

The House Committee on Economic Development and Tourism offers the following substitute to HB 1329:

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 contest as defined in Code Section 50-27-122 or traditional lottery games which
42 may involve the distribution of winnings by pools."

43 **SECTION 1-2.**

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

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

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

52 ~~(19)~~(20) To adopt and amend such regulations, policies, and procedures as necessary to
 53 carry out and implement its powers and duties, organize and operate the corporation,
 54 regulate the conduct of lottery games in general, and any other matters necessary or
 55 desirable for the efficient and effective operation of the lottery or the convenience of the
 56 public. The promulgation of any such regulations, policies, and procedures shall be
 57 exempt from the requirements of Chapter 13 of this title, the 'Georgia Administrative
 58 Procedure Act.'"

59 **SECTION 1-3.**

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

63 "(3)(A) Beginning in Fiscal Year 2025, a A shortfall reserve shall be maintained within
 64 the Lottery for Education Account in an amount equal to at least 50 percent ~~of net~~
 65 ~~proceeds deposited into such account for the preceding fiscal year~~ of the average
 66 amount of net proceeds deposited into such account for the preceding three fiscal years,
 67 hereinafter referred to as the minimum reserve. Beginning in Fiscal Year 2025 and for
 68 each fiscal year thereafter, if on the last day of the preceding fiscal year the total reserve

69 fund balance exceeds the minimum reserve, an amount equal to 10 percent of the excess
70 reserve funds, meaning the amount that the total reserve fund balance exceeds the
71 minimum reserve, shall be appropriated for educational purposes and programs.

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

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

82 **PART II.**

83 **SECTION 2-1.**

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

86 "ARTICLE 4

87 Part 1

88 50-27-120.

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

91 50-27-121.

92 The General Assembly finds that:

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

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

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

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

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

110 50-27-122.

111 As used in this article, the term:

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

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

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

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

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

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

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

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

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

134 (F) No winning outcome is entirely based on the score, point spread, or any
135 performance of any single actual team or combination of teams or solely on any single
136 performance of an individual athlete or player in any single sporting event. Such term
137 may include contests wherein participants compete against each other and contests
138 wherein only a single participant competes against a target score set by the fantasy
139 contest operator. Such term shall not include any fantasy contest without an entry fee.

140 (5) 'Fantasy contest operator' or 'operator' shall mean a person that offers fantasy contests
141 to members of the public. Such term shall not include an internet service provider or a
142 provider of mobile data services merely as a result of such provider transporting general
143 traffic that may include a fantasy contest.

- 144 (6) 'Large operator' means an operator that, at the time of receiving its initial or renewed
145 fantasy contest operator license, has adjusted gross fantasy contests receipts greater than
146 or equal to \$5 million for the preceding 12 months.
- 147 (7) 'License' means any of the licenses issued by the corporation under this article.
- 148 (8) 'Licensee' means a person that holds a license issued by the corporation under this
149 article.
- 150 (9) 'Location percentage' means the percentage rounded to the nearest tenth of 1 percent
151 of the total entry fees collected from players located in this state divided by the total entry
152 fees collected from all players in this state in the fantasy contest activity.
- 153 (10) 'Minor' means an individual who is under 19 years of age.
- 154 (11) 'Participant' means an individual who participates in a fantasy contest offered by a
155 fantasy contest operator.
- 156 (12) 'Person' means an individual or entity.
- 157 (13) 'Principal owner' means a person that owns an interest of 10 percent or more of the
158 entity.
- 159 (14) 'Prohibited participant' means any individual prohibited from paying an entry fee
160 for a fantasy contest under Code Section 50-27-162.
- 161 (15) 'Sports governing body' means the organization, league, or association that oversees
162 a professional sporting event and prescribes final rules and enforces codes of conduct
163 with respect to such professional sporting event and participants therein.
- 164 (16) 'Sporting event' means any:
- 165 (A) Professional sporting or professional athletic event, including motor sports,
166 sanctioned by a national or international organization or association;
- 167 (B) Collegiate sporting event;
- 168 (C) Olympic sporting or athletic event;
- 169 (D) Sporting or athletic event sanctioned by a national or international organization or
170 association;

- 171 (E) Sporting or athletic event conducted or organized by a sporting events operator;
172 (F) Esports event; or
173 (G) Other events authorized by the corporation. Such term shall not include any event
174 of which the majority of the participants are under the age of 18 years.

175 50-27-123.

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

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

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

188 (3) To enter upon, investigate, and have free access to all places of business of any
189 licensee under this article and to compel the production of any books, ledgers, documents,
190 records, memoranda, or other information of any licensee to ensure such licensee's
191 compliance with the rules and regulations promulgated by the corporation pursuant to this
192 article;

193 (4) To promulgate any rules and regulations as the corporation deems necessary and
194 proper to administer the provisions of this article; provided, however, that, prior to
195 October 1, 2024, the initial rules and regulations governing fantasy contests shall be
196 promulgated and adopted after a period of public comment. Such initial rules and

197 regulations and all other rules and regulations of the corporation promulgated and
198 adopted pursuant to this article shall not be subject to Chapter 13 of this title, the 'Georgia
199 Administrative Procedure Act';

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

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

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

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

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

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

216 (11) To provide for the reporting of the applicable amount of state and federal income
217 tax levied on persons claiming a prize or payout for a winning entry under this article;

218 (12) To establish and administer programs for providing assistance to individuals with
219 problem gaming disorders and in furtherance of responsible play, including, but not
220 limited to:

221 (A) Educating potential participants on the odds or likelihood of winning any monies,
222 prizes, or awards;

- 223 (B) Establishing and administering programs for educating potential participants about
224 responsible play, the warning signs of problem gaming disorders, and how to prevent
225 and treat problem gaming disorders;
- 226 (C) Developing and funding responsible education campaigns coupled with prevention
227 and education efforts within communities that raise awareness of potential signs or risk
228 factors of problem gaming;
- 229 (D) Encouraging the use of harm-minimizing measures by participants, such as
230 utilizing limit-setting tools and reviewing personal data and information to make
231 informed decisions about fantasy contests;
- 232 (E) Promulgating rules and regulations that enable participants to self-limit with a
233 licensee and self-exclude from fantasy contest activities state wide. Any such rules or
234 regulations related to self-exclusion shall require the individual seeking self-exclusion
235 to provide identifying information, including, at a minimum, full name, address, date
236 of birth, and the last four digits of the person's social security number;
- 237 (F) Adopting processes for individuals to express concerns related to problem gaming
238 disorders to the corporation;
- 239 (G) Developing state-wide advertising guidelines to ensure that the marketing of
240 fantasy contests is not targeted to minors and does not include content, themes, and
241 promotions that have special appeal to individuals with problem gaming disorders; and
- 242 (H) Requiring the electronic posting of signs or notifications on online fantasy contest
243 platforms that bear a toll-free number which provides or directs callers to assistance and
244 resources for individuals with problem gaming disorders;
- 245 (13) To keep a true and full record of all proceedings of the corporation under this article
246 and preserve at the corporation's principal office all books, documents, and papers of the
247 corporation; and
- 248 (14) To adopt rules and regulations specific to the manner in which a licensee may
249 advertise its business operations as authorized by this article.

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

252 50-27-124.

253 The corporation shall prescribe by rules and regulations:

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

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

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

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

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

265 Part 2

266 50-27-130.

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

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

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

- 274 (2) If the applicant is an entity, identification of the applicant's principal owners, board
275 of directors, and officers;
- 276 (3) If the applicant is an entity, the name and address of each principal owner;
- 277 (4) The applicant's social security number or, if applicable, the applicant's federal tax
278 identification number;
- 279 (5) Evidence of the applicant's certificate of fitness for fantasy contest affiliation
280 pursuant to Code Section 50-27-180. If the applicant is an entity, such evidence shall be
281 provided for every individual who is a principal owner;
- 282 (6) The name of any jurisdiction in which the applicant has or is currently offering,
283 conducting, or managing a fantasy contest or has applied for or been granted any license,
284 registration, or certificate issued by a licensing authority for any fantasy contest or
285 gaming activity;
- 286 (7) Any ownership interest that a director, officer, or principal owner of the applicant
287 holds in any entity that is or was offering, conducting, or managing a fantasy contest in
288 any jurisdiction and the name of such jurisdiction;
- 289 (8) Notice and a description of civil actions filed against the applicant pertaining to the
290 payment of taxes to or antitrust or security regulation laws of the federal government, this
291 state, or any other state, jurisdiction, province, or country;
- 292 (9) A nonrefundable application fee and annual licensing fee as follows:
- 293 (A) Applicants that are large operators shall pay a nonrefundable application fee in the
294 amount of \$100,000.00 and an annual licensing fee in the amount of \$1,000,000.00; and
- 295 (B) All other applicants shall not be charged an application fee, but shall pay an annual
296 licensing fee in the amount of \$5,000.00.
- 297 The corporation may, at its discretion, charge a reasonable fee to cover the costs of
298 application review and renewal to all applicants not required to pay a nonrefundable
299 licensing fee pursuant to subparagraph (B) of this paragraph; and

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

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

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

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

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

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

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

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

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

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

327 50-27-131.

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

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

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

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

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

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

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

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

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

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

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

356 (b) An individual listed in paragraphs (2) through (10) of subsection (a) of this Code
357 section may hold an ownership interest in an applicant or licensee without disqualifying
358 the applicant or licensee from obtaining or holding a license; provided, however, that such
359 an ownership interest of 25 percent or more shall require approval from the corporation.
360 In determining whether such an ownership interest shall be the basis of disqualification, the
361 corporation shall consider whether such interest would negatively affect the integrity of
362 fantasy contests in this state and any other factors the corporation shall deem relevant.

363 50-27-132.

364 A large operator shall contract with a certified public accountant to conduct an annual
365 independent audit, consistent with generally accepted standards of accounting and auditing,
366 as approved by the corporation. The large operator shall submit a copy of such audit report
367 to the corporation.

368 Part 3

369 50-27-150.

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

375 (b) The privilege tax imposed under this Code section shall be paid monthly by the fantasy
376 contest operator based on its monthly adjusted gross fantasy contest receipts for the

377 immediately preceding calendar month. The privilege tax shall be paid to the corporation
378 in accordance with rules and regulations promulgated by the corporation. If the fantasy
379 contest operator's adjusted fantasy contest receipts for a month is a negative number, such
380 fantasy contest operator may carry over such negative amount to subsequent months.

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

384 Part 4

385 50-27-160.

386 (a) No person shall knowingly:

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

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

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

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

394 50 27 161.

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

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

401 50-27-162.

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

404 (1) A minor;

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

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

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

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

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

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

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

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

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

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

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

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

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

425 (B) Guilty of a misdemeanor; and

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

- 428 (3) For a third or subsequent offense, shall be:
429 (A) Required to forfeit any prize won as a result of such conduct;
430 (B) Guilty of a misdemeanor of a high and aggravated nature; and
431 (C) Fined not less than \$7,500.00 or imprisoned for not less than three months, or both.

432 50-27-163.

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

- 435 (1) Setting house rules for a fantasy contest;
436 (2) Assigning a salary or target score to any eligible athlete or other sporting event
437 participant;
438 (3) Accepting an entry fee from a fantasy contest participant; or
439 (4) Awarding or disbursing prizes as part of a fantasy contest.

440 Part 5

441 50-27-170.

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

- 446 (1) Verify the identity and age of the registrant;
447 (2) Verify that the registrant is not knowingly prohibited from placing a wager under
448 Code Section 50-27-162; and
449 (3) Obtain the following information from the registrant:
450 (A) Legal name;
451 (B) Date of birth;

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

453 (D) A unique username; and

454 (E) An active email account.

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

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

462 50-27-171.

463 (a) A fantasy contest operator shall allow individuals to voluntarily prohibit themselves
464 from accessing that participant's registered account with the fantasy contest operator and
465 to alternatively place limits on the number of fantasy contests in which they can be
466 participants.

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

472 50-27-172.

473 Each licensee shall adopt and adhere to a written comprehensive policy outlining its rules
474 governing the acceptance of entry fees and payout of prizes offered to winning participants.
475 Such policy and rules must be approved by the corporation prior to the acceptance of entry

476 fees by a licensee. Such policy and rules must be readily available to a participant on the
477 licensee's public website.

478 Part 6

479 50-27-180.

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

481 (b) Each person required under Code Section 50-28-130 to have a certificate of fitness for
482 fantasy contest affiliation shall submit to the department an application for such
483 certification. Such application shall constitute express consent and authorization for the
484 department to perform a criminal background check. Each applicant who submits an
485 application to the department for certification agrees to provide the department with any
486 and all information necessary to run a criminal background check, including, but not
487 limited to, classifiable sets of fingerprints as set forth in subsection (c) of this Code section.
488 The applicant shall be responsible for all fees associated with the performance of such
489 background check.

490 (c) An applicant who submits an application for a certificate of fitness for fantasy contest
491 affiliation to the department shall submit with such application one set of classifiable
492 electronically recorded fingerprints to the department in accordance with the fingerprint
493 system of identification established by the director of the Federal Bureau of Investigation.
494 The department shall transmit the fingerprints to the Georgia Crime Information Center,
495 which shall perform technical searches of the fingerprints as required by the National
496 Fingerprint File Qualification Requirements and, thereafter, submit the fingerprints to the
497 Federal Bureau of Investigation for a search of the bureau's records. After receiving results
498 of the Georgia Crime Information Center's technical searches and the Federal Bureau of
499 Investigation's search of its records, the department shall determine whether the applicant
500 may be issued a certificate in accordance with subsection (d) of this Code section.

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

505 Part 7

506 50-27-190.

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

513 50-27-191.

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

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

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

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

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

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

529 50-27-192.

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

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

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

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

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

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

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

549 50-27-193.

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

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

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

558 50-27-194.

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

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

564 50-27-195.

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

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

571 (1) Clearly erroneous;

572 (2) Arbitrary and capricious;

573 (3) Procured by fraud;

574 (4) A result of substantial misconduct by the corporation; or
 575 (5) Contrary to the United States Constitution, the Constitution of Georgia, or this article.
 576 (c) The Superior Court of Fulton County may remand an appeal to the corporation to
 577 conduct further hearings.

578 **PART III.**

579 **SECTION 3-1.**

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

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

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

586 or

587 (B) An offer of a prize, award, or compensation to the actual contestants in any bona
 588 fide contest for the determination of skill, speed, strength, or endurance or to the owners
 589 of animals, vehicles, watercraft, or aircraft entered in such contest; or

590 (C) Any consideration paid to participate in a fantasy contest as defined in Code
 591 Section 50-27-122 and offered pursuant to Article 4 of Chapter 27 of Title 50."

592 **SECTION 3-2.**

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

595 "16-12-27.

596 (a) It shall be unlawful for any person, partnership, firm, corporation, or other entity to
 597 sell, distribute, televise, broadcast, or disseminate any advertisement, television or radio

598 commercial, or any book, magazine, periodical, newspaper, or other written or printed
599 matter containing an advertisement or solicitation for participation in any lottery declared
600 to be unlawful by the laws of this state unless such advertisement, commercial, or
601 solicitation contains or includes the words 'void in Georgia' printed or spoken so as to be
602 clearly legible or audible to persons viewing or hearing such advertisement, commercial,
603 or solicitation.

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

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

609 **SECTION 3-3.**

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

612 "16-12-28.

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

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

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

624

PART IV.

625

SECTION 4-1.

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

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

631

PART V.

632

SECTION 5-1.

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

636

SECTION 5-2.

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