

ADOPTED

Representative Powell of the 33rd offers the following amendment:

1 *Amend HB 353 (HB 353/SCSFA) by striking from line 1 to the end and inserting in lieu*
2 *thereof the following:*

3 To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, the "Georgia
4 Lottery for Education Act," so as to provide that administrative procedures and actions
5 regarding bona fide coin operated amusement machines shall be subject to Chapter 13 of
6 Title 50 and that certain hearings shall be subject to the "Georgia Arbitration Code"; to
7 change certain provisions relating to the shortfall reserves maintained within the Lottery for
8 Education Account; to provide definitions; to provide for certain late fees; to provide for
9 multiyear licenses; to provide for the manner of noncash redemption; to provide for a
10 limitation on the permitted noncash redemption award for Class A and Class B machines; to
11 provide for redemption for successful play of bona fide coin operated amusement machines
12 through self-service redemption devices under certain conditions; to provide for certain
13 auctions; to provide for the issuance of regulatory guidance letters; to provide for exceptions
14 to provisions of law regarding the amount of funds that may come from the play of bona fide
15 coin operated amusement machines for certain historical fraternal benefit associations and
16 veterans organizations; to provide for quarterly reports; to provide that certain provisions to
17 location owners or location operators by master licensees shall not constitute an unfair
18 method of competition or an unfair or deceptive act; to revise the division of revenue from
19 Class B machines; to provide for the issuance of federal 1099 tax forms in certain
20 circumstances; to provide for related matters; to provide for an effective date; to repeal
21 conflicting laws; and for other purposes.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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SECTION 1.

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

"(19) 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 pursuant to this article and Article 2 of this chapter shall be exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative Procedure Act.' Notwithstanding any other provision of law to the contrary, hearings related to any dispute between licensees under Code Section 50-27-102 shall be held in accordance with the provisions of Part 1 of Article 1 of Chapter 9 of Title 9, the 'Georgia Arbitration Code.' All other hearings and any rules, regulations, policies, or procedures related to the administration, enforcement, or violation of this article shall be subject to the provisions of Chapter 13 of this title."

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SECTION 2.

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) Beginning in Fiscal Year 2025, a ~~A~~ shortfall reserve shall be maintained within the Lottery for Education Account in an amount equal to at least 50 percent ~~of net proceeds deposited into such account for the preceding fiscal year~~ of the average amount of net proceeds deposited into such account for the preceding three fiscal years, hereinafter referred to as the minimum reserve. Beginning in Fiscal Year 2025 and for

49 each fiscal year thereafter, if on the last day of the preceding fiscal year the total reserve
 50 fund balance exceeds the minimum reserve, an amount equal to 10 percent of the excess
 51 reserve funds, meaning the amount that the total reserve fund balance exceeds the
 52 minimum reserve, shall be appropriated for educational purposes and programs.

53 (B) If the net proceeds paid into the Lottery for Education Account in any year are not
 54 sufficient to meet the amount appropriated for ~~education~~ educational purposes and
 55 programs, the shortfall reserve may be drawn upon to meet the deficiency and any
 56 amount so drawn may count for purposes of appropriations in subparagraph (A) of this
 57 paragraph.

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

63 SECTION 3.

64 Said chapter is further amended by revising paragraph (3) of subsection (b) of Code Section
 65 50-27-70, relating to legislative findings and definitions, and adding a new paragraph to read
 66 as follows:

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

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

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

72 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift
 73 certificates, or novelties in compliance with the provisions of subsection (c) or
 74 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a

75 successful player with any item prohibited as a reward in subsection (i) of Code
 76 Section 16-12-35 or any reward redeemable as an item prohibited as a reward in
 77 subsection (i) of Code Section 16-12-35;

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

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

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

86 "(5.1) 'Gift card' means an electronic payment device or system:

87 (A) Issued for a specific amount of noncash redemption which was earned by a
 88 successful player of a bona fide coin operated amusement machine; and

89 (B) Provided or loaded on a prepaid basis for the future purchase or delivery of any
 90 merchandise or service permitted by law from a single merchant or service provider or
 91 multiple merchants or service providers, whether affiliated or not."

92 SECTION 4.

93 Said chapter is further amended by revising subsection (k) of Code Section 50-27-71, relating
 94 to license fees, issuance of license, display of license, control number, duplicate certificates,
 95 application for license or renewal, and penalty for noncompliance, and adding a new
 96 subsection to read as follows:

97 "(k) A renewal application filed on or after the due dates set forth in the rules promulgated
 98 by the board, but before the license expires, shall be accompanied by a nonrefundable late
 99 fee of \$1,000.00; provided, however, that the nonrefundable late fee for Class A master and
 100 location licenses shall be \$100.00. A manufacturer, distributor, or master license or

101 location license that has been expired for more than 90 days may not be renewed. In such
 102 a case, the manufacturer, distributor, master ~~license~~ licensee, or location license owner
 103 shall obtain a new license, as applicable, by complying with the requirements and
 104 procedures for obtaining an original license."

105 "(o)(1) Any license issued pursuant to this Code section shall be for a period of one, two,
 106 or three years at the option of the applicant or licensee at the time of issuance or renewal.
 107 The license fee for multiyear licenses shall be determined based on the annual license
 108 fees set forth in this Code section multiplied by the number of years for which the license
 109 is issued. Any refund of a license fee sought pursuant to Code Section 50-27-72 shall be
 110 prorated.

111 (2) A licensee shall report to the corporation any material change in the information
 112 requested by the corporation as a part of the application for or renewal of a license under
 113 this Code section and pay any additional fees associated with such change."

114 SECTION 5.

115 Said chapter is further amended by adding a new Code section to read as follows:

116 "50-27-71.1.

117 (a)(1) On and after the effective date of this Code section and before July 1, 2026,
 118 nonreloadable gift cards shall be allowed as a legal form of redemption for Class A
 119 machines and Class B machines in addition to any other form of redemption allowed by
 120 law or authorized by the corporation.

121 (2) On and after July 1, 2026:

122 (A) Only replays and nonreloadable and reloadable gift cards shall be allowed as a
 123 legal form of redemption for Class A machines in addition to any other form of
 124 redemption allowed by law or authorized by the corporation; and

125 (B) Only replays, lottery products, and nonreloadable and reloadable gift cards shall
 126 be allowed as a legal form of redemption for Class B machines and no other form of

127 redemption shall be allowed. Any location owner or location operator that provides for
128 the redemption of products or services, other than replays and lottery products, that are
129 not on a gift card shall, in addition to any other penalties provided by law, receive a
130 warning for the first violation and shall be punished by civil penalties for any
131 subsequent violations that shall be imposed by the corporation in amounts that are
132 proportional to any amounts inappropriately redeemed; provided, however, that nothing
133 in this subparagraph shall be construed to eliminate or reduce any administrative
134 penalty related to a violation of Code Section 16-12-35.

135 (b) No value shall be placed on a gift card unless such value has been won by the player
136 for the successful play of a game on the bona fide coin operated amusement machine. Such
137 gift card may be used off the premises of the location licensee, but shall be loaded or
138 caused to be loaded only on the location licensee's premises and only by the location
139 licensee or its employees on such premises or by a self-service gift card redemption device
140 on such premises. A gift card may be honored by the location licensee upon presentation
141 but shall not be exchanged for cash, change, or currency.

142 (c) Notwithstanding Code Section 16-12-35 or any other provision of law to the contrary:

143 (1) Gift cards shall be redeemable or exchangeable for any goods or services which a
144 successful player is entitled or permitted by law to purchase; and

145 (2) The award of such gift card shall be a lawful act of in-store redemption and shall be
146 permitted to be fully redeemed off the premises.

147 (d) A successful player may redeem his or her winnings on a gift card from a self-service
148 gift card device. Such device and the cost of such device may be provided by the location
149 owner or location operator, the master licensee, or both. Any contract or agreement entered
150 into with a master licensee for the provision of self-service gift card redemption devices
151 shall not be subject to the provisions of Code Section 50-27-87.1."

SECTION 6.

Said chapter is further amended by revising subsection (e) of Code Section 50-27-73, relating the refusal to issue or renew license, revocation or suspension, hearing, and limitation on issuance of licenses, and adding a new subsection to read as follows:

"(e) Effective July 1, ~~2015~~ 2024, the corporation may issue up to 220 Class B master licenses through a process of competitive auction to be established by the corporation and ~~such a~~ competitive auction for one license shall occur ~~at least~~ once every three years effective July 1, ~~2015~~ 2024; provided, however, that any person or entity holding a Class B master license on the effective date of this subsection shall not be subject to the competitive auction process provided for in this Code section but shall be subject to all other requirements of this article; provided, further, that the corporation shall be permitted to renew Class B master licenses at any time.

(f) At any time following a proposed revocation or a proposed nonrenewal of a master license by the corporation, any settlement of such proposed revocation or proposed nonrenewal involving the sale of the master license and associated assets, including, but not limited to, contracts or agreements entered into pursuant to Code Section 50-27-87 and bona fide coin operated amusement machines, shall require a public auction."

SECTION 7.

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

"50-27-81.1.

The corporation shall by rule and regulation create a process whereby any person may request an official interpretation of any rule or regulation through a regulatory guidance letter. A regulatory guidance letter shall be issued within 60 days of a request seeking guidance on a rule or regulation and shall only be used to interpret or clarify existing rules and regulations. A regulatory guidance letter shall remain in effect and be valid unless it is superseded by a subsequently adopted state law or a rule or regulation of the corporation,

178 a subsequently issued regulatory guidance letter, or a court order. The corporation shall
179 incorporate relevant portions of any regulatory guidance letter in subsequent rules and
180 regulations as may be applicable and necessary to ensure clarity in such rules and
181 regulations."

182 SECTION 8.

183 Said chapter is further amended by revising Code Section 50-27-84, relating to limitation on
184 percent of monthly gross retail receipts derived from machines, monthly verified reports,
185 issuance of fine or revocation or suspension of license for violations, and submission of
186 electronic reports, as follows:

187 "50-27-84.

188 (a) As used in this Code section, the term:

189 (1) 'Amusement or recreational establishment' means an open-air establishment
190 frequented by the public for amusement or recreation. Such an establishment shall be in
191 a licensed fixed location located in this state and which has been in operation for at
192 least 35 years.

193 (2) 'Business location' means any structure, vehicle, or establishment where a business
194 is conducted.

195 (3) 'Gross retail receipts' means the total revenue derived by a business at any one
196 business location from the sale of goods and services and the commission earned at any
197 one business location on the sale of goods and services but shall not include revenue from
198 the sale of goods or services for which the business will receive only a commission. The
199 sale of goods or services for which the business will receive only a commission shall not
200 include the sale of any item which the business has purchased for resale. Revenue shall
201 not include the sale of goods and services at wholesale.

202 (b)(1) No location owner or location operator shall derive more than 50 percent of such
203 location owner's or location operator's ~~monthly~~ quarterly gross retail receipts for the

204 business location in which the Class B machine or machines are situated from such Class
205 B machines; provided, however, that revenues that are due to a master licensee or the
206 corporation or noncash redemption that is earned by the player shall not be deemed
207 revenue derived from Class B machines. This paragraph shall not apply to historical
208 fraternal benefit associations or veterans organizations which are exempt from taxes and
209 are described in Code Section 48-5-41 or 48-5-478.4.

210 (2) No location owner or location operator shall offer more than nine Class B machines
211 to the public for play in the same business location; provided, however, that this
212 limitation shall not apply to an amusement or recreational establishment.

213 (c) For each business location which offers to the public one or more Class B machines,
214 the location owner or location operator shall prepare a ~~monthly~~ quarterly verified report
215 setting out separately by location in Georgia:

- 216 (1) The gross receipts from the Class B machines;
217 (2) The gross retail receipts for the business location; and
218 (3) The net receipts of the Class B machines.

219 (c.1) Each person holding a Class B master license shall prepare a ~~monthly~~ quarterly
220 verified report setting out separately by location in Georgia:

- 221 (1) The gross receipts from the Class B machines which the master licensee maintains;
222 and
223 (2) The net receipts of the Class B machines.

224 (d) In accordance with the provisions of Code Section 50-27-73 and the procedures set out
225 in Code Sections 50-27-74 and 50-27-75, the corporation may fine an applicant or holder
226 of a license, refuse to issue or renew a location license or master license, or revoke or
227 suspend a location license or master license for single or repeated violations of
228 subsection (b) of this Code section.

229 (e) A location owner or location operator shall report the information prescribed in this
 230 Code section in the form required by the corporation. Such report shall be submitted in an
 231 electronic format approved by the corporation.

232 (f) Beginning on ~~August 20, 2013~~ July 20, 2024, and on the twentieth day of ~~each month~~
 233 January, April, July, and October of each year thereafter, for the previous ~~month~~ calendar
 234 quarter, the reports required by subsections (c) and (c.1) of this Code section shall be
 235 supplied to the corporation on forms provided by the corporation, including electronic
 236 means. The corporation shall be authorized to audit any records for any such business
 237 location or master licensee subject to this Code section. The corporation may contract with
 238 any state agencies to perform the audits authorized by this Code section, and it may
 239 contract or enter into a memorandum of understanding with the Department of Revenue
 240 to enforce the provisions of this Code section."

241 SECTION 9.

242 Said chapter is further amended by revising Code Section 50-27-86, relating to local
 243 government to adopt any combination of a list of ordinance provisions, as follows:

244 "50-27-86.

245 In addition to the state regulatory provisions regarding bona fide coin operated amusement
 246 machines contained in Code Section 16-12-35 and this article, the governing authority of
 247 any county or municipal corporation shall be authorized to enact and enforce an ordinance
 248 which includes any or all of the following provisions:

249 (1) Prohibiting the offering to the public of more than six Class B machines ~~that reward~~
 250 ~~the player exclusively with noncash merchandise, prizes, toys, gift certificates, or~~
 251 ~~novelties~~ at the same business location;

252 (2) Requiring the owner or operator of a business location which offers to the public any
 253 ~~bona fide coin operated amusement machine that rewards the player exclusively as~~
 254 ~~described in subsection (d) of Code Section 16-12-35~~ Class A machine or Class B

255 machine to inform all employees of the prohibitions and penalties set out in subsections
256 (e), (f), and (g) of Code Section 16-12-35;

257 (3) Requiring the owner or possessor of any ~~bona fide coin-operated amusement machine~~
258 ~~that rewards the player exclusively as described in subsection (d) of Code Section~~
259 ~~16-12-35~~ Class A machine or Class B machine to inform each location owner or location
260 operator of the business location where such machine is located of the prohibitions and
261 penalties set out in subsections (e), (f), and (g) of Code Section 16-12-35;

262 (4) Providing for the suspension or revocation of a license granted by such local
263 governing authority to manufacture, distribute, or sell alcoholic beverages or for the
264 suspension or revocation of any other license granted by such local governing authority
265 as a penalty for conviction of the location owner or location operator of a violation of
266 subsection (e), (f), or (g) of Code Section 16-12-35, or both. An ordinance providing for
267 the suspension or revocation of a license shall conform to the due process guidelines for
268 granting, refusal, suspension, or revocation of a license for the manufacture, distribution,
269 or sale of alcoholic beverages set out in subsection (b) of Code Section 3-3-2;

270 (5) Providing for penalties, including fines or suspension or revocation of a license as
271 provided in paragraph (4) of this ~~subsection~~ Code section, or both, for a violation of any
272 ordinance enacted pursuant to this ~~subsection~~ Code section; provided, however, that a
273 municipal corporation shall not be authorized to impose any penalty greater than the
274 maximum penalty authorized by such municipal corporation's charter;

275 (6) Requiring any location owner or location operator subject to paragraph (1) of
276 subsection (b) of Code Section 50-27-84 to provide to the local governing authority a
277 copy of each verified monthly report prepared in accordance with such Code section,
278 incorporating the provisions of such Code section in the ordinance, providing for any and
279 all of the penalties authorized by subsection (d) of Code Section 50-27-84, and allowing
280 an annual audit of the reports from the location owner or location operator;

281 (7) Requiring the location owner or location operator of any business location which
 282 offers to the public one or more ~~bona fide coin-operated amusement~~ Class A machines
 283 or Class B machines to post prominently a notice that includes language provided by the
 284 corporation through rules and regulations or language that is substantially similar
 285 including the following or substantially similar language:

286 ~~'GEORGIA LAW PROHIBITS PAYMENT OR RECEIPT OF MONEY FOR~~
 287 ~~WINNING A GAME OR GAMES ON THIS AMUSEMENT MACHINE; PAYMENT~~
 288 ~~OR RECEIPT OF MONEY FOR FREE REPLAYS WON ON THIS AMUSEMENT~~
 289 ~~MACHINE; PAYMENT OR RECEIPT OF MONEY FOR ANY MERCHANDISE,~~
 290 ~~PRIZE, TOY, GIFT CERTIFICATE, OR NOVELTY WON ON THIS AMUSEMENT~~
 291 ~~MACHINE; OR AWARDED ANY MERCHANDISE, PRIZE, TOY, GIFT~~
 292 ~~CERTIFICATE, OR NOVELTY OF A VALUE EXCEEDING \$5.00 FOR A SINGLE~~
 293 ~~PLAY OF THIS MACHINE.';~~

294 (8) Providing for restrictions relating to distance from specified structures or uses so long
 295 as those distance requirements are no more restrictive than such requirements applicable
 296 to the sale of alcoholic beverages;

297 (9) Requiring as a condition for doing business in the jurisdiction disclosure by the
 298 location owner or location operator of the name and address of the owner of ~~the bona fide~~
 299 ~~coin-operated amusement machine or machines~~ each Class A machine or Class B
 300 machine;

301 (10) Requiring that all ~~bona fide coin-operated amusement~~ Class A machines and Class
 302 B machines are placed and kept in plain view and accessible to any person who is at the
 303 business location; and

304 (11) Requiring a business that offers one or more ~~bona fide coin-operated amusement~~
 305 Class A machines or Class B machines to the public for play to post its business license
 306 or occupation tax certificate."

SECTION 10.

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308 Said chapter is further amended by designating the existing text of Code Section 50-27-87.1,
309 relating to unfair methods of competition and unfair and deceptive acts, as subsection (a) and
310 adding a new subsection to read as follows:

311 "(b) The provision by the master licensee of non-fixtures on or within a building in which
312 there is a licensed location at which bona fide coin operated amusement machines are
313 located to a location owner or location operator with whom the master licensee has a
314 contract for the placement of Class B machines shall not be deemed to be an unfair method
315 of competition or unfair or deceptive act under this Code section; provided, however, that
316 such non-fixtures shall:

317 (1) Be limited to branded posters and signs, digital video signage, rugs, seating,
318 removable partition walls, and wall coverings, unless additional non-fixtures are
319 authorized by the corporation by the adoption of rules and regulations;

320 (2) Be exclusively for the facilitation and promotion of the play of Class B machines and
321 the redemption of approved gift cards;

322 (3) Remain the property of the master licensee; and

323 (4) Be removed not later than when the Class B machines of the master licensee are
324 removed from the location."

SECTION 11.

325
326 Said chapter is further amended by revising Code Section 50-27-102, relating to role of
327 corporation, implementation and certification, separation of funds and accounting, and
328 disputes, as follows:

329 "50-27-102.

330 (a) Upon successful implementation and certification of the Class B accounting terminal
331 under the provisions of Code Section 50-27-101, and for the first fiscal year thereafter, the
332 corporation shall:

- 333 (1) Retain ~~5~~ 13 percent of the net receipts;
- 334 (2) Provide, within five business days of receipt, ~~47.5~~ 43.5 percent of the net receipts to
335 the location owner and location operator for the cost associated with allowing the Class
336 B machines to be placed; and
- 337 (3) Provide, within five business days of receipt, ~~47.5~~ 43.5 percent of the net receipts to
338 the operator holding the Class B master license for the cost of securing, operating, and
339 monitoring the machines.
- 340 (b) ~~In each fiscal year after the implementation and certification required by subsection (a)~~
341 ~~of this Code section, the corporation's share shall increase 1 percent, taken evenly from the~~
342 ~~location owner or location operator and the operator, to a maximum of 10 percent.~~
- 343 (c) The corporation shall require location owners and location operators to place all bona
344 fide coin operated amusement machine proceeds due the corporation in a segregated
345 account in institutions insured by the Federal Deposit Insurance Corporation not later than
346 the close of the next banking day after the date of their collection by the retailer until the
347 date they are paid over to the corporation. At the time of such deposit, bona fide coin
348 operated amusement machine proceeds shall be deemed to be the property of the
349 corporation. The corporation may require a location owner or location operator to establish
350 a single separate electronic funds transfer account where available for the purpose of
351 receiving proceeds from Class B machines, making payments to the corporation, and
352 receiving payments for the corporation. Unless otherwise authorized in writing by the
353 corporation, each bona fide coin operated amusement machine location owner or location
354 operator shall establish a separate bank account for bona fide coin operated amusement
355 machine proceeds which shall be kept separate and apart from all other funds and assets
356 and shall not be commingled with any other funds or assets. Whenever any person who
357 receives proceeds from bona fide coin operated amusement machines becomes insolvent,
358 the proceeds due the corporation from such person shall have preference over all debts or
359 demands. Whenever any person who receives proceeds from bona fide coin operated

360 amusement machines dies insolvent, the proceeds due the corporation from such person's
361 estate shall have preference over all debts or demands except the provision of year's
362 support for such person's family. If any financial obligation to the corporation has not been
363 timely received, the officers, directors, members, partners, or shareholders of the location
364 owner or location operator shall be personally liable for the moneys owed to the
365 corporation. The corporation shall issue a federal Internal Revenue Service Form 1099,
366 or its equivalent, to each master licensee and location owner or location operator which
367 receives proceeds pursuant to this Code section.

368 ~~(d)~~(c)(1) As a condition of the license issued pursuant to this article, no master licensee
369 or location owner or location operator shall replace or remove a Class A machine or Class
370 B ~~bona fide coin operated amusement~~ machine from a location until the master licensee
371 and location owner or location operator certify to the corporation that there are no
372 disputes regarding any agreement, distribution of funds, or other claim between the
373 master licensee and location owner or location operator; provided, however, that this
374 certification shall not be required if a master licensee is replacing its own Class A
375 machine or Class B ~~bona fide coin operated amusement~~ machine at a location. If either
376 the master licensee or location owner or location operator is unable to make the
377 certification required by this Code section, the corporation shall refer the dispute to a
378 hearing officer as set forth in this subsection.

379 (2) The corporation shall have jurisdiction of all disputes between and among any
380 licensees or former licensees whose licenses were issued pursuant to this article relating
381 in any way to any agreement involving coin operated amusement machines, distribution
382 of funds, tortious interference with contract, other claims against a subsequent master
383 ~~license holder~~ licensee or location owner, or any other claim involving coin operated
384 amusement machines; provided, however, that this paragraph shall not apply to any
385 agreement which expired on or before April 10, 2013. Except as provided in paragraph
386 (1) of this subsection, the corporation shall refer any dispute certified by any master

387 licensee against any other master licensee or any location owner or location operator or
388 by any location owner or location operator against any master licensee to a hearing
389 officer. For the purpose of service on licensees with respect to disputes, each licensee or
390 former licensee shall register and keep current with the corporation the name of an agent
391 and his or her address and an email address which shall be made available to any licensee
392 on request. Service by registered mail, courier delivery, or overnight mail delivered to
393 the agent's registered address and to the email address shall be adequate service on the
394 licensee for a hearing on the dispute. All disputes subject to the provisions of this Code
395 section certified by a master licensee, location owner, or location operator shall be
396 decided by a hearing officer approved or appointed by the corporation. The corporation
397 shall adopt rules and regulations governing the selection of hearing officers after
398 consultation with the Bona Fide Coin Operated Amusement Machine Operator Advisory
399 Board. Costs of the hearing officer's review, including any hearing set pursuant to this
400 Code section, shall be shared equally between the parties in the dispute unless provided
401 otherwise in the agreement or by the hearing officer; provided, however, that the
402 corporation shall not be responsible for any of the costs associated with the dispute
403 resolution mechanism set forth in this Code section. If any party fails to timely pay the
404 costs of the hearing officer's review within ten days of service of notice of costs by the
405 hearing officer, the hearing officer shall grant a default judgment on liability against the
406 nonpaying party. The hearing officer shall then consider evidence related to damages or
407 any other relief and shall render judgment based upon a preponderance of the evidence.

408 (3) The corporation shall also adopt rules governing the procedure, evidentiary matters,
409 and any prehearing discovery applicable to disputes resolved pursuant to this Code
410 section. Such rules shall be consistent with the Georgia Arbitration Code, and the
411 corporation shall consult the Bona Fide Coin Operated Amusement Machine Operator
412 Advisory Board regarding the procedures or rules adopted pursuant to this subsection.
413 Notwithstanding Code Section 9-9-9, such procedures and rules shall include at least the

414 right of notice to produce books, writings, and other documents or tangible things;
415 depositions; and interrogatories.

416 (4) If requested by the master licensee or the location owner or location operator, the
417 hearing officer shall conduct a hearing as to the dispute, but in no case unless extended
418 by the hearing officer for good cause shall the hearing officer conduct a hearing more
419 than 90 days after he or she has been appointed or selected to decide the dispute. No
420 Class B ~~bona fide coin-operated amusement~~ machine that is subject to the dispute
421 resolution mechanism required by this Code section shall be removed from the terminal
422 by a master licensee, location owner, or location operator or otherwise prevented by a
423 master licensee, location owner, or location operator from play by the public until a final
424 decision is entered and all appellate rights have been exhausted, or until the master
425 licensee and location owner or location operator agree to a resolution, whichever occurs
426 first.

427 (5) The decision of the hearing officer may be appealed to the chief executive officer or
428 his or her designee. The chief executive officer shall not reverse a finding of fact of the
429 hearing officer if any evidence supports the hearing officer's conclusion. The chief
430 executive officer shall not reverse a conclusion of law of the hearing officer unless it was
431 clearly erroneous, arbitrary, and capricious or exceeded the hearing officer's jurisdiction.
432 The decision of the chief executive officer may be appealed to the Superior Court of
433 Fulton County, which court shall not reverse the chief executive officer's findings of fact
434 unless it is against the weight of the evidence as set forth in Code Section 5-5-21, and the
435 chief executive officer's legal conclusions shall not be set aside unless there is an error
436 of law."

437 **SECTION 12.**
438 This Act shall become effective upon its approval by the Governor or upon its becoming law
439 without such approval.

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SECTION 13.

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