent of the average amount of net proceeds deposited into such account for the preceding three fiscal years; for Fiscal Year 2023, it shall not be more than 75 percent of the average amount of net proceeds deposited into such account for the preceding three fiscal years; and for Fiscal Year 2024, it shall not be more than 65 percent of the average amount of net proceeds deposited into such account for the preceding three fiscal years. For Fiscal Year 2025 and for each fiscal year thereafter, the shortfall reserve amount shall be not less than 50 percent or more than 60 percent of the average amount of net proceeds deposited into such account for the preceding three fiscal year years.~~

(B) If the net proceeds paid into the Lottery for Education Account in any year are not sufficient to meet the amount appropriated for education purposes, the shortfall reserve may be drawn upon to meet the deficiency.

(C) ~~If in the event~~ the shortfall reserve is drawn upon and falls below 50 percent ~~of the average amount~~ of net proceeds deposited into such account for the preceding ~~three fiscal year~~ years, the shortfall reserve shall be replenished to the level required by subparagraph (A) of this paragraph in the next fiscal year and the lottery-funded programs shall be reviewed and adjusted accordingly.”

PART II

SECTION 2-1.

Said chapter is further amended by adding a new article to read as follows:

“ARTICLE 4

Part 1

50-27-120.

This article shall be known and may be cited as the ‘Georgia Lottery Mobile Sports Wagering Integrity Act.’

50-27-121.

It is found and declared by the General Assembly that:

- (1) Sports wagering is a lottery game and as such shall be operated and managed by the Georgia Lottery Corporation in a manner which provides continuing entertainment to the public, maximizes revenues, and ensures that the lottery is operated with integrity and dignity and free of political influence;
- (2) The Georgia Lottery Corporation shall be accountable to the General Assembly and to the public for the operation and management of sports wagering in this state through a system of audits and reports;
- (3) Net proceeds of lottery games conducted pursuant to this article shall be used for the purposes authorized by Article I, Section II, Paragraph VIII of the Constitution;
- (4) The ability to offer the lottery game of sports wagering in this state under a license issued in accordance with this article constitutes a taxable privilege and not a right; and
- (5) The lottery game of sports wagering shall be conducted in a manner to safeguard the fiscal soundness of the state, enhance public welfare, and support the funding authorized by Article I, Section II, Paragraph VIII of the Constitution.

50-27-122.

Unless another meaning is required by the context, as used in this article, the term:

- (1) ‘Adjusted gross income’ means the total of all moneys paid to a licensee as bets minus federal excise taxes and minus the total amount paid out to winning bettors over a specified period of time, which shall include the cash equivalent of any merchandise or thing of value awarded as a prize.
- (2) ‘Applicant’ means any person that applies for a license under this article.
- (3) ‘Bettor’ means an individual who is:
 - (A) Twenty-one years of age or older;
 - (B) Physically present in this state when placing a wager with a licensee;and
 - (C) Not prohibited from placing a wager or bet under Code Section 50-27-151.

(4) 'Bond' means a bond held in escrow for the purpose of maintaining adequate reserves to account for losses suffered by a licensee and owed to bettors.

(5) 'Cheating' means improving the chances of winning or altering the outcome by deception, interference, or manipulation of a sporting event or of any equipment, including software pertaining to or used in relation to the equipment, used for or in

connection with the sporting event on which wagers are placed or invited, including attempts and conspiracy to cheat.

(6) 'Corporation vendor' means a contractor, subcontractor, or independent contractor hired by or contracted with the corporation or a licensee for the purpose of facilitating the business of the corporation or licensee under this article.

(7) 'Fantasy or simulated contest' means a game or event in which players compete against each other and winning outcomes reflect the relative knowledge and skill of the players and are determined predominately by accumulated statistical results of the performance of individuals, which may include, but shall not be limited to, athletes in sporting events.

(8) 'Fixed-odds betting' means bets made at predetermined odds or on the spread where the return to the bettor is unaffected by any later change in odds or the spread.

(9) 'Future bet' means a wager made on the occurrence of an event in the future relating to a sporting event.

(10) 'Interactive sports wagering' means placing a wager on a sporting event via the internet, a mobile device, or any other telecommunications technologies.

(11) 'License' means a license to accept wagers from bettors on sporting events issued under Code Section 50-27-140.

(12) 'Licensee' means a person that holds a license issued under Code Section 50-27-140.

(13) 'Live betting' means a type of wager that is placed after the sporting event being wagered on has commenced and whose odds on events occurring are adjusted in real time.

(14) 'Material nonpublic information' means information that has not been disseminated publicly concerning an athlete, contestant, prospective contestant, or athletic team, including, without limitation, confidential information related to medical conditions or treatment, physical or mental health or conditioning, physical therapy or recovery, discipline, sanctions, academic status, education records, eligibility, playbooks, signals, schemes,

techniques, game plans, practices, strategies, assessments, systems, drills, or recordings of practices or other athletic activities.

(15) 'Minor' means an individual who is less than 21 years of age.

(16) 'Money line' means the fixed odds in relation to a dollar amount that a team or person participating in a sporting event will win outright, regardless of the spread.

(17) 'Official event data' means statistics, results, outcomes, and other data related to a sporting event obtained pursuant to an agreement with the relevant sporting events operator whose corporate headquarters are based in the United States or an entity expressly authorized by such sporting events operator to provide such information to licensees for purposes of live betting.

(18) 'Official league data' means statistics, results, outcomes, and other data related to a sporting event obtained pursuant to an agreement with the relevant sports governing body whose corporate headquarters are based in the United States or an entity expressly authorized by such sports governing body to provide such information to licensees for purposes of live betting.

(19) 'Online sports wagering platform' or 'platform' means the combination of hardware, software, and data networks used to manage, administer, or control sports wagering and any associated wagers accessible by any electronic means, including, but not limited to, applications and internet websites accessed via a mobile device, computer, or kiosk.

(20) 'Parlay bet' means a single wager that incorporates two or more individual bets for purposes of earning a higher payout if each bet incorporated within the wager wins.

(21) 'Principal owner' means a person that owns an interest of 10 percent or more of the entity.

(22) 'Professional sports team' means a major or minor league professional baseball, football, basketball, soccer, or hockey franchise or a professional motor sport.

(23) 'Proposition bet' means a wager made regarding the occurrence or nonoccurrence during a sporting event of an event that does not directly affect the final outcome of the sporting event.

(24) 'Sporting event' means any:

(A) Professional or amateur sporting or athletic event, including motor sports sanctioned by a national or international organization or association;

(B) Olympic sporting or athletic event;

(C) Sporting or athletic event sanctioned by a national or international organization or association; or

(D) Other event authorized by the corporation.

Such term shall not include pari-mutuel wagering on horse racing or a fantasy or simulated contest.

(25) 'Sporting events operator' means a person that conducts or organizes a sporting event for athletes or other participants that is not held or sanctioned as an official sporting event of a sports governing body.

(26) 'Sports betting' or 'sports wagering' means placing one or more wagers for a sporting event.

(27) 'Sports governing body' means the organization, league, or association that oversees a sport and prescribes final rules and enforces codes of conduct with respect to such sport and participants therein.

(28) 'Spread' means the predicted scoring differential between two persons or teams engaged in a sporting event.

(29) 'Supervisory employee' means a principal owner or employee having the authority to act on behalf of a licensee or whose judgment is relied upon to manage and advance the business operations of a licensee.

(30) 'Wager' or 'bet' means a sum of money that is risked by a bettor on the unknown outcome of one or more sporting events, including, but not limited to, the form of fixed-odds betting, a future bet, live betting, a money line bet, a parlay bet, pools, a proposition bet, or a spread bet or any other form as authorized by rules and regulations of the corporation. Such terms shall not include entry fees paid to participate in a fantasy or simulated contest.

Part 2

50-27-130.

(a) In addition to the powers and duties otherwise specified in this chapter, the corporation shall have all powers and duties necessary to carry out the provisions of this article and to exercise the control of sports betting in this state as authorized by this article. Such powers and duties shall include, but shall not be limited to, the following:

(1) To have jurisdiction and supervision of the lottery game of sports betting;

(2) To have jurisdiction and supervision of all persons conducting, participating in, or attending any facility with sports betting;

(3) To employ such persons as necessary to ensure that such sports betting is conducted with order and the highest degree of integrity. The corporation and such employees of the corporation shall be authorized to eject or exclude from the sports betting facility or any part thereof any individual, whether licensed or not, whose conduct or reputation is such that his or her presence may, in the opinion of the corporation or the designated employees

of the corporation, reflect adversely on the honesty and integrity of the sports betting or interfere with the orderly conduct of the sports betting;

(4) To enter upon, investigate, and have free access to all places of business of any licensee under this article and to compel the production of any books, ledgers, documents, records, memoranda, or other information of any licensee to ensure that this article and the rules and regulations promulgated by the corporation pursuant to this article are complied with;

(5) To promulgate any rules and regulations as the corporation deems necessary and proper pursuant to Chapter 13 of this title, the 'Georgia Administrative Procedure Act,' to administer the provisions of this article; provided, however, that the initial rules and regulations governing sports betting shall be promulgated and adopted by the corporation within 150 days of the effective date of this article after an opportunity has been provided for public comment. The promulgation and adoption of such initial rules and regulations shall not be subject to Chapter 13 of this title;

(6) To issue subpoenas for the attendance of witnesses before the corporation, administer oaths, and compel production of records or other documents and testimony of witnesses whenever, in the judgment of the corporation, it is necessary to do so for the effectual discharge of the duties of the corporation;

(7) To compel any person licensed by the corporation to file with the corporation such data, documents, and information as shall appear to the corporation to be necessary for the performance of the duties of the corporation, including, but not limited to, financial statements and information relative to stockholders and all others with a pecuniary interest in such person;

(8) To prescribe the manner in which books and records of persons licensed or permitted by the corporation shall be kept;

(9) To enter into arrangements with any foreign or domestic government or governmental agency for the purposes of exchanging information or performing any other act to better ensure the proper conduct of wagering under this article;

(10) To order such audits, in addition to those otherwise required by this article, as the corporation deems necessary and desirable;

(11) Upon the receipt of a complaint of an alleged criminal violation of this article, to immediately report the complaint to the Attorney General for appropriate action;

(12) To provide for the reporting of the applicable amount of state and federal income tax of persons claiming a prize or payoff for a winning wager;

(13) To establish and administer a program for providing assistance to compulsive gamblers, including, but not limited to, requiring that signs or

notifications which bear a toll-free number for an organization which provides assistance to compulsive gamblers be posted on online sports wagering platforms;

(14) To appoint and employ such other employees as the corporation deems essential to perform its duties under this article who shall possess such authority and perform such duties as the corporation shall prescribe or delegate to them. Such employees may include stewards, chemists, physicians, inspectors, accountants, attorneys, security officers, and such other employees deemed by the corporation to be necessary for the supervision and proper conduct of the highest standard of sports betting. Such employees shall be compensated as provided by the corporation;

(15) To keep a true and full record of all proceedings of the corporation under this article and preserve at the corporation's general office all books, documents, and papers of the corporation; and

(16) To adopt rules and regulations specific to the manner in which a licensee may advertise its business operations as authorized by this article.

(b) The corporation shall not have the power to prescribe a licensee's maximum or minimum payout or hold percentage.

Part 3

50-27-140.

(a) Any person engaging in the lottery game of sports wagering in this state shall be licensed by the corporation. A license issued by the corporation shall permit the licensee to operate an individually branded online sports wagering platform in accordance with this article.

(b) The corporation shall issue licenses to qualified applicants able to meet the duties of a license holder under this article and that the corporation determines will be best able to maximize revenues for the state.

(c) An applicant for a license shall submit an application on a form in such manner and in

416 accordance with such requirements as may be prescribed by rules and regulations of the corporation. Such rules and regulations shall require, at a minimum, that the application include the following:

(1) If the applicant is an entity, identification of the applicant's principal owners, board of directors, and officers;

(2) Satisfactory results from a fingerprint records check conducted by the Georgia Crime Information Center and the Federal Bureau of Investigation, as determined by the corporation. Application for a license under this Code section shall constitute express consent and authorization for the corporation or its representatives to perform a criminal background check. Each applicant who submits an application to the corporation for licensure

shall provide the corporation with any and all information necessary to run a criminal background check, including, but not limited to, classifiable sets of fingerprints. Applicants shall be responsible for all fees associated with the performance of such background checks. If the applicant is an entity, all individuals who are principal owners shall provide classifiable sets of fingerprints;

(3) Information, documentation, and assurances as may be required to establish by clear and convincing evidence the applicant's good character, honesty, and integrity. Such information may include, without limitation, information pertaining to family, habits, character, reputation, criminal and arrest records, business activities, financial affairs, and business, professional, and personal associates, covering at least the ten-year period immediately preceding the filing of the application;

(4) Notice and a description of civil judgments obtained against the applicant pertaining to antitrust or security regulation laws of the federal government, this state, or any other state, jurisdiction, province, or country;

(5) To the extent available, letters of reference or the equivalent from law enforcement agencies having jurisdiction of the applicant's place of residence and principal place of business. Each such letter of reference shall indicate that the law enforcement agency does not have any pertinent information concerning the applicant or, if such law enforcement agency does have information pertaining to the applicant, shall provide such information;

(6) If the applicant has conducted sports wagering operations in a jurisdiction which permits such activity, a letter of reference from the regulatory body that governs sports wagering that specifies the standing of the applicant with the regulatory body; provided, however, that, if no such letter is received within 60 days of the request therefor, the applicant may submit a statement under oath that the applicant is or was, during the period such activities were conducted, in good standing with the regulatory body;

(7) Information, documentation, and assurances concerning financial background and resources as may be required to establish by clear and convincing evidence the financial stability, integrity, and responsibility of the applicant, including, but not limited to, bank references, business and personal income and disbursement schedules, tax returns and other reports filed with governmental agencies, and business and personal accounting and check records and ledgers. Each applicant shall, in writing, authorize the examination of all bank accounts and records as may be deemed necessary by the corporation. The corporation may consider any relevant evidence of financial stability. The applicant is presumed to be financially stable if the applicant establishes by clear and convincing evidence the ability to:

- (A) Assure the financial integrity of sports wagering operations by the maintenance of a reserve of not less than \$500,000.00 or the amount required to be able to cover the outstanding liabilities for wagers accepted by the licensee, whichever is greater. Such reserve may take the form of a bond, an irrevocable letter of credit, payment processor reserves and receivables, cash or cash equivalents segregated from operational funds, or a combination thereof. Such reserve shall be adequate to pay winning wagers to bettors when due. An applicant is presumed to have met this standard if the applicant maintains, on a daily basis, a minimum reserve in an amount which is at least equal to the average daily minimum reserve, calculated on a monthly basis, for the corresponding month in the previous year;
- (B) Meet ongoing operating expenses which are essential to the maintenance of continuous and stable sports wagering operations; and
- (C) Pay, as and when due, all state and federal taxes;
- (8) Information, documentation, and assurances as may be required to establish by clear and convincing evidence that the applicant has sufficient business ability and sports wagering experience to establish the likelihood of the creation and maintenance of successful, efficient sports wagering operations in this state;
- (9) Information, as required by rules and regulations of the corporation, regarding the financial standing of the applicant, including, without limitation, each person or entity that has provided loans or financing to the applicant;
- (10) A nonrefundable application fee in the amount of \$100,000.00 and an annual licensing fee in the amount of \$900,000.00; and
- (11) Any additional information required by rules and regulations of the corporation.
- (d) The corporation may review and approve or deny an application for a license not more than 90 days after receipt of an application.
- (e) A licensee may renew its license by submitting an application on a form in such manner and in accordance with such requirements as may be prescribed by rules and regulations of the corporation. A licensee shall submit the nonrefundable annual licensing and application fees prescribed under paragraph (10) of subsection (c) of this Code section with its application for license renewal.
- (f) For each application for licensure or renewal of a license approved under this Code section, the amount of the application fee must be credited toward the licensee's annual licensing fee and the licensee shall remit the balance of the annual fee to the corporation

upon approval of a license. The fees collected from licensees under this Code section shall be used by the corporation to pay the actual operating and administrative expenses incurred pursuant to this article.

(g) Except as provided in subsection (f) of this Code section, annual licensing and application fees collected by the corporation shall be distributed to the general fund of the state treasury and used as provided under Article I, Section II, Paragraph VIII of the Constitution.

(h) Each licensee shall have a continuing duty to promptly inform the corporation of any change in status relating to any information that may disqualify the licensee from holding a license.

(i)(1) A person that holds a license or permit to engage in sports wagering issued by another jurisdiction may submit a request to the corporation for a temporary license for such person to immediately commence engagement in this state in the lottery game of sports wagering. Such request shall include the licensing fee required under paragraph (10) of subsection (c) of this Code section.

(2) Upon receiving a request for a temporary license, the chief executive officer may review the request at his or her discretion. If the chief executive officer reviews the request and determines that the person requesting the temporary license holds a license or permit issued by another jurisdiction to engage in sports wagering and has paid the required licensing fee, the chief executive officer may authorize such person to engage in sports wagering pursuant to this article under a temporary license for up to one year or until a final determination on such person's application is made.

(j) Any sports governing body or sporting events operator on whose sporting event the corporation has authorized wagering may also enter into commercial agreements with sports wagering operators or other entities that provide for such sports governing body or sporting events operator to share in the amount bet from sports wagering on sporting events of such sports governing body or sporting events operator. A sports governing body or sporting events operator shall not be required to obtain a license or any other approval from the corporation to enter into such commercial agreements

50-27-141.

(a) The following persons shall not be eligible to apply for or obtain a license:

(1) A member or employee of the corporation, an employee of a vendor, or an employee of a corporation vendor; provided, however, that a vendor or a corporation vendor as an entity may be eligible to apply for or obtain a license;

(2) An employee of a professional sports team;

(3) An individual or entity that has an ownership interest of 25 percent or more in a professional sports team on which the applicant offers sports wagering or an employee of such individual or entity;

(4) A coach of or player for a collegiate, professional, or Olympic sports team or sport or an entity that has an affiliation or interest in such a sports team or sport;

(5) An individual who is a member or employee of any sports governing body or

sporting events operator or an entity that has an affiliation with any sports governing body or sporting events operator;

(6) An individual or entity with an owner, officer, or director who has been convicted of a crime as specified in rules and regulations promulgated by the corporation;

(7) A person having the ability to directly affect the outcome of a sporting event upon which the applicant offers sports wagering; and

(8) Any other category of persons, established by rules and regulations of the corporation, that, if licensed, would affect the integrity of sports wagering in this state.

(b) A person listed in paragraphs (2) through (8) of subsection (a) of this Code section may hold an ownership interest in an applicant or licensee without disqualifying the applicant or licensee from obtaining or holding a license; provided, however, that such an ownership interest of 25 percent or more shall require approval from the corporation. In determining whether such an ownership interest shall be the basis of disqualification, the corporation shall consider whether such interest would affect the integrity of sports wagering in this state and any other factors the corporation shall deem relevant.

50-27-142.

(a) A licensee shall not knowingly:

(1) Allow a minor to place a wager;

(2) Offer, accept, or extend credit to a bettor;

(3) Target minors in advertising or promotions for sports wagering;

(4) Offer or accept a wager on any event, outcome, or occurrence other than a sporting event, including, without limitation, a high school sporting event offered, sponsored, or played in connection with a public or private institution that offers education at the secondary level; or

(5) Accept a wager from an individual who is on the registry created and maintained by the corporation under Code Section 50-27-151.

(b) A person that knowingly violates this Code section:

(1) For a first offense, shall be guilty of a misdemeanor; and

(2) For a second or subsequent offense, shall be guilty of a misdemeanor of a high and aggravated nature.

50-27-143.

The corporation may adopt rules and regulations prescribing the manner in which a license may be transferred and a fee for a license transfer.

50-27-144.

(a) The corporation shall prescribe by rules and regulations:

(1) The reserves that must be kept by licensees to comply with subparagraph (c)(7)(A) of Code Section 50-27-140 to pay off bettors;

(2) Any insurance requirements for a licensee;

(3) Minimum requirements by which each licensee shall exercise effective control over its internal fiscal affairs, including, without limitation, requirements for:

(A) Safeguarding assets and revenues, including evidence of indebtedness;

(B) Maintaining reliable records relating to accounts, transactions, profits and losses, operations, and events; and

(C) Global risk management;

(4) Requirements for internal and independent audits of licensees;

(5) The manner in which periodic financial reports shall be submitted to the corporation from each licensee, including the financial information to be included in the reports;

(6) The type of information deemed to be confidential financial or proprietary information that is not subject to any reporting requirements under this article;

(7) Policies, procedures, and processes designed to mitigate the risk of cheating and money laundering; and

(8) Any post-employment restrictions necessary to maintain the integrity of sports wagering in this state.

(b) The licensee may maintain the bond, letter of credit, or cash reserve at any bank

lawfully operating in this state, and the licensee shall be the beneficiary of any interest accrued thereon.

Part 4

50-27-150.

(a) Except for those individuals ineligible to place bets under Code Section 50-27-151, an

individual who is 21 years of age or older and who is physically located in this state may place a wager in the manner authorized under this article and the rules and regulations of the corporation.

(b) A licensee shall ensure that all wagers accepted in this state are from qualified bettors and in accordance with this article and the rules and regulations of the corporation.

50-27-151.

(a)(1) Certain individuals and categories of individuals shall not, directly or indirectly, place a wager on sporting events or online sports wagering platforms in this state as specified in this Code section.

(2) A member, officer, or employee of the corporation shall not place a wager on any sporting event or platform.

(3) A corporation vendor shall not place a wager on any sporting event or platform.

(4) A licensee or principal owner, partner, member of the board of directors, officer, or supervisory employee of a licensee shall not place a wager on the licensee's platform.

(5) A vendor of a licensee or any principal owner, partner, member of the board of directors, officer, or supervisory employee of a vendor shall not place a wager on the licensee's platform.

(6) A contractor, subcontractor, or consultant or any officer or employee of a contractor, subcontractor, or consultant of a licensee shall not place a wager on the licensee's platform, if such individual is directly involved in the licensee's operation of sports wagering or the processing of sports wagering claims or payments through the licensee's platform.

(7) An individual subject to a contract with the corporation shall not place a wager on any platform, if the contract contains a provision prohibiting the individual from participating in sports wagering.

(8) An individual with access to material nonpublic information that is known

exclusively by an individual who is prohibited from placing a wager in this state under this Code section shall not use any such information to place a wager on any sporting event or platform. (9) An amateur or Olympic athlete shall not place a wager on any sporting event in which the athlete participates.

(10) A professional athlete shall not place a wager on any sporting event overseen by such athlete's sports governing body or sporting events operator.

(11) An owner or employee of a team, player, umpire, or sports union personnel, or employee, referee, coach, or official of a sports governing body or sporting events operator shall not place a wager on any sporting event, if the wager is based on a sporting event overseen by the individual's sports governing body or sporting events operator.

(12) An individual having the ability to directly affect the outcome of a sporting event shall not place a wager on such sporting event.

(13) A trustee or regent of a governing board of a public or private institution of higher education shall not place a wager on a collegiate sporting event.

(14) An individual prohibited by the rules or regulations of a sports governing body or sporting events operator of a collegiate sports, team, league, or association from participating in sports wagering shall not place a wager on any sporting event to which such prohibition applies.

(15) A student or an employee of a public or private institution of higher education who has access to material nonpublic information concerning a student athlete or a sports team shall be prohibited from placing a wager on a collegiate sporting event if such information is relevant to the outcome of such event.

(b) The corporation may prescribe by rules and regulations additional categories of individuals who are prohibited from placing a wager on specified sporting events or online sports wagering platforms in this state.

(c) The corporation shall maintain a confidential registry of individuals and categories of individuals who are ineligible to place a wager in this state and shall provide the registry

to each licensee in this state. The corporation shall provide each updated registry to the

licensees as soon as practicable. Each licensee shall maintain the registry provided by the

corporation confidentially. Such registry shall not be considered a record open to the

public pursuant to Article 4 of Chapter 18 of this title and shall be exempt from such provisions.

(d) Any individual who places a wager in violation of this Code section:

(1) For a first offense, shall be guilty of a misdemeanor;

(2) For a second offense, shall be guilty of a misdemeanor and shall be fined not less than \$500.00 nor more than \$1,000.00 or shall be imprisoned for not less than one month nor more than five months, or both; and

(3) For a third or subsequent offense, shall be guilty of a misdemeanor of a high and aggravated nature.

50-27-152.

Notwithstanding any other provision of law, each wager placed with a licensee in accordance with this article shall be:

- (1) Deemed to be an enforceable contract; and
- (2) Exempt from Chapter 13 of this title.

50-27-153.

(a) The corporation shall by rules and regulations prohibit wagering on injuries, penalties,

668 or the outcome of player discipline rulings or replay reviews under this article that are contrary to public policy or unfair to bettors.

(b)(1) A sports governing body or sporting events operator may submit to the corporation in writing, by providing notice in such form and manner as the corporation may require, a request to restrict, limit, or prohibit a certain type, form, or category of sports wagering with respect to sporting events of such sports governing body or sporting events operator, if the sports governing body or sporting events operator believes that such type, form, or category of sports wagering with respect to sporting events of such sports governing body or sporting events operator may undermine the integrity or perceived integrity of such sports governing body or sporting events operator or sporting events of such sports governing body or sporting events operator. The corporation shall request comments from sports wagering operators on all such requests it receives.

(2) After giving due consideration to all comments received, the corporation shall, upon a demonstration of good cause from the requestor that such type, form, or category of sports wagering is likely to undermine the integrity or perceived integrity of such sports governing body or sporting events operator or sporting events of such sports governing body or sporting events operator, grant the request. The corporation shall respond to a request concerning a particular event before the start of the event, or if it is not feasible to respond before then, no later than seven days after the request is made. If the corporation determines that the requestor is more likely than not to prevail in successfully demonstrating good cause for its request, the corporation may provisionally grant the request of the sports governing body or sporting events operator until the corporation makes a final determination as to whether the requestor has demonstrated good cause. Absent such a provisional grant by the corporation, sports wagering operators may

continue to offer sports wagering on sporting events that are the subject of such a request during the pendency of the corporation's consideration of the applicable request.

50-27-154.

(a) Prior to placing a wager with a licensee via interactive sports wagering, a bettor shall register and establish a player account with the licensee remotely and attest that the bettor meets the requirements to place a wager with a licensee in this state. Prior to verification of a bettor's identity in accordance with this Code section, a licensee shall not allow the bettor to engage in sports wagering, make a deposit, or process a withdrawal via interactive sports wagering. A licensee shall implement commercially and technologically reasonable procedures to prevent access to sports wagering by minors on its online sports wagering platforms. A licensee may use information obtained from third parties to verify that an individual is authorized to open an account, place wagers, and make deposits and withdrawals.

(b) A licensee shall adopt a registration policy to ensure that all bettors utilizing interactive sports wagering are authorized to place a wager with a licensee within this state. Such policy must include, without limitation, a mechanism which shall:

(1) Verify the name and age of the registrant;

(2) Verify that the registrant is not prohibited from placing a wager under Code Section 50-27-151; and

(3) Obtain the following information from the registrant:

(A) Legal name;

(B) Date of birth;

(C) Physical address other than a post office box;

(D) Phone number;

(E) A unique username; and

(F) An active email account.

(c) A licensee may in its discretion require a bettor to provide the licensee with a signed and notarized document attesting that the bettor is qualified to engage in sports wagering under this article as part of the registration policy of the licensee.

(d) A bettor shall not register more than one account with a licensee, and a licensee shall use commercially and technologically reasonable means to ensure that each bettor is limited to one account.

(e) A licensee, in addition to complying with state and federal law pertaining to the protection of the private, personal information of registered bettors,

shall use all other commercially and technologically reasonable means to protect such information consistent with industry standards.

(f) Once a bettor's account is created, a bettor may fund the account through:

(1) Electronic bank transfer of funds, including such transfers through third parties;

(2) Debit cards;

(3) Online and mobile payment systems that support online money transfers; and

(4) Any other method approved by rules and regulations of the corporation.

(g)(1) Each financial transaction with respect to an account between a bettor and licensee must be confirmed by email, telephone, text message, or other means agreed upon by the account holder. A licensee shall use commercially and technologically reasonable means to independently verify the identity of the bettor making a deposit or withdrawal.

(2) If a licensee determines that the information provided by a bettor to make a deposit or process a withdrawal is inaccurate or incapable of verification or violates the policies and procedures of the licensee, the licensee shall, within ten days, require the submission of additional information that can be used to verify the identity of the bettor.

(3) If such information is not provided or does not result in verification of the bettor's identity, the licensee shall:

(A) Immediately suspend the bettor's account and not allow the bettor to place wagers;

(B) Retain any winnings attributable to the bettor;

(C) Refund the balance of deposits made to the account to the source of such deposit or by issuance of a check; and

(D) Suspend the account.

(h) A licensee shall utilize geolocation or geofencing technology to ensure that interactive sports wagering is only available to bettors who are physically located in this state. A

licensee shall maintain in this state the servers it uses to transmit information for purposes of accepting wagers on a sporting event placed by bettors located in this state.

(i) A licensee shall clearly and conspicuously display on its website a statement indicating that it is illegal for a person under 21 years of age to engage in sports wagering in this state.

(j) The corporation shall promulgate rules and regulations for purposes of regulating sports wagering via interactive sports wagering.

50-27-155.

(a) Licensees shall allow bettors to restrict themselves from placing wagers with the licensee, including limits on the amounts wagered, and take reasonable steps to prevent those bettors from placing such wagers. At the request of a bettor, a licensee may share the request with the corporation for the sole purpose of disseminating the request to other licensees.

(b) The corporation shall promulgate rules and regulations that require a licensee to implement responsible sports wagering programs that include comprehensive training on responding to circumstances in which individuals present signs of a gambling disorder.

(c) The corporation shall work with national and local organizations to provide services for individuals with problem gambling or a gambling disorder and to establish prevention initiatives to reduce the number of individuals with problem gambling or a gambling disorder, including, but not limited to, utilizing currently established programs for problem gambling or gambling disorders.

(d) The corporation shall annually generate a report outlining activities with respect to problem gambling and gambling disorders, including, but not limited to, descriptions of programs, grants, and other resources made available; the number of individuals seeking assistance; the number of individuals who reported completing programs and therapies; and the rate of recidivism, if known to the corporation. The corporation shall file the annual report with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives and shall publish the report on its website no later than January 1 of each year.

50-27-156.

(a) Each licensee shall adopt and adhere to a written, comprehensive policy outlining its rules governing the acceptance of wagers and payouts. Such policy and rules must be approved by the corporation prior to the acceptance of a wager by a licensee. Such policy and rules must be readily available to a bettor on the licensee's website.

(b) The corporation shall promulgate rules and regulations regarding:

- (1) The manner in which a licensee accepts wagers from and issues payouts to bettors, including payouts in excess of \$10,000.00; and
- (2) Reporting requirements for suspicious wagers.

50-27-157.

(a) The corporation, licensees, corporation vendors, and vendors shall use commercially reasonable efforts to cooperate with investigations conducted by any sports governing body, any sporting events operator, and law enforcement agencies, including, but not limited to, using commercially reasonable efforts to provide or facilitate the provision of anonymized account level betting information and audio or video files relating to individuals placing wagers. All disclosures under this Code section shall be subject to the obligation of a sports wagering operator to comply with all federal, state, and local laws and rules and regulations relating to privacy and personally identifiable information.

(b) Licensees shall promptly report to the corporation any information relating to:

(1) Criminal or disciplinary proceedings commenced against the licensee in connection with its operations;

(2) Abnormal betting activity or patterns that may indicate a concern with the integrity of a sporting event;

(3) Any potential breach of the internal rules and codes of conduct of a sports governing body or sporting events operator pertaining to sports wagering to the extent that such rules or codes of conduct are provided to the licensee by the sports governing body or sporting events operator or are otherwise known to the licensee;

(4) Conduct that corrupts the betting outcome of a sporting event for purposes of financial gain, including match fixing; and

(5) Suspicious or illegal wagering activities, including cheating, use of funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, use of agents to place wagers, and use of false identification.

(c) Licensees shall as soon as is practicable report any information relating to conduct

described in paragraphs (2) through (4) of subsection (b) of this Code section to the

relevant sports governing body or sporting events operator.

(d) Licensees shall use commercially reasonable efforts to maintain, in real time and at the account level, anonymized information regarding a bettor; the amount and type of bet; the time the bet was placed; the location of the bet, including the internet protocol address if applicable; the outcome of the bet; and records of abnormal betting activity. The corporation may request such information in the form and manner as required by rules and regulations of the corporation. For purposes of this subsection, the term 'real time' means on a commercially reasonable periodic interval.

(e) All records, documents, and information received by the corporation pursuant to this Code section shall be considered investigative records of a

law enforcement agency, shall not be subject to Article 4 of Chapter 18 of this title, and shall not be released under any condition without the permission of the person providing such records, documents, or information.

(f) Nothing in this Code section shall require a sports wagering operator to provide any information that is prohibited by federal, state, or local laws or rules and regulations, including without limitation laws and rules and regulations relating to privacy and personally identifiable information.

(g) If a sports governing body or sporting events operator has notified the corporation that real-time information sharing for wagers placed on its sporting events is necessary and desirable, licensees shall share the same information with the sports governing body or sporting events operator, or a designee of such sports governing body or sporting events operator, with respect to wagers on sporting events of such sports governing body or sporting events operator. A sports governing body or sporting events operator, or a designee of such sports governing body or sporting events operator, shall only use information received under this subsection for integrity-monitoring purposes and shall not use such information for any other purpose. Nothing in this subsection shall require a licensee to provide any information that is prohibited by federal, state, or local laws, rules, or regulations, including, but not limited to laws, rules, or regulations relating to privacy and personally identifiable information.

50-27-158.

(a) Except as provided in subsection (b) of this Code section, a licensee may use any data source for determining the results of any live betting. Such data source may include, but shall not be limited to, official league data.

(b) For purposes of live betting on sporting events that are not held or sanctioned as an official sporting event of a sports governing body, a licensee shall exclusively use official event data unless the licensee can demonstrate to the corporation that the sporting events operator or other authorized entity cannot provide a feed of official event data for live betting in accordance with commercially reasonable terms, as determined by the corporation.

Part 5

50-27-170.

(a) Notwithstanding any other law to the contrary, a licensee shall only pay a privilege fee on its adjusted gross income in accordance with this Code section.

(b) There shall be imposed upon the adjusted gross income of a licensee a fee of 20 percent.

(c) The fee imposed under this Code section shall be paid monthly by a licensee based on its monthly adjusted gross income for the immediately preceding calendar month. The fee shall be paid to the corporation in accordance with rules and regulations promulgated by the corporation. If the licensee's adjusted gross income for a month is a negative number, such licensee may carry over such negative amount to subsequent months.

(d) All of the fees collected under this Code section shall be distributed by the corporation to the general fund of the state treasury and used as provided under Article I, Section II, Paragraph VIII of the Constitution.

Part 6

50-27-180.

(a) Each licensee shall report to the corporation, no later than January 15 of each year:

(1) The total amount of wagers received from bettors for the immediately preceding calendar year;

(2) The adjusted gross income of the licensee for the immediately preceding calendar year; and

(3) Any additional information required by rules and regulations of the corporation deemed in the public interest or necessary to maintain the integrity of sports wagering in this state.

(b) A licensee shall promptly report to the corporation any information relating to:

(1) The name of any newly elected officer or director of the board of the licensed entity; and

(2) The acquisition by any person of 10 percent or more of any class of corporate stock.

(c) With respect to information reported under subsection (b) of this Code section, a licensee shall include with the report a statement of any conflict of interest that may exist as a result of such election or acquisition.

(d) Upon receiving a report under this Code section or subsection (b) of Code Section 50-27-157, the corporation may conduct a hearing in accordance with Code Section 50-27-183 to determine whether the licensee remains in compliance with this article.

50-27-181.

Members of the corporation or designated employees thereof may, during normal business hours, enter the premises of any facility of a licensee or third party utilized by the licensee to operate and conduct business in accordance

with this article for the purpose of inspecting books and records kept as required by this article, to ensure that the licensee is in compliance with this article, or to make any other inspection of the premises necessary to protect the public interests of this state and its consumers.

50-27-182.

(a) The corporation shall conduct investigations to determine whether:

(1) A licensee is accepting wagers from minors or other persons ineligible to place wagers in this state; and

(2) An individual is unlawfully accepting wagers from another individual without a license or at a location in violation of this article.

(b) After a hearing under Code Section 50-27-183, if the corporation finds that:

(1) A licensee is accepting wagers from minors or other persons ineligible to place wagers in this state, the corporation shall impose a fine against the licensee in the following amount:

(A) For a first offense, \$1,000.00;

(B) For a second offense, \$2,000.00; and

(C) For a third or subsequent offense, \$5,000.00; or

(2) An individual is unlawfully accepting wagers from another individual without a license, the corporation shall impose a fine against the individual in the following amount:

(A) For a first offense, \$10,000.00;

(B) For a second offense, \$15,000.00; and

(C) For a third or subsequent offense, \$25,000.00.

(c) Nothing in this Code section shall prohibit the corporation from suspending, revoking, or refusing to renew the license of a licensee in accordance with Code Section 50-27-183.

50-27-183.

(a) The corporation may investigate and conduct a hearing with respect to a licensee upon information and belief that the licensee has violated this article or upon the receipt of a credible complaint from any person that a licensee has violated this article. The corporation shall conduct investigations and hearings in accordance with rules and regulations adopted by the corporation.

(b) If the corporation determines that a licensee has violated any provision of this article

or any rules and regulations of the corporation, the corporation may:

(1) Suspend, revoke, or refuse to renew a license; and

(2) For any violation by a licensee, impose an administrative fine not to exceed \$25,000.00 per violation.

(c) Except as provided in Code Section 50-27-182, the corporation shall promulgate rules and regulations establishing a schedule of administrative fines that may be assessed in accordance with subsection (b) of this Code section for each violation of this article.

(d) Fines assessed under this Code section must be accounted for separately for use by the corporation in a manner consistent with rules and regulations of the corporation.

(e) The corporation may issue subpoenas to compel the attendance of witnesses and the production of relevant books, accounts, records, and documents for purposes of carrying out its duties under this article.

50-27-184.

(a) A licensee or other individual aggrieved by a final action of the corporation may appeal that decision to the Superior Court of Fulton County.

(b) The Superior Court of Fulton County shall hear appeals from decisions of the corporation and, based upon the record of the proceedings before the corporation, may reverse the decision of the corporation only if the appellant proves the decision to be:

(1) Clearly erroneous;

(2) Arbitrary and capricious;

(3) Procured by fraud;

(4) A result of substantial misconduct by the corporation; or

(5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.

(c) The Superior Court of Fulton County may remand an appeal to the corporation to conduct further hearings.

50-27-185.

(a) It shall be unlawful for any individual or entity, directly or indirectly, to knowingly receive, supply, broadcast, display, or otherwise transmit material nonpublic information for the purpose of wagering on a sporting event or influencing another individual's or entity's wager on a sporting event.

(b) This Code section shall not apply to the dissemination of public information as news, entertainment, or advertising.

(c) Any person that violates this Code section shall be guilty of a misdemeanor.

50-27-186.

(a) A licensee or other individual who violates this article shall be liable for a civil penalty of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising out of the same transaction or occurrence,

which must accrue to the corporation and may be recovered in a civil action brought by the Attorney General in the name of the corporation.

(b) The Attorney General may seek and obtain an injunction in a court of competent jurisdiction for purposes of enforcing this article.

(c) Costs shall not be taxed against the Attorney General or this state for actions brought under this Code section.

Part 7

50-27-200.

Bettors shall have certain rights as set forth in this part.

50-27-201.

Bettors shall have the right to access information necessary for making wagers, as well as information demonstrating that the licensee's offerings are administered legally and fairly in all respects. Such information includes but is not limited to:

- (1) The handling of wagers;
- (2) The odds;
- (3) Payout amounts and schedule of payouts;
- (4) Systems for reporting suspicions of fraud and available legal actions;
- (5) Prohibition of certain parties with an interest in or ability to affect the outcome of a sporting event from wagering on such sporting events;
- (6) Contact information for the licensee; and
- (7) Resources for problem gambling, expressed in a clear and easily accessible manner.

50-27-202.

Bettors shall have the right to privacy and protection of their personally identifiable information and to the security of their funds and financial activities on sports betting platforms.

50-27-203.

Bettors shall be provided with easy access, through their preferred sports betting platform, to resources about the warning signs and treatment of gambling addictions. Licensees shall be proactive in preventing at-risk customers from becoming problem gamblers by implementing responsible gaming programs, trainings, and other practices to help bettors participate responsibly.

50-27-204.

A bettor shall have the right to recourse against a licensee in the event he or she believes a transaction or other interaction has been mishandled. Such recourse is essential to establish the credibility of sports betting and to maintain consumer trust. Bettors shall have the right to seek relief as may be provided in this article and by rules and regulations of the corporation. Licensees shall provide a clear, expeditious protocol to address concerns raised by bettors."

PART III
SECTION 3-1.

Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use taxes, is amended by revising paragraph (55) of Code Section 48-8-3, relating to exemptions from state sales and use taxes, as follows:

“(55) The sale of lottery tickets or wagers authorized by Chapter 27 of Title 50;”

PART IV
SECTION 4-1.

This Act shall become effective on July 1, 2021; provided, however, that if an amendment to the Constitution of the State of Georgia authorizing sports betting or sports wagering is passed by the General Assembly and ratified by the voters in the 2022 general election, then effective on January 1, 2023, all sports betting or sport wagering in this state shall be conducted, and all fees collected under this Act shall be used, in accordance with such amendment.

SECTION 4-2.

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

SPONSOR’S RATIONALE

Currently, sports wagering of any kind is illegal in Georgia.⁵ Senate Bill 142 (“S.B. 142”) would legalize sports wagering, regulate it, and

⁵ FOX 5 Atlanta’s Digital Team, *Georgia Senate Approves 2 Sports Betting Bills, House Continues to Debate*, FOX5 ATLANTA (Mar. 5, 2021), <https://www.fox5atlanta.com/news/Georgia-Senate-approves-2-sports-betting-bills-House-continues-to-debate> [hereinafter *Betting Bills*].

determine where the proceeds would go.⁶ Proceeds would include money from application fees, licensing fees, and taxes on the bookmakers' profits.⁷ However, Senator Jeff Mullis ("Senator Mullis"), S.B. 142's sponsor, points out that sports gambling is already happening in Georgia.⁸ Senator Mullis estimates that over two million people are already betting illegally and spending a combined four billion dollars.⁹ He is concerned about where all this money is going.¹⁰ Senator Mullis said, "[a] no vote for this bill is allowing the bookies to continue to control sports betting."¹¹

Another one of S.B. 142's sponsors, Senator Elena Parent, is a huge proponent of the proceeds going towards need-based scholarships.¹² Senator Parent believes the extra money from sports betting is essential to helping Georgians remain competitive in the job market.¹³

Several stakeholders are motivated by the monetary benefits of legalizing sports gambling in Georgia.¹⁴ Representative Ron Stephens introduced a bill similar to S.B. 142 in the House, and he is one of the biggest proponents of legalizing gambling generally.¹⁵ Representative Stephens focuses on capturing the revenue and redirecting it to higher education, especially the HOPE scholarship.¹⁶ Additionally, Representative Billy Mitchell compares the legalization of sports gambling to the creation of Georgia's lottery in the 1990's.¹⁷ Mitchell said, "I don't think today anyone

⁶ *Id.*

⁷ *Id.* (Legislators would determine how to divide the proceeds into three different pre-determined categories including need-based college scholarships, the expansion of access to high-speed internet, and increased rural health care access. *Id.* At least six licenses will be given to various companies to run sportsbooks in Georgia. *Id.* The licensing fee is \$100,000 a year, and taxes are to be set at sixteen percent per year. *Id.*).

⁸ *Betting Bills, supra* note 5.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² Emil Moffatt, *Georgia Senate Approves Resolution for Voter Referendum on Sports Betting*, WABE (Mar. 5, 2021), <https://www.wabe.org/Georgia-Senate-Approves-Resolution-for-Voter-Referendum-on-Sports-Betting/>.

¹³ *Id.*

¹⁴ Laura Corley, *Georgia Lawmakers Ponder What Makes Online Sports Bets Worth the Gamble*, GPB NEWS (Mar. 22, 2021, 9:21 AM), <https://www.gpb.org/news/2021/03/22/Georgia-Lawmakers-Ponder-What-Makes-Online-Sports-Bets-Worth-The-Gamble>.

¹⁵ *Id.*

¹⁶ *Id.* (Stevens sees legalization of sports gambling as a way to assist the "growing number of economically vulnerable families by helping to fund college scholarships." *Id.*).

¹⁷ Dave Williams, *Georgia Lawmakers Set to Renew Debate over Legalized Gambling*, SAVANNAH NOW (Oct. 12, 2021, 10:11 AM), <https://www.savannahnow.com/story/news/2021/10/12/Georgia-lawmakers-renew-debate-over-legalized-gambling-atlanta-ga/6102097001/>.

can say the Georgia Lottery has been bad for the state.”¹⁸ Therefore, Representative Mitchell believes the positive impacts of sports gambling, once it is legalized, will also be undeniable.¹⁹ According to Georgia Government Transparency and Campaign Finance Commission reports, there are at least thirty-two paid lobbyists currently pushing for the Bill to be passed.²⁰ Some of these lobbyists were hired by high-profile members of the casino industry including Caesars Entertainment, Hard Rock, and Wynn Resorts and Bally’s.²¹

Moreover, Georgia’s four professional sports teams, the Atlanta Braves, Falcons, Hawks, and United, have joined together to form the Georgia Professional Sports Integrity Alliance (“GPSIA”).²² GPSIA is an outspoken proponent of legalizing and regulating sports wagering in Georgia.²³ The Alliance supports legalization so that wagering may be transparent, subject to strict regulations, and protected by technological safeguards.²⁴ GPSIA views wagering on its four member teams as a way to increase engagement with fans, especially younger ones.²⁵ GPSIA supports aspects of S.B. 142 that prohibit both wagering on college sports and placement of wagers using credit.²⁶

Furthermore, Ed Clark, the President of Atlanta Motor Speedway, echoes the voices of others who feel Georgia should harness the money already being bet on sports.²⁷ Clark stated, “[t]here isn’t a person alive who doesn’t know someone who is going to bet on a college football game this weekend, or a professional football game or a NASCAR race, or something of that nature[.]”²⁸

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ Williams, *supra* note 17.

²¹ *Id.*

²² Georgia Professional Sports Integrity Alliance, *From the CEO’s*, (Nov. 11, 2019), <https://sportshandle.com/wp-content/uploads/2019/11/gpsia-letter.pdf>; see Corley, *supra* note 14 (GPSIA has donated over \$272,000 to finance campaigns of Georgia legislators since its creation in 2019).

²³ Georgia Professional Sports Integrity Alliance, *supra* note 22.

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ Ryan Kruger, *Sports Gambling on the Horizon? Big Names in Georgia Sports Say it is Already Here*, 11 ALIVE (Nov. 29, 2019, 10:53 PM), <https://www.11alive.com/article/news/politics/sports-gambling-georgia/85-9f0658b7-c9f2-48e7-9493-b71492e0c6c1>.

²⁸ *Id.*

Overall, the stigmatization of sports betting has decreased over time.²⁹ A 2015 study found that 28% of adults in the United States have bet on sports.³⁰ Fantasy sports leagues have played a major role in decreasing the stigmatization of sports gambling.³¹ Many even saw fantasy sports as a placeholder for full blown sports wagering until it was legalized.³² Several of Georgia’s legislators, including House Speaker David Ralston and Representative Brett Harrell, have stated that Georgians should be empowered to make the decision about legalization themselves.³³

OPPOSITION’S RATIONALE

Representative Randy Nix generally opposes gambling and believes S.B. 142 would create a “slippery slope” for more legalized gambling in the future.³⁴ Representative Nix stated that if the expansion of gambling ended here it may be okay, but he is worried about further expansion, including legalizing casinos and other forms of online gambling that are still illegal.³⁵

Next, Representative Miriam Paris believes safeguards need to be put in place to prevent gamblers from losing all their money due to gambling’s addictive nature.³⁶ Representative Matthew Gambill has stated, “I think it has a deleterious social impact, I think that if you really look at the data on what it does to society — it can be problematic,” in reference to legalizing sports gambling.³⁷ Further, he does not see sports gambling as the correct solution for raising money the government needs.³⁸

²⁹ Andrew Smith, *Why Georgia Should Get Off the Bench and Profit from the Inevitability of Sports Betting*, 36 GA. ST. U.L. REV. 845, 852-53 (2020); see generally David Purdum, *Inside How Sports Betting Went Mainstream*, ESPN (Aug. 9, 2018), https://www.espn.com/chalk/story/_/id/24310393/gambling-how-media-daily-fantasy-new-thinking-us-pro-sports-commissioners-helped-sports-betting-become-accepted.

³⁰ David Purdum, *supra* note 29.

³¹ *Id.*

³² *Id.*

³³ Stanley Dunlap, *Ralston Says Georgians Should Be Trusted with Gambling Expansion*, GEORGIA RECORDER (Jan. 10, 2020, 8:10 AM), **Error! Hyperlink reference not valid.**<https://georgiarecorder.com/brief/Ralston-says-Georgians-should-be-trusted-with-gambling-expansion/>.

³⁴ Maya T. Prabhu, *Sports Betting Bill Sails Through Georgia House Panel*, ATLANTA JOURNAL CONSTITUTION (Feb. 2, 2021), <https://www.ajc.com/politics/Sports-betting-bill-again-sails-through-Georgia-House-panel/N65ON0J2ANFUNMOTD2PSRO4W2U/>.

³⁵ *Id.*

³⁶ *Id.*

³⁷ James Swift, *Local Legislators Shaky on Sports Betting Legalization*, DAILY TRIBUNE NEWS (June 2, 2018), <https://perma.cc/ULM4-RSVT>.

³⁸ *Id.*

Constitutionality is another potential problem for S.B. 142.³⁹ Georgia's constitution currently bans "casino gambling" and "casino-style" games.⁴⁰ Senator Bill Cowser is specifically concerned with this.⁴¹ He believes that Georgians should vote on a constitutional amendment to avoid legal challenges rather than having lawmakers attempt to work around the constitution as it now stands.⁴² Additionally, Governor Kemp opposes legalized gambling generally.⁴³ However, he has also indicated that he will not stand in the way of a constitutional amendment allowing Georgians to choose legalization.⁴⁴

Additionally, several organizations have voiced their staunch opposition to legalizing sports betting. The Georgia NAACP released a

³⁹ Dunlap, *supra* note 33.

⁴⁰ Steve Petrella, *Georgia Lawmakers May Lump Sports Betting, Horse Racing & Casino Gambling in Same Amendment*, ACTION NETWORK (Jan. 12, 2022), <https://www.actionnetwork.com/legal-online-sports-betting/Georgia-Lawmakers-May-Lump-Sports-Betting-Horse-Racing-Casino-Gambling-together> (New efforts to pass S.B. 142 in 2022 include a constitutional amendment that would legalize not only sports betting, but horse racing and casinos as well. *Id.* Daniel Wallach, a gaming attorney, believes that a constitutional amendment is not required to legalize sports betting because it is not casino gambling or casino-style gambling by definition. *Id.* Wallach also believes that because sports gambling currently has the highest chance of passing, combining it with casino gambling and horse racing could be detrimental. *Id.*); *see also* Daniel Wallach, *A Legislative Path for Sports Betting in California: An Examination of Hotel Employees and the California Supreme Court's Dueling Interpretations of the Constitutional Ban on 'Casino-style' Gaming*, 25 CHAPMAN L. REV. (2021).

⁴¹ Dave Williams, *Georgia Sports Betting Backers Switch to Constitutional Amendment*, CAPITOL BEAT (Feb. 25, 2021), **Error! Hyperlink reference not valid.**<http://capitol-beat.org/2021/02/Georgia-sports-betting-backers-switch-to-constitutional-amendment/>.

⁴² *Id.*

⁴³ Greg Bluestein, *FanDuel to Open Tech Hub in Atlanta that Promises 900 Jobs*, ATLANTA JOURNAL CONSTITUTION (May 18, 2021), <https://www.ajc.com/politics/Fanduel-to-open-tech-hub-in-Atlanta-that-promises-900-jobs/IOWQP6UCU5BAVGCNEONNPFE2U/>; Mike Lucas, *GA Lawmaker Says: It's Time We Asked the (Gambling) Question of Voters*, WSN (Jan 11, 2022), <https://www.wsn.com/betting/Georgia-Gambling-Question-of-Voters/> (Governor Kemp has largely opposed sports gambling due to Georgia's geographical location in the middle of the "Bible Belt." *Id.* Because it is an election year, Kemp is worried about legislators focusing on "silly bills" like S.B. 142 that are designed to get them more votes. *Id.*).

⁴⁴ Mike Lucas, *supra* note 43; *see* Mark Niese, *Ralston: Georgia Voters Could Be Asked to Decide Gambling Expansion*, ATLANTA JOURNAL CONSTITUTION (Jan. 6, 2022), <https://www.ajc.com/politics/Ralston-georgia-voters-could-be-asked-to-decide-gambling-expansion/I3SOZV73EZFYLCBD5JUGR2UM2E/> (Kemp said, "It doesn't matter what I think if they pass a constitutional amendment," which indicates his willingness to allow voters to decide this issue. *Id.*).

statement in opposition to any sports gambling legislation as a response to the election reform bill passed last year.⁴⁵

Religious and moral arguments against gambling in general account for a large portion of opposition to S.B. 142.⁴⁶ Adam Pipkin, the executive Director of the Faith and Freedom Coalition of Georgia, cites poverty rates in Georgia and rapidly increasing student loan debt as reasons to protect Georgians from taking on gambling debt as well.⁴⁷ Pipkin is also concerned about socializing children to gambling at young ages due to the ease of placing wagers on cell phones.⁴⁸ Mike Griffin, a representative of the Georgia Baptist Mission Board, is worried about the ease of access that cell phones provide, especially for “problem gamblers.”⁴⁹ One study found that on average a problem gambler will not seek help until they are \$47,000 in debt.⁵⁰ Additionally, Griffin points out that only sixteen percent of the proceeds will go to the HOPE Scholarship, and sports gambling should not be legalized simply because people are already doing it.⁵¹

Other opponents claim that the economic gains resulting from legalization would only be short-term.⁵² They claim that once surrounding states have legalized sports gambling the market will become saturated, and profits will fall accordingly.⁵³

Lastly, the integrity of sportsbooks and the sports themselves are also a source of major concern.⁵⁴ Sportsbooks require several layers of protection that must all work in harmony to prevent misuse.⁵⁵ For example,

⁴⁵ Dave Williams, *Election Law Controversy Sinks Sports Betting in General Assembly*, CAPITOL BEAT (Apr. 1, 2021), <http://capitol-beat.org/2021/04/election-law-controversy-sinks-sports-betting-in-general-assembly/>.

⁴⁶ Adam Pipkin, *Opinion: Ga. Should Pass on Predatory Sports Betting*, ATLANTA JOURNAL CONSTITUTION, <https://www.ajc.com/news/opinion/Opinion-should-pass-predatory-sports-betting/yspceq00h15QEtmX6t201J/> (last updated Feb. 29, 2020).

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ Williams, *supra* note 41.

⁵⁰ John T. Holden, *Prohibitive Failure: The Demise of the Ban on Sports Betting*, 35 GA. ST. U.L. REV. 329, 382-83 (2019).

⁵¹ Mike Griffin, *False Reasons Behind Legalizing Sports Betting*, GEORGIA BAPTIST MISSION BOARD, <https://gabaptist.org/False-Reasons-Sports-Betting/> (last visited Oct. 9, 2021).

⁵² Andrew Smith, *Why Georgia Should Get Off the Bench and Profit from the Inevitability of Sports Betting*, 36 GA. ST. U.L. REV. 845, 863-64 (2020).

⁵³ *Id.*

⁵⁴ Holden, *supra* note 50, at 379-80 (DraftKings executive was discovered to have pulled up a consumer’s bets on his cell phone to mock them at a party. *Id.* The 1919 Chicago White Sox allegedly fixed the World Series at the request of organized crime figure, Arnold Rothstein. *Id.* at 380-81.).

⁵⁵ *Id.* at 379-80.

an employee of DraftKings, a sports betting website, used insider knowledge to win over \$350,000 on FanDuel, a competitor of DraftKings.⁵⁶

IMPLICATIONS IN GEORGIA

The Bill would allow people over the age of twenty-one that are physically in Georgia to place bets.⁵⁷ At least six companies that host online sportsbooks, such as DraftKings and FanDuel, would receive licenses to operate in Georgia.⁵⁸ Users could then go online to one of the authorized sportsbooks and place bets there.⁵⁹ A companion bill to S.B. 142 names the Georgia Lottery Corp. as the would-be regulator of the entire betting system.⁶⁰

Wagers placed “on high school sports” and “independent youth sport leagues are expressly forbidden.”⁶¹ Further, betting on in-state college teams, and proposition bets on out-of-state college teams will be prohibited.⁶² No person is permitted spend more than \$2,500 per month on betting.⁶³ Finally, sportsbooks may not allow bettors to place wagers on credit.⁶⁴

Further, half of the proceeds would go towards need-based scholarships, such as the HOPE Scholarship, grants and loans for college, and pre-kindergarten opportunities.⁶⁵ If those needs are met, money could go towards improvement projects in independent and local schools.⁶⁶ Additional revenue would be spent in rural areas on expanded internet and healthcare

⁵⁶ *Id.*

⁵⁷ Corley, *supra* note 14.

⁵⁸ Williams, *supra* note 41; see Nick Wojcik, *Georgia Sports Betting: Bill Dies in House, Supporters Now Look to 2022 (February Updates)*, LINEUPS (Sept. 29, 2021, 2:18 PM), <https://www.lineups.com/betting/georgia-sports-betting/> (A list of the top seven contending sportsbooks includes DraftKings, FanDuel, BetMGM, Caesars, PointsBet, BetRivers, and FoxBet. *Id.* Some of these companies are expected to have Georgia-specific promotional codes when sports betting is legalized. *Id.* Bonuses ranging from \$500 to \$5,000 in risk-free bets, and deposit bonuses ranging from \$250 to \$1,000 are projected. *Id.*).

⁵⁹ Williams, *supra* note 41.

⁶⁰ Stanley Dunlap, *State Senate Clears Path for Legalized Online Sports Betting in Georgia*, GEORGIA RECORDER (Mar. 5, 2021, 3:22 PM), <https://georgiarecorder.com/brief/State-Senate-clears-path-for-legalized-online-sports-betting-in-Georgia/>.

⁶¹ Sam McQuillan, *Georgia Advances Sports Betting Ballot Questions*, ACTION NETWORK (Mar. 28, 2022, 6:07 PM), <https://www.actionnetwork.com/legal-online-sports-betting/georgia-sports-betting-bills-advance-march-28>.

⁶² Ryan Butler, *Georgia Senate Advances Sports Betting Constitutional Amendment*, ACTION NETWORK (Mar. 5, 2021, 3:18 PM), <https://www.actionnetwork.com/legal-online-sports-betting/Georgia-Sports-Betting-Amendment-Advances-Senate>.

⁶³ Williams, *supra* note 41.

⁶⁴ *Id.*

⁶⁵ Corley, *supra* note 14.

⁶⁶ *Id.*

services.⁶⁷ The Bill would tax bookmakers' profit at sixteen percent.⁶⁸ Bookmakers would also have to pay a \$10,000 application fee and \$100,000 per year in licensing fees.⁶⁹

A 2017 report by Oxford Economics projected that Georgia could generate \$99.5 million each year from sports betting.⁷⁰ This report also estimated that over 5,700 jobs would be created.⁷¹ It is currently estimated that approximately four to five million is being spent on illegal gambling in Georgia.⁷² Therefore, the \$100 million per year could be a very conservative estimate.⁷³ So far, sports gambling is legally occurring in twenty-six states, and five more states have passed legislation that has not taken affect yet.⁷⁴ One of these states, Tennessee, served as a model for the proposed Bill in Georgia.⁷⁵ Based on Tennessee's success, Georgia could easily expect to see much more than the estimated \$100 million in the first year, and it is possible that Georgia could see \$200 million in the second year.⁷⁶ Further, some compare Georgia's sports betting market to Pennsylvania's which currently

⁶⁷ *Id.*

⁶⁸ *Betting Bills, supra* note 5.

⁶⁹ Williams, *supra* note 41.

⁷⁰ Swift, *supra* note 37.

⁷¹ *Id.*

⁷² *Betting Bills, supra* note 5; *see also* Williams, *supra* note 41.

⁷³ *See* Swift, *supra* note 37; *see also Betting Bills, supra* note 5; *see also* Williams, *supra* note 41.

⁷⁴ Williams, *supra* note 17; *see* Murphy v. NCAA 138 U.S. 1461 (2018) (The Supreme Court found that the Professional and Amateur Sports Protection Act (PAPSA) violated the anti-commandeering clause because it dictated to states that they cannot legalize sports gambling. *Id.* PAPSA did "not make sports gambling a federal crime, and instead it allowed civil suits brought by sports organizations and the Attorney General. *Id.* The Court found PAPSA to be unconstitutional, and after the case states were free to decide whether they legalized sports betting. *Id.*); *see also* Pete Blackburn & Shanna McCarriston, *Wanna Bet? Here's Where All 50 States Stand on Legalized Sports Gambling*, CBS SPORTS (Oct. 6, 2021, 2:55 PM), <https://www.cbssports.com/general/news/wanna-bet-heres-where-all-50-states-stand-on-legalizing-sports-gambling/> (Delaware, New Jersey, and Pennsylvania were among the first states to allow sports gambling after the Supreme Court decision that legalized it federally. *Id.* Five states including Arizona, Arkansas, Connecticut, Wyoming, and Florida legalized sports wagering in 2021. *Id.*).

⁷⁵ Williams, *supra* note 17; *see also* Daniella Medina, *Tennessee Now Has Nine Sports Betting Platforms After Barstool Sportsbook, Wager Get Approval*, TENNESSEAN (Sept. 8, 2021, 3:22 PM), <https://www.tennessean.com/story/sports/2021/09/08/sports-betting-in-tennessee-sportsbooks-open/5772308001/> (Tennessee legalized sports betting on November 1, 2020. *Id.* Tennessee became the fastest state to make over \$200 million in a single month, and in just seven months it made \$1.6 billion. *Id.*).

⁷⁶ *See generally* Daniella Medina, *Tennessee Now Has Nine Sports Betting Platforms After Barstool Sportsbook, Wager Get Approval*, TENNESSEAN (Sept. 8, 2021, 3:22 PM), <https://www.tennessean.com/story/sports/2021/09/08/sports-betting-in-tennessee-sportsbooks-open/5772308001/> (This estimate is based on Tennessee's success and Georgia's proposed Bill being comparable to Tennessee's enacted law. *Id.*).

produces \$400 million a year.⁷⁷ Some even believe Georgia's sports betting market could rival New Jersey's which "reached a billion dollars in sports betting wagers during December 2020."⁷⁸

Florida's sports wagering legalization scheme has seen several legal challenges, and Georgia could expect the same.⁷⁹ To avoid legal challenges in Georgia, some legislators support a referendum to allow voters to approve an amendment to the Georgia Constitution.⁸⁰ Others believe legalization can be accomplished without a constitutional amendment.⁸¹ For legislation to be passed that does not conflict with the Georgia Constitution, sports betting would have to be considered a lottery game.⁸² A constitutional amendment that allows sports gambling would be the easiest way to avoid challenges to the Bill.⁸³ S.R. 135, if passed, would include a question on election ballots that asks Georgia voters whether sports betting should be legalized.⁸⁴ However, constitutional amendments require the approval of two thirds of the House and Senate as opposed to a majority for other legislation.⁸⁵ This is why proponents of S.B. 142 would rather not legalize sports betting through a constitutional amendment.⁸⁶

LEGISLATIVE GENEALOGY

On February 2, 2021, the Bill was introduced to the Senate Hopper.⁸⁷ The Bill was read in the Senate and referred to Committee on February 10, 2021.⁸⁸ On February 26, 2021, the Bill was reported favorably by substitute in Committee.⁸⁹ Next, the Senate read the Bill for a second time on March 1,

⁷⁷ Wojcik, *supra* note 58.

⁷⁸ *Id.*

⁷⁹ See Laura Cassels, *Game on: Seminole Tribe Launches First Legalized Sports Betting in FL History*, FLORIDA PHOENIX (Nov. 1, 2021, 7:28 PM), <https://floridaphoenix.com/2021/11/01/Game-on-Seminole-Tribe-launches-first-legalized-sports-betting-in-FL-history/> (Florida signed a thirty year compact with the Seminole Tribe of Florida. *Id.* The compact gives the Tribe a monopoly on sports betting in the state, and in return it ensures Florida \$500 million per year for the first five years. *Id.* The federal government never took action on the compact, but the compact moved forward after the forty-five-day review period expired. *Id.* This has sparked ongoing legal challenges, and opponents claim the compact is a violation of federal Indian gaming laws. *Id.*).

⁸⁰ Dunlap, *supra* note 60.

⁸¹ *Id.*

⁸² *Betting Bills*, *supra* note 5.

⁸³ *Id.*

⁸⁴ Corley, *supra* note 14.

⁸⁵ *Id.*

⁸⁶ *See id.*

⁸⁷ S.B. 142 Status Sheet, *supra* note 2.

⁸⁸ *Id.*

⁸⁹ *Id.*

2021.⁹⁰ On March 5, 2021 the Senate tabled the Bill, the Bill was taken from the table, and the Bill was read for a third time.⁹¹ Then, the Bill also passed in the Senate on March 5, 2021.⁹² The Bill was read by the House the first time on March, 8, 2021 and for a second time on March 9, 2021.⁹³ On March 23, 2021, the Bill was reported favorably by substitute in Committee.⁹⁴ The Bill was withdrawn from the Rules Calendar and recommitted to Rules on March 25, 2021.⁹⁵ The Bill was withdrawn and recommitted on March 31, 2021.⁹⁶ Lastly, on March 29, 2022, the Bill was favorably reported by substitute in Committee.⁹⁷

Prepared by: *Katie McClelland*

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² *Id.*

⁹³ S.B. 142 Status Sheet, *supra* note 2.

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.*