

House Bill 1329

By: Representatives Stephens of the 164th, Kelley of the 16th, Neal of the 79th, and Williams of the 168th

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to authorize and provide for the regulation and taxation of fantasy contests in this state;
3 to provide for additional powers and duties of the Georgia Lottery Corporation; to change
4 certain provisions relating to the shortfall reserves maintained within the Lottery for
5 Education Account; to provide for the corporation to license and regulate fantasy sports
6 contests-of-skill; to provide for a short title; to provide for legislative findings; to revise and
7 provide for definitions; to provide for the corporation's powers and duties relative to fantasy
8 contests; to provide for the procedures, limitations, requirements, and qualifications of the
9 licensing of any person offering, operating, or managing fantasy contests in this state; to
10 provide for rules and regulations promulgated by the corporation; to provide for a privilege
11 tax; to require certain reports; to provide requirements for participants; to provide for
12 individuals to restrict themselves from being participants; to provide certain resources for
13 individuals with problem gaming disorders and to support responsible play; to provide for
14 the collection and disposition of fees and fines; to prohibit certain conduct by the
15 corporation, employees of the corporation, licensees, and other persons; to provide for certain
16 penalties; to provide for construction; to amend Part 1 of Article 2 of Chapter 12 of Title 16
17 of the Official Code of Georgia Annotated, relating to gambling, so as to exclude any
18 consideration paid to a fantasy contest operator licensee from the definition of "bet"; to

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19 provide for the exemption of persons licensed as fantasy contest operators from regulations
20 and restrictions regarding gambling information; to amend Title 48 of the Official Code of
21 Georgia Annotated, relating to revenue and taxation, so as to exempt entry fees for fantasy
22 contests; to provide for related matters; to provide for effective dates; to repeal conflicting
23 laws; and for other purposes.

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

25 **PART I.**
26 **SECTION 1-1.**

27 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
28 in Code Section 50-27-3, relating to definitions for the "Georgia Lottery for Education Act,"
29 by revising paragraphs (13) and (20) and adding a new paragraph to read as follows:

30 "(11.1) 'Fantasy contest' shall have the same meaning as provided in Code Section
31 50-27-122."

32 "(13) 'Lottery,' 'lotteries,' 'lottery game,' or 'lottery games' means any game of chance
33 approved by the board and operated pursuant to this chapter, including, but not limited
34 to, instant tickets, ~~on-line~~ online games, and games using mechanical or electronic
35 devices but excluding pari-mutuel betting and casino gambling as defined in this Code
36 section."

37 "(20) 'Pari-mutuel betting' means a method or system of wagering on actual races
38 involving horses or dogs at tracks which involves the distribution of winnings by pools.
39 Such term shall not mean lottery games which may be predicated on a horse racing or dog
40 racing scheme that does not involve actual track events. Such term shall not mean a
41 fantasy sports contest as defined in Code Section 50-27-122 or traditional lottery games
42 which may involve the distribution of winnings by pools."

43 "(23.1) 'Fantasy contest' shall have the same meaning as provided in Code Section
 44 50-27-122."

45 **SECTION 1-2.**

46 Said title is further amended in Code Section 50-27-9, relating to general powers of the
 47 Georgia Lottery Corporation, by revising paragraphs (18) and (19) of subsection (a) and
 48 adding a new paragraph to read as follows:

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

52 (19) To perform any actions and carry out any responsibilities provided for in Article 4
 53 of this chapter; and

54 ~~(19)~~(20) To adopt and amend such regulations, policies, and procedures as necessary to
 55 carry out and implement its powers and duties, organize and operate the corporation,
 56 regulate the conduct of lottery games in general, and any other matters necessary or
 57 desirable for the efficient and effective operation of the lottery or the convenience of the
 58 public. The promulgation of any such regulations, policies, and procedures shall be
 59 exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative
 60 Procedure Act.'"

61 **PART II.**

62 **SECTION 2-1.**

63 Said title is further amended by adding a new article to Chapter 27, relating to the "Georgia
 64 Lottery for Education Act," to read as follows:

65 "ARTICLE 4

66 Part 1

67 50-27-120.

68 This article shall be known and may be cited as the 'Georgia Fantasy Contest Consumer
69 Protection Act.'

70 50-27-121.

71 The General Assembly finds that:

72 (1) Article I, Section II, Paragraph VIII(c) of the Constitution of the State of Georgia
73 authorizes the General Assembly to provide by law for any matters relating to purposes
74 or provisions of that subparagraph, including, but not limited to, the operation and
75 regulation of a lottery or lotteries and which purposes and provisions may encompass a
76 fantasy contest or fantasy contests as a game or games offered by the Georgia Lottery
77 Corporation;

78 (2) All fantasy contests shall be overseen and regulated by the Georgia Lottery
79 Corporation in a manner that provides continuing entertainment to the public, maximizes
80 revenues, protects consumers, and ensures that such fantasy contests are operated in this
81 state with integrity and dignity and free of political influence;

82 (3) The corporation shall be accountable to the General Assembly and to the public for
83 the management and oversight of fantasy contests in this state through a system of audits
84 and reports;

85 (4) The ability to offer fantasy contests in this state under a license issued in accordance
86 with this article constitutes a taxable privilege and not a right; and

87 (5) Net proceeds of fantasy contests conducted pursuant to this article shall be used for
88 the purposes authorized by Article I, Section II, Paragraph VIII(c) of the Constitution.

89 50-27-122.

90 As used in this article, the term:

91 (1) 'Adjusted gross fantasy contest receipts' means the amount equal to the total of all
92 entry fees that a fantasy contest operator collects from all participants minus federal
93 excise taxes paid on entry fees and the total of all prizes paid out to all participants
94 multiplied by the location percentage for this state.

95 (2) 'Applicant' means any person that applies for a license under this article.

96 (3) 'Entry fee' means a nonrefundable cash or cash equivalent payment that is paid by a
97 participant and set in advance by a fantasy contest operator granting the participant the
98 right to participate in a fantasy contest.

99 (4) 'Fantasy contest' means any online fantasy or simulated game or contest of skill with
100 an entry fee in which:

101 (A) The values of all prizes offered to a winning participant are established and made
102 known to the participant in advance of the contest;

103 (B) All winning outcomes reflect the relative knowledge and skill of the participant;

104 (C) The participant assembles, owns, or manages a fictional entry or roster of actual
105 professional or amateur athletes who participate in real-world sporting events;

106 (D) A participant competes for prizes awarded by the fantasy contest operator based
107 on terms and conditions published by the fantasy contest operator and made known to
108 the participant in advance of the contest;

109 (E) Winning outcomes are determined solely by clearly established scoring criteria
110 based on one or more statistical results of the performance of individual athletes in
111 sporting events, including, but not limited to, a fantasy score or a single-statistical
112 measure of performance; and

113 (F) No winning outcome is entirely based on the score, point spread, or any
114 performance of any single actual team or combination of teams or solely on any single
115 performance of an individual athlete or player in any single sporting event. Such term

- 116 may include contests wherein participants compete against each other and contests
117 wherein only a single participant competes against a target score set by the fantasy
118 contest operator. Such term shall not include any fantasy contest without an entry fee.
119 (5) 'Fantasy contest operator' or 'operator' shall mean a person that offers fantasy contests
120 to members of the public. Such term shall not include an internet service provider or a
121 provider of mobile data services merely as a result of such provider transporting general
122 traffic that may include a fantasy contest.
- 123 (6) 'Large operator' means an operator that, at the time of receiving its initial or renewed
124 fantasy contest operator license, has adjusted gross fantasy contests receipts greater than
125 or equal to \$5 million for the preceding 12 months.
- 126 (7) 'License' means any of the licenses issued by the corporation under this article.
- 127 (8) 'Licensee' means a person that holds a license issued by the corporation under this
128 article.
- 129 (9) 'Location percentage' means the percentage rounded to the nearest tenth of 1 percent
130 of the total entry fees collected from players located in this state divided by the total entry
131 fees collected from all players in this state in the fantasy contest activity.
- 132 (10) 'Minor' means an individual who is under 19 years of age.
- 133 (11) 'Participant' means an individual who participates in a fantasy contest offered by a
134 fantasy contest operator.
- 135 (12) 'Person' means an individual or entity.
- 136 (13) 'Principal owner' means a person that owns an interest of 10 percent or more of the
137 entity.
- 138 (14) 'Prohibited participant' means any individual prohibited from paying an entry fee
139 for a fantasy contest under Code Section 50-27-162.
- 140 (15) 'Sports governing body' means the organization, league, or association that oversees
141 a professional sporting event and prescribes final rules and enforces codes of conduct
142 with respect to such professional sporting event and participants therein.

143 (16) 'Sporting event' means any:
144 (A) Professional sporting or professional athletic event, including motor sports,
145 sanctioned by a national or international organization or association;
146 (B) Collegiate sporting event;
147 (C) Olympic sporting or athletic event;
148 (D) Sporting or athletic event sanctioned by a national or international organization or
149 association;
150 (E) Sporting or athletic event conducted or organized by a sporting events operator;
151 (F) Esports event; or
152 (G) Other events authorized by the corporation. Such term shall not include any event
153 of which the majority of the participants are under the age of 18 years.

154 50-27-123.

155 (a) The corporation shall have all powers and duties necessary to carry out the provisions
156 of this article and to exercise the control of the fantasy contests in this state as authorized
157 by this article. Such powers and duties shall include, but shall not be limited to, the
158 following:

159 (1) To have jurisdiction, supervision, and regulatory authority over fantasy contests,
160 including, but not limited to, regulation and licensure of fantasy contests on mobile
161 applications available state wide via the internet;

162 (2) To appoint and employ such persons as the corporation deems essential to perform
163 its duties under this article and to ensure that such fantasy contests are conducted with
164 order and the highest integrity. Such employees shall possess such authority and perform
165 such duties as the corporation shall prescribe or delegate to them. Such employees shall
166 be compensated as provided by the corporation;

167 (3) To enter upon, investigate, and have free access to all places of business of any
168 licensee under this article and to compel the production of any books, ledgers, documents,

169 records, memoranda, or other information of any licensee to ensure such licensee's
170 compliance with the rules and regulations promulgated by the corporation pursuant to this
171 article;

172 (4) To promulgate any rules and regulations as the corporation deems necessary and
173 proper to administer the provisions of this article; provided, however, that, prior to
174 October 1, 2024, the initial rules and regulations governing fantasy contests shall be
175 promulgated and adopted after a period of public comment. Such initial rules and
176 regulations and all other rules and regulations of the corporation promulgated and
177 adopted pursuant to this article shall not be subject to Chapter 13 of this title, the 'Georgia
178 Administrative Procedure Act';

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

183 (6) To compel any person licensed by the corporation to file with the corporation such
184 data, documents, and information as shall appear to the corporation to be necessary for
185 the performance of the duties of the corporation under this article;

186 (7) To prescribe the manner in which books and records of persons licensed or permitted
187 by the corporation under this article shall be kept;

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

191 (9) To order any audits as the corporation deems necessary and desirable;

192 (10) Upon the receipt of a credible complaint of an alleged criminal violation of this
193 article, to immediately report such complaint to the appropriate law enforcement agency
194 with jurisdiction to investigate criminal activity;

- 195 (11) To provide for the reporting of the applicable amount of state and federal income
196 tax levied on persons claiming a prize or payout for a winning entry under this article;
197 (12) To establish and administer programs for providing assistance to individuals with
198 problem gaming disorders and in furtherance of responsible play, including, but not
199 limited to:
- 200 (A) Educating potential participants on the odds or likelihood of winning any monies,
201 prizes, or awards;
- 202 (B) Establishing and administering programs for educating potential participants about
203 responsible play, the warning signs of problem gaming disorders, and how to prevent
204 and treat problem gaming disorders;
- 205 (C) Developing and funding responsible education campaigns coupled with prevention
206 and education efforts within communities that raise awareness of potential signs or risk
207 factors of problem gaming;
- 208 (D) Encouraging the use of harm-minimizing measures by participants, such as
209 utilizing limit-setting tools and reviewing personal data and information to make
210 informed decisions about fantasy contests;
- 211 (E) Promulgating rules and regulations that enable participants to self-limit with a
212 licensee and self-exclude from fantasy contest activities state wide. Any such rules or
213 regulations related to self-exclusion shall require the individual seeking self-exclusion
214 to provide identifying information, including, at a minimum, full name, address, date
215 of birth, and the last four digits of the person's social security number;
- 216 (F) Adopting processes for individuals to express concerns related to problem gaming
217 disorders to the corporation;
- 218 (G) Developing state-wide advertising guidelines to ensure that the marketing of
219 fantasy contests is not targeted to minors and does not include content, themes, and
220 promotions that have special appeal to individuals with problem gaming disorders; and

221 (H) Requiring the electronic posting of signs or notifications on online fantasy contest
222 platforms that bear a toll-free number which provides or directs callers to assistance and
223 resources for individuals with problem gaming disorders;

224 (13) To keep a true and full record of all proceedings of the corporation under this article
225 and preserve at the corporation's principal office all books, documents, and papers of the
226 corporation; and

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

229 (b) The corporation shall not have the power to prescribe a licensee's maximum or
230 minimum prize payout of a fantasy contest.

231 50-27-124.

232 The corporation shall prescribe by rules and regulations:

233 (1) Required verifiable technical and operational measures to be used by licensees to
234 prevent prohibited participants from taking part in a fantasy contest;

235 (2) Identity verification procedures to be used by licensees, which may require the use
236 of a reputable independent third party that is in the business of verifying an individual's
237 personally identifiable information;

238 (3) Requirements of geolocation technology to be used by licensees to verify that a
239 participant is not taking part in a fantasy contest from a restricted jurisdiction;

240 (4) Compliance with standards to prohibit and detect money laundering or unlawful
241 banking practices; and

242 (5) Any reserves that shall be maintained by licensees to provide payouts of prizes to
243 participants.

244

Part 2245 50-27-130.

246 (a) Any person offering, operating, or managing a fantasy contest in this state shall be
247 licensed by the corporation as a fantasy contest operator.

248 (b) An applicant for a license shall submit an application on a form in such manner and in
249 accordance with such requirements as may be prescribed by rules and regulations of the
250 corporation. Such rules and regulations shall require, at a minimum, that the application
251 include the following:

252 (1) The name and principal place of business of the applicant;

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

255 (3) If the applicant is an entity, the name and address of each principal owner;

256 (4) The applicant's social security number or, if applicable, the applicant's federal tax
257 identification number;

258 (5) Evidence of the applicant's certificate of fitness for fantasy contest affiliation
259 pursuant to Code Section 50-27-180. If the applicant is an entity, such evidence shall be
260 provided for every individual who is a principal owner;

261 (6) The name of any jurisdiction in which the applicant has or is currently offering,
262 conducting, or managing a fantasy contest or has applied for or been granted any license,
263 registration, or certificate issued by a licensing authority for any fantasy contest or
264 gaming activity;

265 (7) Any ownership interest that a director, officer, or principal owner of the applicant
266 holds in any entity that is or was offering, conducting, or managing a fantasy contest in
267 any jurisdiction and the name of such jurisdiction;

268 (8) Notice and a description of civil actions filed against the applicant pertaining to the
269 payment of taxes to or antitrust or security regulation laws of the federal government, this
270 state, or any other state, jurisdiction, province, or country;

271 (9) A nonrefundable application fee and annual licensing fee as follows:

272 (A) Applicants that are large operators shall pay a nonrefundable application fee in the
273 amount of \$100,000.00 and an annual licensing fee in the amount of \$1,000,000.00; and

274 (B) All other applicants shall not be charged an application fee, but shall pay an annual
275 licensing fee in the amount of \$5,000.00.

276 The corporation may, at its discretion, charge a reasonable fee to cover the costs of
277 application review and renewal to all applicants not required to pay a nonrefundable
278 licensing fee pursuant to subparagraph (B) of this paragraph; and

279 (10) Any additional information, documents, or assurances required by rules and
280 regulations of the corporation.

281 (c) The corporation shall review and approve or deny an application for a license or a
282 renewal of a license not more than 60 days after receipt of an application.

283 (d) Any person that was offering fantasy contests to persons located in the state prior to
284 October 1, 2024, may continue to offer fantasy contests until such person's application for
285 licensure has been approved or denied in accordance with this article, provided that an
286 application for licensure that meets all the requirements of this Code section is filed by
287 such person with the corporation on or before the sixtieth day following the corporation's
288 publication of such an application for licensure.

289 (e) The corporation may waive any portion of the licensure review process excepting the
290 licensure and application fees for an applicant that:

291 (1) Provides evidence of licensure, registration, or certification in other United States
292 jurisdictions; or

293 (2) Has been licensed by the corporation or any other authority under the State of
294 Georgia as a sports wagering operator.

295 (f) A licensee may renew its license by submitting an application on a form in such manner
296 and in accordance with such requirements as may be prescribed by rules and regulations
297 of the corporation. A licensee shall submit the nonrefundable application fee prescribed
298 under paragraph (9) of this subsection with its application for license renewal.

299 (g) Each licensee shall have a continuing duty to promptly inform the corporation of any
300 change in status relating to any information that may disqualify the licensee from holding
301 a license under this article.

302 (h) All licenses issued under this article shall be valid for a term of five years unless
303 suspended or revoked as provided under this article.

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

306 50-27-131.

307 (a) The following persons shall not be eligible to apply for or obtain a license as a fantasy
308 contest operator:

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

312 (2) An employee of a professional sports team on which the applicant offers a fantasy
313 contest;

314 (3) A coach of or player for a collegiate, professional, or Olympic sports team or sport
315 for which the applicant offers a fantasy contest, or an entity that has an affiliation or
316 interest in such a sports team or sport;

317 (4) An individual who is a member or employee of any professional sports governing
318 body which the applicant offers a fantasy contest;

319 (5) An individual or entity with an owner, officer, or director who has been convicted of
320 a crime of moral turpitude or similar degree as specified in rules and regulations
321 promulgated by the corporation pursuant to this article;

322 (6) A person having the ability to directly affect the outcome of a sporting event upon
323 which the applicant offers a fantasy contest;

324 (7) A trustee or regent of a governing board of a public or private institution of higher
325 education;

326 (8) An individual prohibited by the rules or regulations of a professional sports
327 governing body or sporting events operator of a collegiate sports team, league, or
328 association from participating in a fantasy contest;

329 (9) A student or an employee of a public or private institution of higher education who
330 has access to material nonpublic information concerning a student athlete or a sports team
331 unless such access to information is deemed incidental; and

332 (10) Any other category of persons established by rules and regulations of the
333 corporation, that, if licensed, would negatively affect the integrity of fantasy contests in
334 this state.

335 (b) An individual listed in paragraphs (2) through (10) of subsection (a) of this Code
336 section may hold an ownership interest in an applicant or licensee without disqualifying
337 the applicant or licensee from obtaining or holding a license; provided, however, that such
338 an ownership interest of 25 percent or more shall require approval from the corporation.

339 In determining whether such an ownership interest shall be the basis of disqualification, the
340 corporation shall consider whether such interest would negatively affect the integrity of
341 fantasy contests in this state and any other factors the corporation shall deem relevant.

342 50-27-132.

343 A large operator shall contract with a certified public accountant to conduct an annual
344 independent audit, consistent with generally accepted standards of accounting and auditing,

345 as approved by the corporation. The large operator shall submit a copy of such audit report
346 to the corporation.

347 Part 3

348 50-27-150.

349 (a) Notwithstanding any other law to the contrary, there shall be imposed an annual
350 privilege tax of 20 percent of a fantasy contest operator's adjusted gross fantasy contest
351 receipts in accordance with this Code section. The accrual method of accounting shall be
352 used for purposes of calculating the amount of the privilege tax owed by the fantasy contest
353 operator.

354 (b) The privilege tax imposed under this Code section shall be paid monthly by the fantasy
355 contest operator based on its monthly adjusted gross fantasy contest receipts for the
356 immediately preceding calendar month. The privilege tax shall be paid to the corporation
357 in accordance with rules and regulations promulgated by the corporation. If the fantasy
358 contest operator's adjusted fantasy contest receipts for a month is a negative number, such
359 fantasy contest operator may carry over such negative amount to subsequent months.

360 (c) All moneys from privilege taxes and fees collected under this Code section shall be
361 distributed and used as provided under Article I, Section II, Paragraph VIII(c) of the
362 Constitution.

363 Part 4

364 50-27-160.

365 (a) No person shall knowingly:

366 (1) Allow a minor to pay an entry fee or otherwise be a participant;

367 (2) Target minors in advertising or promotions for fantasy contests; or

368 (3) Accept an entry fee from a prohibited participant.

369 (b) If the corporation determines that a person has violated any provision of this Code
370 section, the corporation may impose an administrative fine not to exceed \$25,000.00 per
371 violation or a total of \$50,000.00 for violations arising out of the same transaction or
372 occurrence.

373 50 27 161.

374 (a) Except for those individuals who are prohibited participants, an individual who is 19
375 years of age or older and who is physically located in this state may take part in a fantasy
376 contest in this state as a participant in the manner authorized under this article and the rules
377 and regulations of the corporation.

378 (b) A fantasy contest operator shall use a geolocation system to ensure that a participant
379 is physically present in this state when taking part in a fantasy contest.

380 50-27-162.

381 (a) The following individuals and categories of individuals shall not, directly or indirectly,
382 pay an entry fee for a fantasy contest in this state:

383 (1) A minor;

384 (2) Any individual who has excluded himself or herself from the ability to participate in
385 a fantasy contest offered by the licensee;

386 (3) Any athlete who is involved in an activity that is the subject of a fantasy contest;

387 (4) Any coach or trainer of an athlete who is involved in an activity that is the subject of
388 a fantasy contest;

389 (5) Any athlete, coach, referee, trainer, or staff of a team that is involved in an activity
390 that is the subject of a fantasy contest;

391 (6) A member, officer, employee, or vendor of the corporation or an officer or employee
392 of a vendor of the corporation; or

393 (7) A licensee or principal owner, partner, member of the board of directors, officer, or
394 supervisory employee of a licensee.

395 (b) The corporation may prescribe by rules and regulations additional individuals and
396 categories of individuals who are prohibited from paying an entry fee for a fantasy contest
397 in this state.

398 (c) Any individual who pays an entry fee in violation of this Code section:

399 (1) For a first offense, shall be:

400 (A) Required to forfeit any prize won as a result of such conduct; and

401 (B) Guilty of a misdemeanor and fined not less than \$500.00 nor more than \$1,000.00;

402 (2) For a second offense, shall be:

403 (A) Required to forfeit any prize won as a result of such conduct;

404 (B) Guilty of a misdemeanor; and

405 (C) Fined not less than \$5,000.00 or imprisoned for not less than one month nor more
406 than five months, or both; and

407 (3) For a third or subsequent offense, shall be:

408 (A) Required to forfeit any prize won as a result of such conduct;

409 (B) Guilty of a misdemeanor of a high and aggravated nature; and

410 (C) Fined not less than \$7,500.00 or imprisoned for not less than three months, or both.

411 50-27-163.

412 A fantasy contest operator shall not be considered a fantasy contest participant by virtue
413 of doing any combination of the following:

414 (1) Setting house rules for a fantasy contest;

415 (2) Assigning a salary or target score to any eligible athlete or other sporting event
416 participant;

417 (3) Accepting an entry fee from a fantasy contest participant; or

418 (4) Awarding or disbursing prizes as part of a fantasy contest.

419

Part 5420 50-27-170.

421 (a) Each fantasy contest operator shall adopt a registration policy to ensure that all
422 individuals that pay an entry fee are authorized to be participants with a licensee within this
423 state. Such policy shall include, without limitation, commercially reasonable mechanisms
424 to:

425 (1) Verify the identity and age of the registrant;426 (2) Verify that the registrant is not knowingly prohibited from placing a wager under
427 Code Section 50-27-162; and428 (3) Obtain the following information from the registrant:429 (A) Legal name;430 (B) Date of birth;431 (C) Physical address other than a post office box;432 (D) A unique username; and433 (E) An active email account.

434 (b) A participant shall not register more than one account with a licensee, and each
435 licensee shall use commercially and technologically reasonable means to ensure that each
436 participant is limited to one account.

437 (c) Each licensee, in addition to complying with state and federal law pertaining to the
438 protection of the private, personal information of each registered participant, shall use all
439 other commercially and technologically reasonable means to protect such information
440 consistent with industry standards.

441 50-27-171.

442 (a) A fantasy contest operator shall allow individuals to voluntarily prohibit themselves
443 from accessing that participant's registered account with the fantasy contest operator and

444 to alternatively place limits on the number of fantasy contests in which they can be
445 participants.

446 (b) The corporation shall promulgate rules and regulations that require a fantasy contest
447 operator to implement responsible fantasy contest programs that shall include, but shall not
448 be limited to, prominently displaying messaging designed to prevent problem gaming
449 disorders and providing information about how to access resources related to responsible
450 play.

451 50-27-172.

452 Each licensee shall adopt and adhere to a written comprehensive policy outlining its rules
453 governing the acceptance of entry fees and payout of prizes offered to winning participants.
454 Such policy and rules must be approved by the corporation prior to the acceptance of entry
455 fees by a licensee. Such policy and rules must be readily available to a participant on the
456 licensee's public website.

457 Part 6

458 50-27-180.

459 (a) As used in this Code section, the term 'department' means the Department of Revenue.

460 (b) Each person required under Code Section 50-28-130 to have a certificate of fitness for
461 fantasy contest affiliation shall submit to the department an application for such
462 certification. Such application shall constitute express consent and authorization for the
463 department to perform a criminal background check. Each applicant who submits an
464 application to the department for certification agrees to provide the department with any
465 and all information necessary to run a criminal background check, including, but not
466 limited to, classifiable sets of fingerprints as set forth in subsection (c) of this Code section.

467 The applicant shall be responsible for all fees associated with the performance of such
468 background check.

469 (c) An applicant who submits an application for a certificate of fitness for fantasy contest
470 affiliation to the department shall submit with such application one set of classifiable
471 electronically recorded fingerprints to the department in accordance with the fingerprint
472 system of identification established by the director of the Federal Bureau of Investigation.
473 The department shall transmit the fingerprints to the Georgia Crime Information Center,
474 which shall perform technical searches of the fingerprints as required by the National
475 Fingerprint File Qualification Requirements and, thereafter, submit the fingerprints to the
476 Federal Bureau of Investigation for a search of the bureau's records. After receiving results
477 of the Georgia Crime Information Center's technical searches and the Federal Bureau of
478 Investigation's search of its records, the department shall determine whether the applicant
479 may be issued a certificate in accordance with subsection (d) of this Code section.

480 (d) The department shall not issue a certificate of fitness for fantasy contest affiliation to
481 any person who has been convicted of, has been found guilty of, or has pled guilty to,
482 regardless of adjudication and in any jurisdiction, any felony or any misdemeanor that is
483 directly related to gambling, dishonesty, theft, or fraud.

484 Part 7

485 50-27-190.

486 Members of the corporation or designated employees thereof may, during normal business
487 hours, enter the premises of any facility of a licensee, or a third party utilized by the
488 licensee to operate and conduct business in accordance with this article, for the purpose of
489 inspecting books and records kept as required by this article to ensure that the licensee is
490 in compliance with this article or to make any other inspection of the premises necessary
491 to protect the public interests of this state and its consumers.

492 50-27-191.

493 (a) The corporation and licensees shall use commercially reasonable efforts to cooperate
494 with investigations conducted by law enforcement agencies, including, but not limited to,
495 using commercially reasonable efforts to provide or facilitate the provision of account-level
496 entry and participation information.

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

498 (1) A confirmed breach of a relevant sports governing body's internal rules and codes of
499 conduct pertaining to participation in gambling;

500 (2) Any conduct that corrupts any outcome related to a sporting event for purposes of
501 financial gain, including match fixing; and

502 (3) Illegal activity, including, but not limited to, the use of funds derived from illegal
503 activity, entries to conceal or launder funds derived from illegal activity, multi
504 accounting, and using false identification.

505 (c) All records, documents, and information received by the corporation pursuant to this
506 Code section shall be considered investigative records of a law enforcement agency and
507 shall not be subject to Article 4 of Chapter 18 of this title.

508 50-27-192.

509 (a) The corporation may investigate and conduct a hearing with respect to a licensee upon
510 information and belief that the licensee has violated this article. The corporation shall
511 conduct investigations and hearings in accordance with rules and regulations adopted by
512 the corporation.

513 (b) If the corporation determines that a licensee has violated any provision of this article
514 or any rules and regulations of the corporation, the corporation may suspend, revoke, or
515 refuse to renew a license; impose an administrative fine not to exceed \$25,000.00 per
516 violation or a total of \$50,000.00 for violations arising out of the same transaction or
517 occurrence; or both.

518 (c) The corporation shall promulgate rules and regulations establishing a schedule of
519 administrative fines that may be assessed in accordance with subsection (b) of this Code
520 section for each violation of this article; provided, however, that, if the corporation finds
521 that a licensee is knowingly allowing prohibited participants to participate in fantasy
522 contests in this state, the corporation shall impose a fine against the licensee as follows:

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

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

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

526 (4) If the corporation receives a complaint of prohibited conduct by an athlete, the
527 corporation shall notify the appropriate sports governing body of the athlete.

528 50-27-193.

529 (a) Any person that violates any provisions of this article shall be liable for a civil penalty
530 of not more than \$5,000.00 per violation, not to exceed \$50,000.00 for violations arising
531 out of the same transaction or occurrence, which shall accrue to the corporation and may
532 be recovered in a civil action brought by or on behalf of the corporation.

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

535 (c) Costs shall not be taxed against the corporation or this state for actions brought under
536 this article.

537 50-27-194.

538 (a) Fines assessed under this article shall be accounted for separately for use by the
539 corporation in a manner consistent with rules and regulations of the corporation.

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

543 50-27-195.

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

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

550 (1) Clearly erroneous;

551 (2) Arbitrary and capricious;

552 (3) Procured by fraud;

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

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

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

557 **PART III.**

558 **SECTION 3-1.**

559 Part 1 of Article 2 of Chapter 12 of Title 16 of the Official Code of Georgia Annotated,
 560 relating to gambling, is amended by revising paragraph (1) of Code Section 16-12-20,
 561 relating to definitions, as follows:

562 "(1) 'Bet' means an agreement that, dependent upon chance even though accompanied
 563 by some skill, one stands to win or lose something of value. A bet does not include:

564 (A) Contracts of indemnity or guaranty or life, health, property, or accident insurance;

565 or

566 (B) An offer of a prize, award, or compensation to the actual contestants in any bona
 567 fide contest for the determination of skill, speed, strength, or endurance or to the owners
 568 of animals, vehicles, watercraft, or aircraft entered in such contest; or
 569 (C) Any consideration paid to participate in a fantasy contest as defined in Code
 570 Section 50-27-122 and offered pursuant to Article 4 of Chapter 27 of Title 50."

571 **SECTION 3-2.**

572 Said part is further amended by revising Code Section 16-12-27, relating to advertisement
 573 or solicitation for participation in lotteries, as follows:

574 "16-12-27.

575 (a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to
 576 sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio
 577 commercial, or any book, magazine, periodical, newspaper, or other written or printed
 578 matter containing an advertisement or solicitation for participation in any lottery declared
 579 to be unlawful by the laws of this state unless such advertisement, commercial, or
 580 solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be
 581 clearly legible or audible to persons viewing or hearing such advertisement, commercial,
 582 or solicitation.

583 (b) Any person, partnership, firm, corporation, or other entity violating subsection (a) of
 584 this Code section shall be guilty of a misdemeanor.

585 (c) This Code section shall not apply to any advertisement or solicitation for participation
 586 in a fantasy contest by any person licensed by the Georgia Lottery Corporation under
 587 Article 4 of Chapter 27 of Title 50 that is concerning such licensee's lawful activities."

588 **SECTION 3-3.**

589 Said part is further amended by revising Code Section 16-12-28, relating to communicating
 590 gambling information, as follows:

591 "16-12-28.

592 (a) A person who knowingly communicates information as to bets, betting odds, or
593 changes in betting odds or who knowingly installs or maintains equipment for the
594 transmission or receipt of such information with the intent to further gambling commits the
595 offense of communicating gambling information.

596 (b) A person who commits the offense of communicating gambling information, upon
597 conviction thereof, shall be punished by imprisonment for not less than one nor more than
598 five years or by a fine not to exceed \$5,000.00, or both.

599 (c) This Code section shall not apply to the activities of a person licensed by the Georgia
600 Lottery Corporation under Article 4 of Chapter 27 of Title 50 or an employee, agent, or
601 other person acting in furtherance of his or her employment or grant of agency by such
602 licensee."

603

PART IV.

604

SECTION 4-1.

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

608 "(55) The sale of lottery tickets authorized by Chapter 27 of Title 50 or entry fees
609 authorized by Article 4 of Chapter 27 of Title 50;"

610

PART V.

611

SECTION 5-1.

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

615

SECTION 5-2.

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