

COMMITTEE OF CONFERENCE SUBSTITUTE TO HB 487

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and  
2 taxation, so as to transfer responsibility for administration and enforcement of provisions  
3 relating to coin operated amusement machines from the Department of Revenue to the  
4 Georgia Lottery Corporation; to amend Chapter 27 of Title 50 of the Official Code of  
5 Georgia Annotated, relating to a lottery for education, so as to provide for such transfer of  
6 responsibility; to provide for findings of the General Assembly; to revise provisions relating  
7 to such administration and enforcement; to provide for licensing of operators; to create the  
8 Class B machine operators advisory board; to provide for a Class B accounting terminal; to  
9 provide for procedures, conditions, and limitations; to provide for fees and penalties; to  
10 provide for disposition of certain revenues; to amend Part 1 of Article 2 of Chapter 12 of  
11 Title 16 of the Official Code of Georgia Annotated, relating to improper use of coin operated  
12 amusement machines, so as to change certain provisions relating to definitions; to amend  
13 various other provisions of the Official Code of Georgia Annotated so as to conform related  
14 cross-references; to state legislative intent with respect to the effect of this Act on maritime  
15 vessels; to provide for an effective date; to provide for an automatic repeal upon a finding  
16 of unconstitutionality; to repeal conflicting laws; and for other purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

18 PART I

19 SECTION 1-1.

20 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is  
21 amended by revising Chapter 17, relating to coin operated amusement machines, and  
22 redesignating it as a new Article 3 of Chapter 27 of Title 50, relating to a lottery for  
23 education, as follows:

24 "CHAPTER 17 ARTICLE 3

25 Part 1

26 ~~48-17-1. 50-27-70.~~

27 (a) The General Assembly finds that the ability to operate a bona fide coin operated  
 28 amusement machine business in this state constitutes a privilege and not a right. Further,  
 29 in order to prevent the unregulated operation of the bona fide coin operated amusement  
 30 machine business, the General Assembly is enacting the procedural enhancements of this  
 31 article which will aid in the enforcement of the tax obligations that arise from the operation  
 32 of bona fide coin operated amusement machine businesses as well as prevent unauthorized  
 33 cash payouts. The General Assembly finds that the bona fide coin operated amusement  
 34 machine business can be conducted in a manner to safeguard the fiscal soundness of the  
 35 state, enhance public welfare, and support the need to educate Georgia's children through  
 36 the HOPE scholarship program and pre-kindergarten funding authorized by Article I,  
 37 Section II, Paragraph VIII of the Constitution.

38 (b) As used in this chapter article, the term:

39 (1) 'Applicant' or 'licensee' means an owner ~~as defined in this Code section~~, including an  
 40 owner's officers, directors, shareholders, individuals, members of any association or other  
 41 entity not specified, and, when applicable in context, the business entity itself.

42 ~~(2)(A)~~ (A) 'Bona fide coin operated amusement machine' means: ~~(A) Every~~ every machine  
 43 of any kind or character used by the public to provide amusement or entertainment whose  
 44 operation requires the payment of or the insertion of a coin, bill, other money, token,  
 45 ticket, card, or similar object and the result of whose operation depends in whole or in  
 46 part upon the skill of the player, whether or not it affords an award to a successful player  
 47 pursuant to subsections (b) through (g) of Code Section 16-12-35, and which can be  
 48 legally shipped interstate according to federal law. Examples of bona fide coin operated  
 49 amusement machines include, but are expressly not limited to, the following:

- 50 (i) Pinball machines;
- 51 (ii) Console machines;
- 52 (iii) Video games;
- 53 (iv) Crane machines;
- 54 (v) Claw machines;
- 55 (vi) Pusher machines;
- 56 (vii) Bowling machines;
- 57 (viii) Novelty arcade games;
- 58 (ix) Foosball or table soccer machines;
- 59 (x) Miniature racetrack, football, or golf machines;
- 60 (xi) Target or shooting gallery machines;

- 61 (xii) Basketball machines;  
 62 (xiii) Shuffleboard games;  
 63 (xiv) Kiddie ride games;  
 64 (xv) Skee-ball machines;  
 65 (xvi) Air hockey machines;  
 66 (xvii) Roll down machines;  
 67 (xviii) Trivia machines;  
 68 (xix) Laser games;  
 69 (xx) Simulator games;  
 70 (xxi) Virtual reality machines;  
 71 (xxii) Maze games;  
 72 (xxiii) Racing games;  
 73 (xxiv) Coin operated pool tables or coin operated billiard tables as defined in  
 74 paragraph (3) of Code Section 43-8-1; and  
 75 (xxv) Any other similar amusement machine which can be legally operated in  
 76 Georgia; and.

77 ~~(B) Every~~ The term also means machine of any kind or character used by the public  
 78 to provide music whose operation requires the payment of or the insertion of a coin,  
 79 bill, other money, token, ticket, card, or similar object such as jukeboxes or other  
 80 similar types of music machines.

81 (B) The term 'bona fide coin operated amusement machine' does not include the  
 82 following:

- 83 (i) Coin operated washing machines or dryers;  
 84 (ii) Vending machines which for payment of money dispense products or services;  
 85 (iii) Gas and electric meters;  
 86 (iv) Pay telephones;  
 87 (v) Pay toilets;  
 88 (vi) Cigarette vending machines;  
 89 (vii) Coin operated scales;  
 90 (viii) Coin operated gumball machines;  
 91 (ix) Coin operated parking meters;  
 92 (x) Coin operated television sets which provide cable or network programming;  
 93 (xi) Coin operated massage beds; and  
 94 (xii) Machines which are not legally permitted to be operated in Georgia.

95 ~~(2.1) 'Business owner or business operator' means an owner or operator of a business~~  
 96 ~~where one or more bona fide coin operated amusement machines are available for~~  
 97 ~~commercial use and play by the public.~~

98 ~~(2.2)~~(3) 'Class A machine' means a bona fide coin operated amusement machine that is  
 99 not a Class B machine, does not allow a successful player to carry over points won on one  
 100 play to a subsequent play or plays, and:

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

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

103 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift  
 104 certificates, or novelties in compliance with the provisions of subsection (c) or  
 105 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a  
 106 successful player with any item prohibited as a reward in subsection (i) of Code Section  
 107 16-12-35 or any reward redeemable as an item prohibited as a reward in subsection (i)  
 108 of Code Section 16-12-35;

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

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

114 ~~(2.3)~~(4) 'Class B machine' means a bona fide coin operated amusement machine that  
 115 allows a successful player to accrue points on the machine and carry over points won on  
 116 one play to a subsequent play or plays in accordance with paragraph (2) of subsection (d)  
 117 of Code Section 16-12-35 and:

118 (A) Rewards a successful player in compliance with the provisions of paragraphs (1)  
 119 and (2) of subsection (d) of Code Section 16-12-35; and

120 (B) Does not reward a successful player with any item prohibited as a reward in  
 121 subsection (i) of Code Section 16-12-35 or any reward redeemable as an item  
 122 prohibited as a reward in subsection (i) of Code Section 16-12-35.

123 ~~(3)~~(5) ~~'Commissioner' means the state revenue commissioner.~~ 'Distributor' means a  
 124 person, individual, partnership, corporation, limited liability company, or any other  
 125 business entity that buys, sells, or distributes Class B machines to or from operators.

126 ~~(3.1)~~(6) 'Location license' means the initial and annually renewed license which every  
 127 ~~business location~~ owner or ~~business location~~ operator must purchase and display in the  
 128 location where one or more bona fide coin operated amusement machines are available  
 129 for commercial use by the public for play in order to operate legally any such machine  
 130 in this state.

131 ~~(3.2)~~(7) 'Location license fee' means the fee paid to obtain the location license.

132 (8) 'Location owner or location operator' means an owner or operator of a business where  
 133 one or more bona fide coin operated amusement machines are available for commercial  
 134 use and play by the public.

135 (9) 'Manufacturer' means a person, individual, partnership, corporation, limited liability  
 136 company, or any other business entity that supplies and sells major components or parts,  
 137 including software, hardware, or both, to Class B machine distributors or operators.

138 ~~(4)~~(10) 'Master license' means the certificate which every owner of a bona fide coin  
 139 operated amusement machine must purchase and display in the owner's or operator's  
 140 place of business where the machine is located for commercial use by the public for play  
 141 in order to legally operate the machine in the state.

142 ~~(4.1)~~(11) 'Net receipts' means the entire amount of moneys received from the public for  
 143 play of an amusement machine, minus the amount of expenses for noncash redemption  
 144 of winnings from the amusement machine, and minus the amount of moneys refunded to  
 145 the public for ~~malfunction~~ bona fide malfunctions of the amusement machine.

146 ~~(5)~~(12) 'Operator' means any person, individual, firm, company, association, corporation,  
 147 or other business entity ~~who~~ that exhibits, displays, or permits to be exhibited or  
 148 displayed, in a place of business other than his own, any bona fide coin operated  
 149 amusement machine in this state.

150 ~~(6)~~(13) 'Owner' means any person, individual, firm, company, association, corporation,  
 151 or other business entity owning any bona fide coin operated amusement machine in this  
 152 state.

153 ~~(7)~~(14) 'Permit fee' means the annual per machine charge which every owner of a bona  
 154 fide coin operated amusement machine in commercial use must purchase and display in  
 155 either the owner's or operator's place of business in order to legally operate the machine  
 156 in the state.

157 (15) 'Person' means an individual, any corporate entity or form authorized by law  
 158 including any of its subsidiaries or affiliates, or any officer, director, board member, or  
 159 employee of any corporate entity or form authorized by law.

160 ~~(7.1)~~(16) 'Single play' or 'one play' means the completion of a sequence of a game, or  
 161 replay of a game, where the player receives a score and from the score the player can  
 162 secure free replays, merchandise, points, tokens, vouchers, tickets, cards, or other  
 163 evidence of winnings as set forth in subsection (c) or (d) of Code Section 16-12-35. A  
 164 player may, but is not required to, exchange a score for rewards permitted by  
 165 subparagraphs ~~(A), (B), (C), and (D)~~ of paragraph ~~(d)(1)~~ (d)(1)(A) through (d)(1)(D) of  
 166 Code Section 16-12-35 after each play.

167 ~~(9)~~(17) 'Slot machine or any simulation or variation thereof' means any contrivance  
 168 which, for a consideration, affords the player an opportunity to obtain money or other  
 169 thing of value, the award of which is determined solely by chance, whether or not a prize  
 170 is automatically paid by the contrivance.

171 ~~(8)~~(18) 'Sticker' means the decal issued for every bona fide coin operated amusement  
172 machine to show proof of payment of the permit fee.

173 ~~(10)~~(19) 'Successful player' means an individual who wins on one or more plays of a  
174 bona fide coin operated amusement machine.

175 ~~(11)~~(20) 'Temporary location permit' means the permit which every business location  
176 owner or business location operator must purchase and display in the location where one  
177 or more bona fide coin operated amusement machines are available for commercial use  
178 by the public for play in order to operate legally the machine or machines in this state for  
179 seven days or less. Such temporary location permits shall be subject to the same  
180 regulations and conditions as location licenses.

181 ~~48-17-2; 50-27-71.~~

182 (a) Every owner, except an owner holding a bona fide coin operated amusement machine  
183 solely for personal use or resale, who offers others the opportunity to play for a charge,  
184 whether directly or indirectly, any bona fide coin operated amusement machine shall pay  
185 annual master license fees to the corporation as follows:

186 (1) For Class A machines:

187 (A) For five or fewer machines, the owner shall pay a master license fee of \$500.00.  
188 In the event such owner acquires a sixth or greater number of machines during a  
189 calendar year which require a certificate for lawful operation under this ~~chapter~~ article  
190 so that the total number of machines owned does not exceed 60 machines or more, such  
191 owner shall pay an additional master license fee of \$1,500.00;

192 (B) For six or more machines but not more than 60 machines, the owner shall pay a  
193 master license fee of \$2,000.00. In the event such owner acquires a sixty-first or  
194 greater number of machines during a calendar year which require a certificate for lawful  
195 operation under this ~~chapter~~ article, such owner shall pay an additional master license  
196 fee of \$1,500.00; or

197 (C) For 61 or more machines, the owner shall pay a master license fee of \$3,500.00;  
198 and

199 (2) For any number of Class B machines, the owner shall pay a master license fee of  
200 \$5,000.00.

201 The cost of the license shall be paid to the ~~commissioner~~ corporation by company check,  
202 cash, cashier's check, ~~or~~ money order, or any other method approved by the chief executive  
203 officer. Upon ~~said~~ such payment, the ~~commissioner~~ corporation shall issue a master license  
204 certificate to the owner. The master license fee levied by this Code section shall be  
205 collected by the ~~commissioner~~ corporation on an annual basis for the period from July 1  
206 to June 30. The ~~commissioner~~ board may establish procedures for master license collection

207 and set due dates for these license payments. No refund or credit of the master license  
 208 charge levied by this Code section may be allowed to any owner who ceases the operation  
 209 of bona fide coin operated amusement machines prior to the end of any license or permit  
 210 period.

211 (a.1) Every business location owner or business location operator shall pay an annual  
 212 location license fee for each bona fide coin operated amusement machine offered to the  
 213 public for play. The annual location license fee shall be \$25.00 for each Class A machine  
 214 and \$125.00 for each Class B machine. The annual location license fee levied by this Code  
 215 section shall be collected by the commissioner corporation on an annual basis from July  
 216 1 to June 30. The location license fee shall be paid to the commissioner corporation by  
 217 company check, cash, cashier's check, ~~or money order,~~ or any other method approved by  
 218 the chief executive officer. Upon payment, the commissioner corporation shall issue a  
 219 location license certificate that shall state the number of bona fide coin operated  
 220 amusement machines permitted for each class without further description or identification  
 221 of specific machines. The commissioner board may establish procedures for location  
 222 license fee collection and set due dates for payment of such fees. No refund or credit of  
 223 the location license fee shall be allowed to any business location owner or business location  
 224 operator who ceases to offer bona fide coin operated amusement machines to the public for  
 225 commercial use prior the end of any license period.

226 (a.2) The corporation may refuse to issue or renew a location owner or location operator  
 227 license or may revoke or suspend a location owner or location operator license issued under  
 228 this article if:

229 (1) The licensee or applicant has intentionally violated a provision of this chapter or a  
 230 regulation promulgated under this chapter;

231 (2) The licensee or applicant has intentionally failed to provide requested information  
 232 or answer a question, intentionally made a false statement in or in connection with his or  
 233 her application or renewal, or omitted any material or requested information;

234 (3) The licensee or applicant used coercion to accomplish a purpose or to engage in  
 235 conduct regulated by the corporation;

236 (4) Failure to revoke or suspend the license would be contrary to the intent and purpose  
 237 of this article;

238 (5) The licensee or applicant has engaged in unfair methods of competition and unfair  
 239 or deceptive acts or practices as provided in Code Section 50-27-87.1; or

240 (6) Any applicant, or any person, firm, corporation, legal entity, or organization having  
 241 any interest in any operation for which an application has been submitted, fails to meet  
 242 any obligations imposed by the tax laws or other laws or regulations of this state.

243 (b) A copy of an owner's master license and the ~~business~~ location owner's or ~~business~~  
244 location operator's location license shall be prominently displayed at all locations where  
245 the owner and ~~business~~ location owner or ~~business~~ location operator have bona fide coin  
246 operated amusement machines available for commercial use and for play by the public to  
247 evidence the payment of the fees levied under this Code section.

248 (c) Each master license and each location license shall list the name and address of the  
249 owner or ~~business~~ location owner or ~~business~~ location operator, as applicable.

250 (d) The ~~commissioner~~ corporation may provide a duplicate original master license  
251 certificate or location license certificate if the original certificate has been lost, stolen, or  
252 destroyed. The fee for a duplicate original certificate is \$100.00. If the original certificate  
253 is lost, stolen, or destroyed, a sworn, written statement must be submitted explaining the  
254 circumstances by which the certificate was lost, stolen, or destroyed and including the  
255 number of the lost, stolen, or destroyed certificate, if applicable, before a duplicate original  
256 certificate can be issued. A certificate for which a duplicate certificate has been issued is  
257 void.

258 (e) A license or permit issued under this Code section:

259 (1) Is effective for a single business entity;

260 (2) Vests no property or right in the holder of the license or permit except to conduct the  
261 licensed or permitted business during the period the license or permit is in effect;

262 (3) Is nontransferable, nonassignable by and between owners or ~~business~~ location owners  
263 and ~~business~~ location operators, and not subject to execution; and

264 (4) Expires upon the death of an individual holder of a license or permit or upon the  
265 dissolution of any other holder of a license or permit.

266 (f) An application for the renewal of a license or permit must be made to the ~~commissioner~~  
267 corporation by June 1 of each year.

268 (g) Acceptance of a license or permit issued under this Code section constitutes consent  
269 by the licensee and the ~~business~~ location owner or ~~business~~ location operator of the  
270 business where bona fide coin operated amusement machines are available for commercial  
271 use and for play by the public that the ~~commissioner or the commissioner's~~ corporation's  
272 agents may freely enter the business premises where the licensed and permitted machines  
273 are located during normal business hours for the purpose of ensuring compliance with this  
274 ~~chapter~~ article.

275 (h) An application for a license or permit to do business under this ~~chapter~~ article shall  
276 contain a complete statement regarding the ownership of the business to be licensed or the  
277 business where the permitted machines are to be located. This statement of ownership shall  
278 specify the same information that is required by the application to secure a sales tax  
279 number for the State of Georgia.



280 (i) An application for a master license shall be accompanied by either the annual or  
 281 semiannual fee plus the required permit fee due for each machine. Additional per machine  
 282 permits can be purchased during the year if needed by the owner. An application for a  
 283 location license shall be accompanied by the appropriate fee.

284 (j) An application is subject to public inspection.

285 (k) A renewal application filed on or after July 1, but before the license expires, shall be  
 286 accompanied by a late fee of \$125.00. A master license or location license that has been  
 287 expired for more than 90 days may not be renewed. In such a case, the owner shall obtain  
 288 a new master license or the ~~business location~~ owner or ~~business location~~ operator shall  
 289 obtain a new location license, as applicable, by complying with the requirements and  
 290 procedures for obtaining an original master license or location license.

291 (l) A holder of a license who properly completes the application and remits all fees with  
 292 it by the due date may continue to operate bona fide coin operated amusement machines  
 293 after the expiration date if its license or permit renewal has not been issued, unless the  
 294 holder of the license is notified by the ~~commissioner~~ corporation prior to the expiration  
 295 date of a problem with the renewal.

296 (m) Holders of location licenses and temporary location permits shall be subject to the  
 297 same provisions of this ~~chapter~~ article with regard to refunds, license renewals, license  
 298 suspensions, and license revocations as are holders of master licenses.

299 (n) Failure to obtain a master license or location license as required by this Code section  
 300 shall subject the person to a fine of up to \$25,000.00 and repayment of all fees or receipts  
 301 due to the corporation pursuant to this article and may subject the person to a loss of all  
 302 state licenses.

303 ~~48-17-3. 50-27-72.~~

304 (a) No refund is allowed for a master license except as follows:

305 (1) The owner makes a written request to the ~~commissioner~~ corporation for a refund  
 306 prior to the beginning of the calendar year for which it was purchased;

307 (2) The owner makes a written request prior to the issuance of the master license or  
 308 registration certificate;

309 (3) The owner makes a written request for a refund claiming the master license or  
 310 registration certificate was mistakenly purchased due to reliance on incorrect information  
 311 from the ~~commissioner~~ corporation;

312 (4) The processing of the master license is discontinued; or

313 (5) The issuance of the master license is denied.

314 (b) Before a refund will be allowed if the renewal of a master license is denied, the  
 315 ~~commissioner~~ corporation shall verify that the applicant has no machines in operation and

316 does not possess any machines except those that are exempt from the fees. If a master  
317 license is not issued, the ~~commissioner~~ corporation may retain \$100.00 to cover  
318 administrative costs.

319 (c) No refund will be allowed if the owner has an existing liability for any other fees or  
320 taxes due. Any refund will be applied to the existing liability due.

321 ~~48-17-4. 50-27-73.~~

322 (a) The ~~commissioner~~ corporation shall not renew a master, location owner, or location  
323 operator license for a business under this ~~chapter~~ article and shall suspend for any period  
324 of time or cancel a master, location owner, or location operator license if the ~~commissioner~~  
325 corporation finds that the applicant or licensee is indebted to the state for any fees, costs,  
326 penalties, or delinquent fees.

327 (b) The ~~commissioner~~ corporation shall not issue or renew a license for a business under  
328 this ~~chapter~~ article if the applicant does not designate and maintain an office in this state  
329 or if the applicant does not permit inspection by the ~~commissioner~~ corporation's agents of  
330 his or her place of business or of all records which the applicant or licensee is required to  
331 maintain.

332 (c) The ~~commissioner~~ corporation may refuse to issue or renew a master license or may  
333 revoke or suspend a master license issued under this chapter if:

334 (1) The licensee or applicant has intentionally violated a provision of this chapter or a  
335 regulation promulgated under this chapter;

336 (2) The licensee or applicant has intentionally failed to provide requested information  
337 or answer a question, or has intentionally made a false statement in or in connection with  
338 his or her application or renewal, or omitted any material or requested information;

339 (3) The licensee or applicant used coercion to accomplish a purpose or to engage in  
340 conduct regulated by the ~~commissioner~~ corporation;

341 (4) A licensee or applicant ~~that~~ allows the use of its master license certificate or per  
342 machine permit stickers by any other business entity or person who owns or operates  
343 bona fide coin operated amusement machines available for commercial use and available  
344 to the public for play. If such unauthorized use occurs, the ~~commissioner~~ corporation  
345 may fine the licensee as follows:

346 (A) One ~~hundred and fifty thousand~~ thousand dollars for each improper use of a per machine  
347 permit sticker; and

348 (B) ~~One~~ Twenty-five thousand dollars for each improper use of a master license  
349 certificate.

350 In addition, the ~~commissioner~~ corporation is authorized to seize the machines in question  
 351 and assess the master license and permit fees as required by law and to assess the costs  
 352 of such seizure to the owner or operator of the machines; ~~or~~

353 (5) Failure to suspend or revoke the license would be contrary to the intent and purpose  
 354 of this ~~chapter~~ article;

355 (6) The licensee or applicant has engaged in unfair methods of competition and unfair  
 356 or deceptive acts or practices as provided in Code Section 50-27-87.1; or

357 (7) Any applicant, or any person, firm, corporation, legal entity, or organization having  
 358 any interest in any operation for which an application has been submitted, fails to meet  
 359 any obligations imposed by the tax laws or other laws or regulations of this state.

360 (d) The ~~commissioner~~ corporation, on the request of a licensee or applicant for a license,  
 361 shall conduct a hearing to ascertain whether a licensee or applicant for a license has  
 362 engaged in conduct which would be grounds for revocation, suspension, or refusal to issue  
 363 or renew a license.

364 (e) The corporation shall not issue any new Class B master licenses until one year after it  
 365 certifies that the Class B accounting terminal authorized by Code Section 50-27-101 is  
 366 implemented; provided, however, the corporation shall be permitted to renew Class B  
 367 master licenses at any time.

368 ~~48-17-5: 50-27-74.~~

369 (a) An applicant or licensee is entitled to at least 30 days' written notice and, if requested,  
 370 a hearing in the following instances:

371 (1) After an application for an original or renewal license has been refused;

372 (2) Before the ~~commissioner~~ corporation may revoke a license; or

373 (3) Before the ~~commissioner~~ corporation may invoke any other sanctions provided by  
 374 this ~~chapter~~ article. For purposes of this paragraph, sanctions shall not include:

375 (A) Issuance of a citation;

376 (B) Imposition of a late fee, penalty fee, or interest penalty under subsection (k) of  
 377 Code Section ~~48-17-2~~ 50-27-71, Code Section ~~48-17-11~~ 50-27-80, or subsection (a) of  
 378 Code Section ~~48-17-13~~ 50-27-82; or

379 (C) Sealing a machine or imposing charges related thereto under subsection ~~(g)~~(f) of  
 380 Code Section ~~48-17-13~~ 50-27-82.

381 (b) The written notice provided by this Code section may be served personally by the  
 382 ~~commissioner~~ chief executive officer or an authorized representative of the corporation or  
 383 sent by United States certified mail or statutory overnight delivery addressed to the  
 384 applicant, licensee, or registration certificate holder at its last known address. In the event  
 385 that notice cannot be effected by either of these methods after due diligence, the

386 ~~commissioner~~ chief executive officer may prescribe any reasonable method of notice  
 387 calculated to inform a person of average intelligence and prudence of the ~~commissioner's~~  
 388 corporation's action, including publishing the notice in a newspaper of general circulation  
 389 in the area in which the applicant, licensee, or registration certificate holder conducts its  
 390 business activities. The written notice shall state with particularity the basis upon which  
 391 the ~~commissioner~~ corporation is taking the proposed actions.

392 (c) Subject to approval by the chief executive officer and corporation, the Bona Fide Coin  
 393 Operated Amusement Machine Operator Advisory Board shall establish a procedure for  
 394 hearings required by this article. Such procedure shall empower the chief executive officer  
 395 with the authority to delegate or appoint any person or public agency to preside over the  
 396 hearing and adjudicate the appeal, and the chief executive officer shall identify the party  
 397 responsible for entering a final decision for the corporation.

398 ~~48-17-6. 50-27-75.~~

399 (a) The ~~commissioner~~ corporation shall deliver to the applicant or licensee a written copy  
 400 of the order refusing an application or renewal application, revoking a master license, or  
 401 imposing any other sanction provided in this ~~chapter~~ article issued after any required  
 402 hearing provided by Code Section 50-27-74.

403 (b) Delivery of the ~~commissioner's~~ corporation's order may be given by:

404 (1) Personal service upon an individual applicant or licensee;

405 (2) Personal service upon any officer, director, partner, trustee, or receiver, as the case  
 406 may be;

407 (3) Personal service upon the person in charge of the business premises, temporarily or  
 408 otherwise, of the applicant or licensee;

409 (4) Sending such notice by United States certified mail or statutory overnight delivery  
 410 addressed to the business premises of the applicant or licensee; or

411 (5) Posting notice upon the outside door of the business premises of the applicant or  
 412 licensee.

413 (c) Notice shall be deemed complete upon the performance of any action authorized in this  
 414 Code section.

415 ~~48-17-7. 50-27-76.~~

416 (a) Appeal by an affected person from all actions of the ~~commissioner~~ corporation or chief  
 417 executive officer shall be to the Superior Court of Fulton County ~~or the superior court~~  
 418 ~~where the owner has the machines located at the time that the action has been taken by the~~  
 419 ~~commissioner.~~ The review shall be conducted by the court and shall be confined to the  
 420 record.

421 (b) The court shall not substitute its judgment for that of the ~~commissioner corporation or~~  
 422 ~~chief executive officer~~ as to the weight of the evidence on questions of fact committed to  
 423 the discretion of the ~~commissioner corporation or chief executive officer~~. The court may  
 424 affirm the decision of the ~~commissioner corporation or chief executive officer~~ in whole or  
 425 in part; the court shall reverse or remand the case for further proceedings if substantial  
 426 rights of the appellant have been prejudiced because the ~~commissioner's corporation's or~~  
 427 ~~chief executive officer's~~ findings, inferences, conclusions, or decisions are:

- 428 (1) In violation of constitutional or statutory provisions;  
 429 (2) In excess of the statutory authority of the ~~commissioner corporation or chief~~  
 430 ~~executive officer~~;  
 431 (3) Made upon unlawful procedures;  
 432 (4) Affected by other error of law;  
 433 (5) Not reasonably supported by substantial evidence in view of the reliable and  
 434 probative evidence in the record as a whole; or  
 435 (6) Arbitrary or capricious or characterized by abuse of discretion or clearly unwarranted  
 436 exercise of discretion.

437 ~~48-17-8. 50-27-77.~~

438 Appeal from any final judgment of the ~~superior court~~ Superior Court of Fulton County may  
 439 be taken by any party, including the ~~commissioner corporation~~, in the manner provided for  
 440 in civil actions generally.

441 ~~48-17-9. 50-27-78.~~

442 (a) Every owner, except an owner holding a coin operated amusement machine solely for  
 443 personal use or resale, who offers others the opportunity to play for a charge, whether  
 444 direct or indirect, any bona fide coin operated amusement machine shall pay an annual  
 445 permit fee for each bona fide coin operated amusement machine in the amount of \$25.00  
 446 for each Class A machine and \$125.00 for each Class B machine. The fee shall be paid to  
 447 the ~~commissioner corporation~~ by company check, cash, cashier's check, ~~or~~ money order,  
 448 or any other method approved by the chief executive officer. Upon payment, the  
 449 ~~commissioner corporation~~ shall issue a sticker for each bona fide coin operated amusement  
 450 machine. The annual fees levied by this ~~chapter~~ article shall be collected by the  
 451 ~~commissioner corporation~~ on an annual basis for the period from July 1 to June 30. The  
 452 ~~commissioner board~~ may establish procedures for annual collection and set due dates for  
 453 the fee payments. No refund or credit of the annual fee levied by this ~~chapter~~ article shall  
 454 be allowed to any owner who ceases the exhibition or display of any bona fide coin  
 455 operated amusement machine prior to the end of any license or permit period.

456 (b) The sticker issued by the ~~commissioner~~ corporation to evidence the payment of the fee  
 457 under this Code section shall be securely attached to the machine. Owners may transfer  
 458 stickers from one machine to another in the same class and from location to location so  
 459 long as all machines in commercial use available for play by the public have a sticker of  
 460 the correct class and the owner uses the stickers only for machines that it owns.

461 (c) Each permit sticker shall not list the name of the owner but shall have a control number  
 462 which corresponds with the control number issued on the master license certificate to allow  
 463 for effective monitoring of the licensing and permit system. Permit stickers are only  
 464 required for bona fide coin operated amusement machines in commercial use available to  
 465 the public for play at a location.

466 (d) The ~~commissioner~~ corporation may provide a duplicate permit sticker if a valid permit  
 467 sticker has been lost, stolen, or destroyed. The fee for a duplicate permit sticker shall be  
 468 \$50.00. If a permit sticker is lost, stolen, or destroyed, a sworn, written statement must be  
 469 submitted explaining the circumstances by which the permit sticker was lost, stolen, or  
 470 destroyed and including the number of the lost, stolen, or destroyed permit before a  
 471 replacement permit can be issued. A permit for which a duplicate permit sticker has been  
 472 issued is void.

473 (e) Each permit sticker issued for a bona fide coin operated amusement machine which  
 474 rewards a winning player exclusively with free replays, noncash redemption merchandise,  
 475 prizes, toys, gift certificates, or novelties; or points, tokens, tickets, cards, or other evidence  
 476 of winnings that may be exchanged for free replays or noncash redemption merchandise,  
 477 prizes, toys, gift certificates, or novelties, in accordance with the provisions of subsections  
 478 (b) through (d) of Code Section 16-12-35 shall include the following: 'GEORGIA LAW  
 479 PROHIBITS THE PAYMENT OR RECEIPT OF ANY MONEY FOR REPLAYS OR  
 480 MERCHANDISE AWARDED FOR PLAYING THIS MACHINE. O.C.G.A. SECTION  
 481 16-12-35.'

482 (f) The corporation shall not assess any fees that are not explicitly authorized under this  
 483 article on a manufacturer, distributor, operator, location owner, or location operator.

484 (g) All fees assessed by the corporation pursuant to this article shall be considered  
 485 proceeds derived from a lottery operated on or on behalf of the state and shall not be  
 486 remitted to the general fund pursuant to Article I, Section II, Paragraph VIII(c) of the  
 487 Constitution.

488 ~~48-17-10: 50-27-79.~~

489 No refund shall be allowed for the annual permit fee assessed on each bona fide coin  
 490 operated amusement machine registered with the ~~commissioner~~ corporation except as  
 491 follows:

492 (1) The owner makes a written request to the ~~commissioner~~ corporation for a refund  
 493 prior to the beginning of the calendar year for which the permit sticker was purchased and  
 494 returns the permit sticker;

495 (2) The owner makes a written request for a refund prior to the issuance of the permit  
 496 sticker;

497 (3) The owner makes a written request for a refund claiming the permit sticker was  
 498 mistakenly purchased for a machine not subject to the permit fee and returns the permit  
 499 sticker; or

500 (4) The owner provides the ~~commissioner~~ corporation with a sworn affidavit that a  
 501 machine was sold, stolen, or destroyed prior to the beginning of the calendar year for  
 502 which the permit was purchased and returns the sticker unless it was attached to the  
 503 stolen or destroyed machine.

504 ~~48-17-11. 50-27-80.~~

505 If an owner purchases or receives additional bona fide coin operated amusement machines  
 506 during the calendar year, the applicable annual permit fee shall be paid to the ~~commissioner~~  
 507 corporation and the sticker shall be affixed to the machine before the machine may be  
 508 legally operated. A penalty fee equal to twice the applicable annual permit fee shall be  
 509 assessed by the ~~commissioner~~ corporation for every machine in operation without a permit  
 510 sticker.

511 ~~48-17-12. 50-27-81.~~

512 (a) The ~~commissioner~~ chief executive officer shall provide for the proper administration  
 513 of this ~~chapter~~ article and is authorized to act on behalf of the corporation for such purpose.  
 514 The ~~commissioner~~ chief executive officer may initiate investigations, hearings, and take  
 515 other necessary measures to ensure compliance with the provisions of this ~~chapter~~ article  
 516 or to determine whether violations exist. If the ~~commissioner~~ chief executive officer finds  
 517 evidence of any criminal violations, ~~the commissioner~~ he or she shall notify the appropriate  
 518 prosecuting attorney in the county in which such violation occurred.

519 (b) The ~~commissioner~~ chief executive officer is authorized to provide for the enforcement  
 520 of this ~~chapter~~ article and the board shall provide for collection of the revenues under this  
 521 ~~chapter~~ article by rule and regulation.

522 (c) The ~~commissioner~~ chief executive officer may delegate to an authorized representative  
 523 any authority given to the ~~commissioner~~ chief executive officer by this ~~chapter~~ article,  
 524 including the conduct of investigations, imposing of fees and fines, and the holding of  
 525 hearings.

526 ~~48-17-13. 50-27-82.~~

527 (a) If any owner or operator of any bona fide coin operated amusement machine in this  
528 state shall violate any provision of this ~~chapter~~ article or any rule and regulation  
529 promulgated under this ~~chapter~~ article, the ~~commissioner~~ corporation may investigate the  
530 violation and may seek sanctions, including late fees of \$50.00 for failure to pay timely  
531 permit sticker fees, \$125.00 for failure to pay timely the master license fee, suspension or  
532 revocation of a license, seizure of equipment, interest penalty, and debarment for repeat  
533 offenders.

534 (b) No person other than an owner shall intentionally remove a current ~~tax~~ permit sticker  
535 from a bona fide coin operated amusement machine or from the location where the  
536 machine is located. Any person who violates this subsection shall be guilty of a  
537 misdemeanor.

538 (c) A person who owns or operates bona fide coin operated amusement machines without  
539 a current master license or without a permit sticker on display shall be guilty of a  
540 misdemeanor.

541 (d) A person who knowingly ~~secures or attempts to secure~~ makes a material false  
542 statement on any application or renewal application for a master license or permit sticker  
543 under this ~~chapter~~ article by fraud, misrepresentation, or subterfuge or makes a material  
544 false entry on any book, record, or report which is compiled, maintained, or submitted to  
545 the ~~corporation~~ corporation pursuant to the provisions of this article is guilty of a felony and upon  
546 conviction thereof shall be punished by imprisonment for not less than one nor more than  
547 five years, a fine not to exceed \$25,000.00, or both.

548 (e) ~~Any person who knowingly uses a sticker for the purpose of engaging in unlawful~~  
549 ~~gambling shall be guilty of a misdemeanor.~~

550 (f) Any bona fide coin operated amusement machine not having the required master  
551 license or permit stickers may be seized and confiscated by the ~~commissioner~~ or his  
552 corporation's agents or employees and sold at public auction after 30 days' advertisement.  
553 Upon payment of the license required, the ~~commissioner~~ corporation may return any  
554 property so seized and confiscated and compromise any ~~tax~~ fee or penalty assessed. The  
555 owner from whom the bona fide coin operated amusement machine is seized may, at any  
556 time within ten days after the seizure, repossess the property by filing with the  
557 ~~commissioner~~ corporation a bond, in cash or executed by a surety company authorized to  
558 do business in this state, in double amount of the tax and penalties due. Within 30 days  
559 after the bond has been filed, the owner must bring an action in a court of competent  
560 jurisdiction to have the seizure set aside; otherwise, the bond so filed ~~must~~ shall be declared  
561 forfeited to the ~~commissioner~~ corporation.



562 ~~(g)~~(f) The ~~commissioner~~ chief executive officer or an authorized representative of the  
 563 ~~commissioner~~ thereof may seal in a manner that will prevent its full operation any such  
 564 bona fide coin operated amusement machine that is in commercial use available to the  
 565 public for play whose master license or sticker under this ~~chapter~~ article has been  
 566 suspended or revoked, upon which the fee has not been paid, or that is not registered with  
 567 the ~~commissioner~~ corporation under this ~~chapter~~ article. Whoever shall break the seal  
 568 affixed by the ~~commissioner~~ chief executive officer or an authorized representative of the  
 569 ~~commissioner~~ thereof without the ~~commissioner's~~ chief executive officer's approval or  
 570 whoever shall provide in commercial use available to the public for play any such bona fide  
 571 coin operated amusement machine after said the seal has been broken without the  
 572 ~~commissioner's~~ chief executive officer's approval or whoever shall remove any bona fide  
 573 coin operated amusement machine from its location after the same has been sealed by the  
 574 ~~commissioner~~ chief executive officer shall be guilty of a misdemeanor. The ~~commissioner~~  
 575 corporation shall charge a fee of \$75.00 for the release of any bona fide coin operated  
 576 amusement machine which is sealed. The fee shall be paid to the ~~commissioner~~  
 577 corporation.

578 ~~48-17-14.~~ 50-27-83.

579 (a) All taxes, fees, penalties, and interest accruing to the State of Georgia under any other  
 580 provision of ~~this title~~ Title 48 as it existed prior to July 1, 2010, shall be and remain valid  
 581 and binding obligations to the State of Georgia for all taxes, penalties, and interest accruing  
 582 under the provisions of prior or preexisting laws and all such taxes, penalties, and interest  
 583 now or hereafter becoming delinquent to the State of Georgia prior to July 1, 2010, are  
 584 expressly preserved and declared to be legal and valid obligations to the state.

585 (b) The enactment and amendment of this ~~chapter~~ article shall not affect offenses  
 586 committed or prosecutions begun under any preexisting law, but any such offenses or  
 587 prosecutions may be conducted under the law as it existed at the time of the commission  
 588 of the offense.

589 (c) Nothing in this ~~chapter~~ article shall be construed or have the effect to license, permit,  
 590 authorize, or legalize any machine, device, table, or bona fide coin operated amusement  
 591 machine the keeping, exhibition, operation, display, or maintenance of which is in violation  
 592 of the laws or Constitution of this state.

593 ~~48-17-15.~~ 50-27-84.

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

595 (1) 'Amusement or recreational establishment' means an open-air establishment  
 596 frequented by the public for amusement or recreation. Such an establishment shall be in

597 a licensed fixed location located in this state and which has been in operation for at least  
598 35 years.

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

601 (3) 'Gross retail receipts' means the total revenue derived by a business at any one  
602 business location from the sale of goods and services and the commission earned at any  
603 one business location on the sale of goods and services but shall not include revenue from  
604 the sale of goods or services for which the business will receive only a commission.  
605 Revenue from the sale of goods and services at wholesale shall not be included.

606 (b)(1) No ~~business location~~ owner or ~~business location~~ operator shall derive more than  
607 50 percent of such ~~business location~~ owner's or ~~business location~~ operator's monthly  
608 gross retail receipts for the business location in which the Class B ~~bona fide coin operated~~  
609 ~~amusement~~ machine or machines are situated from such Class B ~~bona fide coin operated~~  
610 ~~amusement~~ machines.

611 (2) Except as authorized by a local ordinance, no ~~business location~~ owner or ~~business~~  
612 ~~location~~ operator shall offer more than nine Class B ~~bona fide coin operated amusement~~  
613 machines to the public for play in the same business location; provided, however, that this  
614 limitation shall not apply to an amusement or recreational establishment.

615 (c) For each business location which offers to the public one or more Class B ~~bona fide~~  
616 ~~coin operated amusement~~ machines, the ~~business location~~ owner or ~~business location~~  
617 operator shall prepare a monthly verified report setting out separately by location in  
618 Georgia:

619 (1) The ~~the~~ gross retail receipts from the Class B ~~bona fide coin operated amusement~~  
620 machines; and

621 (2) The ~~the~~ gross retail receipts for the business location; and

622 (3) The net receipts of the Class B machines.

623 ~~Upon request, the business owner or business operator shall supply such monthly reports~~  
624 ~~to the commissioner. The department shall be authorized to audit any records for any such~~  
625 ~~business location.~~

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

628 (1) The gross receipts from the Class B machines which the master licensee maintains;  
629 and

630 (2) The net receipts of the Class B machines.

631 (d) In accordance with the provisions of Code Section ~~48-17-4~~ 50-27-73 and the  
632 procedures set out in Code Sections ~~48-17-5 and 48-17-6~~ 50-27-74 and 50-27-75, the  
633 ~~commissioner corporation~~ may fine an applicant or holder of a license, refuse to issue or

634 renew a location license or master license, or revoke or suspend a location license or master  
635 license for single or repeated violations of subsection (b) of this Code section.

636 (e) A business location owner or business location operator shall report the information  
637 prescribed in this Code section in the form required by the ~~commissioner~~ corporation.  
638 Such report shall be submitted in an electronic format approved by the ~~commissioner~~  
639 corporation.

640 (f) Beginning on August 20, 2013, and on the twentieth day of each month thereafter, for  
641 the previous month, the reports required by subsections (c) and (c.1) of this Code section  
642 shall be supplied to the corporation on forms provided by the corporation, including  
643 electronic means. The corporation shall be authorized to audit any records for any such  
644 business location or master licensee subject to this Code section. The corporation may  
645 contract with any state agencies to perform the audits authorized by this Code section, and  
646 it may contract or enter into a memorandum of understanding with the Department of  
647 Revenue to enforce the provisions of this Code section.

648 ~~48-17-16. 50-27-85.~~

649 (a) ~~Except as specifically provided in this article, for~~ For single or repeated violations of  
650 this ~~chapter~~ article by a business location owner or business location operator who offers  
651 one or more bona fide coin operated amusement machines for play by the public, the  
652 ~~commissioner~~ corporation may impose the following penalties on such a business location  
653 owner or business location operator:

654 (1) A civil fine in an amount specified in rules and regulations promulgated in  
655 accordance with this ~~chapter~~ article; or

656 (2) For a third or subsequent offense, a suspension or revocation of the privilege of  
657 offering one or more bona fide coin operated amusement machines for play by the public.

658 (b) Before a penalty is imposed in accordance with this Code section, a business location  
659 owner or business location operator shall be entitled to at least 30 days' written notice and,  
660 if requested, a hearing as provided in Code Section 50-27-74. Such written notice shall be  
661 served in the manner provided for written notices to applicants and holders of licenses in  
662 subsection (b) of Code Section ~~48-17-5~~ 50-27-74, and an order imposing a penalty shall  
663 be delivered in the manner provided for delivery of the ~~commissioner's~~ corporation's orders  
664 to applicants for licenses and holders of licenses in Code Section ~~48-17-6~~ 50-27-75.

665 (c) In the case of a suspension or revocation in accordance with this Code section, the  
666 ~~commissioner~~ corporation shall require the business location owner or business location  
667 operator to post a notice in the business location setting out the period of the suspension  
668 or revocation. No applicant or holder of a license or permit shall allow a bona fide coin  
669 operated amusement machine under the control of such applicant or holder of a license or

670 permit to be placed in a business location owned or operated by a business location owner  
 671 or business location operator who has been penalized by a suspension or revocation during  
 672 the period of the suspension or revocation.

673 ~~48-17-17.~~ 50-27-86.

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

678 (1) Prohibiting the offering to the public of more than ~~nine~~ six Class B ~~bona fide coin~~  
 679 ~~operated amusement~~ machines that reward the player exclusively with noncash  
 680 merchandise, prizes, toys, gift certificates, or novelties at the same business location;

681 (2) Requiring the owner or operator of a business location which offers to the public any  
 682 bona fide coin operated amusement machine that rewards the player exclusively as  
 683 described in subsection (d) of Code Section 16-12-35 to inform all employees of the  
 684 prohibitions and penalties set out in subsections (e), (f), and (g) of Code Section  
 685 16-12-35;

686 (3) Requiring the owner or possessor of any bona fide coin operated amusement machine  
 687 that rewards the player exclusively as described in subsection (d) of Code Section  
 688 16-12-35 to inform each business location owner or business location operator of the  
 689 business location where such machine is located of the prohibitions and penalties set out  
 690 in subsections (e), (f), and (g) of Code Section 16-12-35;

691 (4) Providing for the suspension or revocation of a license granted by such local  
 692 governing authority to manufacture, distribute, or sell alcoholic beverages or for the  
 693 suspension or revocation of any other license granted by such local governing authority  
 694 as a penalty for conviction of the business location owner or business location operator  
 695 of a violation of subsection (e), (f), or (g) of Code Section 16-12-35, or both. An  
 696 ordinance providing for the suspension or revocation of a license shall conform to the due  
 697 process guidelines for granting, refusal, suspension, or revocation of a license for the  
 698 manufacture, distribution, or sale of alcoholic beverages set out in subsection (b) of Code  
 699 Section 3-3-2;

700 (5) Providing for penalties, including fines or suspension or revocation of a license as  
 701 provided in paragraph (4) of this subsection, or both, for a violation of any ordinance  
 702 enacted pursuant to this subsection; provided, however, that a municipal corporation shall  
 703 not be authorized to impose any penalty greater than the maximum penalty authorized by  
 704 such municipal corporation's charter;

705 (6) Requiring any business location owner or business location operator subject to  
 706 paragraph (1) of subsection (b) of Code Section ~~48-17-15~~ 50-27-84 to provide to the local  
 707 governing authority a copy of each verified monthly report prepared in accordance with  
 708 such Code section, incorporating the provisions of such Code section in the ordinance,  
 709 ~~and~~ providing for any and all of the penalties authorized by subsection (d) of Code  
 710 Section ~~48-17-15~~ 50-27-84, ~~and allowing an annual audit of the reports from the location~~  
 711 owner or location operator;

712 (7) Requiring the business location owner or business location operator of any business  
 713 location which offers to the public one or more bona fide coin operated amusement  
 714 machines to post prominently a notice including the following or substantially similar  
 715 language:

716 'GEORGIA LAW PROHIBITS PAYMENT OR RECEIPT OF MONEY FOR  
 717 WINNING A GAME OR GAMES ON THIS AMUSEMENT MACHINE; PAYMENT  
 718 OR RECEIPT OF MONEY FOR FREE REPLAYS WON ON THIS AMUSEMENT  
 719 MACHINE; PAYMENT OR RECEIPT OF MONEY FOR ANY MERCHANDISE,  
 720 PRIZE, TOY, GIFT CERTIFICATE, OR NOVELTY WON ON THIS AMUSEMENT  
 721 MACHINE; OR AWARDING ANY MERCHANDISE, PRIZE, TOY, GIFT  
 722 CERTIFICATE, OR NOVELTY OF A VALUE EXCEEDING \$5.00 FOR A SINGLE  
 723 PLAY OF THIS MACHINE.';

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

727 (9) Requiring as a condition for doing business in the jurisdiction disclosure by the  
 728 business location owner or business location operator of the name and address of the  
 729 owner of the bona fide coin operated amusement machine or machines;

730 (10) Requiring that all bona fide coin operated amusement machines are placed and kept  
 731 in plain view and accessible to any person who is at the business location; and

732 (11) Requiring a business that offers one or more bona fide coin operated amusement  
 733 machines to the public for play to post its business license or occupation tax certificate.

734 50-27-87.

735 (a)(1) Except as provided in this Code section, a person shall not own, maintain, place,  
 736 or lease a bona fide coin operated amusement machine unless he or she has a valid master  
 737 license; provided, however, that a manufacturer or distributor may own a bona fide coin  
 738 operated amusement machine intended for sale to an operator, master licensee,  
 739 manufacturer, or distributor.

740 (2) A master licensee shall only place or lease bona fide coin operated amusement  
741 machines for use in Georgia in a licensed location owner's or location operator's  
742 establishments.

743 (3) To be eligible as a master licensee, the person shall not have had a gambling license  
744 in any state for at least five years prior to obtaining or renewing a Georgia master's  
745 license.

746 (4) On or after July 1, 2013, no person with or applying for a master license shall have  
747 an interest in any manufacturer, distributor, location owner, or location operator in this  
748 state. Additionally, no group or association whose membership includes manufacturers,  
749 distributors, operators, master licensees, location owners, or location operators shall  
750 obtain a master license nor shall they form an entity which acts as a master licensee,  
751 operator, location owner, or location operator for the purpose of obtaining a master  
752 license; provided, however, that through June 30, 2015, this paragraph shall not apply to  
753 persons who, as of December 31, 2013, have or will have continuously possessed a  
754 master license for ten or more years and, for ten or more years, have or will have  
755 continuously owned or operated a location where a bona fide coin operated machine has  
756 been placed.

757 (5) Failure to adhere to the provisions of this subsection shall result in a fine of not more  
758 than \$50,000.00 and loss of the license for a period of one to five years per incident and  
759 subject the master licensee to the loss of any other state or local license held by the  
760 master licensee. The corporation shall notify any state or federal agency that issues a  
761 license to such master licensee of the breach of its duties under this article.

762 (b)(1) No bona fide coin operated amusement machine, its parts, or software or hardware  
763 shall be placed or leased in any location owner's or location operator's establishment  
764 except by a master licensee and only if the owner or agent of the location owner or  
765 location operator has entered into a written agreement with a master licensee for  
766 placement of the bona fide coin operated amusement machine. Beginning on July 1,  
767 2013, no person with or applying for a location owner's or location operator's license shall  
768 have an interest in any person or immediate family member of a person with a master  
769 license, or doing business as a distributor, or manufacturer in this state. A location owner  
770 or location operator may sell a bona fide coin operated amusement machine to anyone  
771 except another location owner or location operator. Failure to adhere to this subsection  
772 shall result in a fine of not less than \$50,000.00 and loss of the location owner's or  
773 location operator's license for a period of one to five years per incident and subject the  
774 location owner or location operator to the loss of any other state or local licenses held by  
775 the location owner or location operator. The corporation shall notify any state or federal

776 agency that issues a license to such location owner or location operator of the breach of  
 777 its duties under this article.

778 (2) A copy of the written agreement shall be on file in the master licensee's and the  
 779 location owner's and location operator's place of business and available for inspection by  
 780 individuals authorized by the corporation.

781 (3) Any written agreement entered into after the effective date of this article shall be  
 782 exclusive as between one bona fide coin operated amusement machine master licensee  
 783 and one location owner or location owner per location.

784 (c) No person shall receive a portion of any proceeds or revenue from the operation of a  
 785 bona fide coin operated amusement machine except the operator, location owner, or  
 786 location operator, notwithstanding Code Section 50-27-102. No commission or fee shall  
 787 be awarded for the facilitation of a contract or agreement between a master licensee and  
 788 a location owner or location operator; provided, however, that an employee of a master  
 789 licensee may receive compensation, including a commission, for such agreements or  
 790 contracts. A master licensee shall not pay a commission or provide anything of value to  
 791 any person who is an employee, independent contractor, or immediate family member of  
 792 a location owner or location operator.

793 (d) This Code section shall only apply to manufacturers, distributors, operators, master  
 794 licensees, and location owners or location operators of Class B machines.

795 50-27-87.1.

796 The following acts or practices are deemed unfair methods of competition and unfair and  
 797 deceptive acts under this article:

798 (1) Until the corporation certifies that the Class B accounting terminal authorized by  
 799 Code Section 50-27-101 is implemented, a master licensee, location owner, or location  
 800 operator retaining more than 50 percent of the net monthly proceeds for the operation of  
 801 a Class B machine;

802 (2) A master licensee or owner entering into an agreement with a manufacturer or  
 803 distributor:

804 (A) That grants the owner or master licensee exclusive rights to own, maintain, place,  
 805 or lease a type, model, or brand of bona fide coin operated amusement machine in this  
 806 state; or

807 (B) For the lease of a bona fide coin operated amusement machine, its parts, or  
 808 software or hardware;

809 (3) A location owner or location operator asking, demanding, or accepting anything of  
 810 value, including but not limited to a loan or financing arrangement, gift, procurement fee,  
 811 lease payments, revenue sharing, or payment of license fees or permit fees from a master

812 licensee, as an incentive, inducement, or any other consideration to locate bona fide coin  
 813 operated amusement machines in that establishment. A location owner that violates this  
 814 subsection shall have all of the location owner's state business licenses revoked for a  
 815 period of one to five years per incident. The location owner also shall be fined up to  
 816 \$50,000.00 per incident and required to repay any incentive fees or other payments  
 817 received from the operator; and

818 (4) An operator, master licensee, or individual providing anything of value, including but  
 819 not limited to a loan or financing arrangement, gift, procurement fee, lease payments,  
 820 revenue sharing, or payment of license fees or permit fees to a location owner or location  
 821 operator, as any incentive, inducement, or any other consideration to locate bona fide coin  
 822 operated amusement machines in that establishment. An operator, master licensee, or  
 823 individual who violates this subsection shall have all of his or her state business licenses  
 824 revoked for a period of one to five years per incident. The individual, owner, or master  
 825 licensee also shall be fined up to \$50,000.00 per incident.

826 50-27-88.

827 (a) The corporation shall establish rules or policies, with the advice of the Bona Fide Coin  
 828 Operated Amusement Machine Operator Advisory Board, to establish or create:

829 (1) Forms and information reasonably required for the submission of a license  
 830 application; and

831 (2) Procedures to ensure that applicants for a license provide the identical name and  
 832 address of the applicant as stated in the application for a license required by local  
 833 governing authorities and specify the premises where the licensee shall have its place of  
 834 business.

835 (b) Any legal entity, including but not limited to all partnerships, limited liability  
 836 companies, and domestic or foreign corporations, lawfully registered and doing business  
 837 under the laws of Georgia or the laws of another state and authorized by the Secretary of  
 838 State to do business in Georgia which seeks to obtain a license for bona fide coin operated  
 839 amusement machines may be permitted to apply for a license in the name of the legal entity  
 840 as it is registered in the office of the Secretary of State; provided, however, that:

841 (1) In its application for any bona fide coin operated amusement machine license, the  
 842 legal entity shall provide the corporation with the name and address of its agent  
 843 authorized to receive service of process under the laws of Georgia, together with a listing  
 844 of its current officers and their respective addresses;

845 (2) Any change in the status of licensee's registered agent, including but not limited to  
 846 change of address or name, shall be reported to the corporation within ten business days  
 847 of such occurrence;



848 (3) In the event that a legal entity shall fail to appoint or maintain a registered agent in  
849 Georgia as required by law, or whenever its registered agent cannot with due diligence  
850 be found at the registered office of the business as designated in its application for  
851 license, the chief executive officer shall be appointed agent to receive any citation for  
852 violation of the provisions of this article;

853 (4) Process may be served upon the chief executive officer by leaving with the chief  
854 executive officer duplicate copies of such citations;

855 (5) In the event that the notice of citation is served upon the chief executive officer or  
856 one of the chief executive officer's designated agents, the chief executive officer shall  
857 immediately forward one of the copies to the business at its registered office;

858 (6) Any service made upon the chief executive officer shall be answerable within 30  
859 days; and

860 (7) The corporation shall keep a record of all citations served upon the chief executive  
861 officer under this article and shall record the time of service and the disposition of that  
862 service.

863 50-27-89.

864 (a) There shall be a Bona Fide Coin Operated Amusement Machine Operator Advisory  
865 Board to be composed of ten members. The chief executive officer of the corporation shall  
866 serve as a member. Two members shall be appointed by the Speaker of the House of  
867 Representatives, two members by the Lieutenant Governor, and five members by the  
868 Governor; at least one appointee shall be a licensed location owner or location operator.  
869 At least seven members shall be Georgia operators with current master licenses  
870 representing the broadest possible spectrum of business characteristics of bona fide coin  
871 operated amusement machine operators.

872 (b) Members appointed to the advisory board shall serve terms of four years. Upon the  
873 expiration of a member's term of office, a new member appointed in the same manner as  
874 the member whose term of office expired as provided in subsection (a) of this Code section  
875 shall become a member of the advisory board and shall serve for a term of four years and  
876 until such member's successor is duly appointed and qualified. If a vacancy occurs in the  
877 membership of the advisory board, a new member shall be appointed for the unexpired  
878 term of office by the official who appointed the vacating member. Members may be  
879 reappointed to additional terms.

880 (c) The advisory board shall establish its own policies and internal operating procedures.  
881 Members of the advisory board shall serve without compensation or reimbursement of  
882 expenses. The advisory board may report to the corporation in writing at any time. The  
883 corporation may invite the advisory board to make an oral presentation to the corporation.

884 (d) The advisory board shall have the exclusive authority to initiate a process to determine  
885 a variety of cost-effective, efficacious, and fiscally responsible approaches for  
886 consideration by the corporation of a Class B accounting terminal authorized by Code  
887 Section 50-27-101; provided, however, that the board shall comply with the deadline  
888 contained in subsection (a) of Code Section 50-27-101 for procuring the centralized  
889 accounting terminal and communications network. The advisory board shall be further  
890 authorized to contract with the Department of Administrative Services to develop a request  
891 for proposal to receive bids to provide the Class B accounting terminal and shall submit a  
892 minimum of three recommended proposals to the corporation unless only two vendors  
893 respond. The corporation shall select one of the recommended proposals to serve as the  
894 Class B accounting terminal vendor.

895 (e) No advisory board member, corporation member, or immediate family of either may  
896 own a substantial interest in or be an employee, independent contractor, agent, or officer  
897 of any vendor recommended to or selected by the corporation. For the purposes of this  
898 Code section, 'substantial interest' means the direct or indirect ownership of any privately  
899 held assets or stock or over \$5,000.00 in publicly traded stock.

900 Part 2

901 50-27-100.

902 The General Assembly finds that:

903 (1) There is a compelling state interest in ensuring the most efficient, honest, and  
904 accurate regulation of the bona fide coin operated amusement machine industry in this  
905 state; and

906 (2) The most efficient, accurate, and honest regulation of the bona fide coin operated  
907 amusement machine industry in this state can best be facilitated by establishing a Class  
908 B accounting terminal to which all Class B machines will be linked by a communications  
909 network to provide superior capability of auditing, reporting, and regulation of the coin  
910 operated amusement machine industry.

911 50-27-101.

912 (a) On or before July 1, 2014, in cooperation with the Bona Fide Coin Operated  
913 Amusement Machine Operator Advisory Board established under Code Section 50-27-89,  
914 the corporation shall procure a Class B accounting terminal linked by a communications  
915 network through which all Class B machines in a location shall connect to a single point  
916 of commerce for the purpose of accounting and reporting to the state. In no event shall the  
917 terminal approved by the corporation limit participation to only one manufacturer or one  
918 type of bona fide coin operated amusement machine. Consideration shall be given to the

919 cost associated with retrofitting all existing Class B machines and efforts made to minimize  
920 that cost.

921 (b) Six months after the procurement of a Class B accounting terminal and successful pilot  
922 testing, all Class B machines shall be linked by a communications network to a Class B  
923 accounting terminal for purposes of monitoring and reading device activities as provided  
924 for in this Code section. When the corporation is satisfied with the operation of the Class  
925 B accounting terminal it shall certify the effective status of the Class B accounting terminal  
926 and notify all licensees of such certification.

927 (c) The Class B accounting terminal shall be designed and operated to allow the  
928 monitoring and reading of all Class B machines for the purpose of compliance with regard  
929 to their obligations to the state. The Class B accounting terminal shall be located within  
930 and administered by the corporation.

931 (d) The Class B accounting terminal shall not provide for the monitoring or reading of  
932 personal or financial information concerning patrons of bona fide coin operated amusement  
933 machines.

934 (e) Any entity that acts as a vendor for the corporation in building, operating, maintaining,  
935 or contracting to build, operate, or maintain a Class B accounting terminal shall be  
936 prohibited from obtaining a license as an operator or location owner or location operator.  
937 As used in this subsection, the term 'entity' shall also include the entity's employees,  
938 independent contractors, consultants, or any other person as defined in paragraph (15) of  
939 subsection (b) of Code Section 50-27-70 which is related to the entity during the time the  
940 vendor is involved with providing service as it relates to the Class B accounting terminal  
941 for the corporation.

942 (f) Except as provided in subsection (e) of Code Section 50-27-73, nothing in this part  
943 shall be construed to provide any authority to the corporation to limit or eliminate Class B  
944 machines or to limit, eliminate, or unduly restrict the number of licenses, permits, or  
945 certifications for operators or location owners or location operators.

946 (g) The corporation shall not expand, limit, or otherwise alter what constitutes a bona fide  
947 coin operated amusement machine and the permitted redemption related items, except that  
948 the corporation shall be permitted to authorize any ticket or product of the corporation.

949 50-27-102.

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

953 (1) Retain 5 percent of the net receipts;

954 (2) Provide, within five business days of receipt, 47.5 percent of the net receipts to the  
955 location owner and location operator for the cost associated with allowing the Class B  
956 machines to be placed; and

957 (3) Provide, within five business days of receipt, 47.5 percent of the net receipts to the  
958 operator holding the Class B master license for the cost of securing, operating, and  
959 monitoring the machines.

960 (b) In each fiscal year after the implementation and certification required by subsection (a)  
961 of this Code Section, the corporation's share shall increase 1 percent, taken evenly from the  
962 location owner or location operator and the operator, to a maximum of 10 percent.

963 (c) The corporation shall require location owners and location operators to place all bona  
964 fide coin operated amusement machine proceeds due the corporation in a segregated  
965 account in institutions insured by the Federal Deposit Insurance Corporation not later than  
966 the close of the next banking day after the date of their collection by the retailer until the  
967 date they are paid over to the corporation. At the time of such deposit, bona fide coin  
968 operated amusement machine proceeds shall be deemed to be the property of the  
969 corporation. The corporation may require a location owner or location operator to establish  
970 a single separate electronic funds transfer account where available for the purpose of  
971 receiving proceeds from Class B machines, making payments to the corporation, and  
972 receiving payments for the corporation. Unless otherwise authorized in writing by the  
973 corporation, each bona fide coin operated amusement machine location owner or location  
974 operator shall establish a separate bank account for bona fide coin operated amusement  
975 machine proceeds which shall be kept separate and apart from all other funds and assets  
976 and shall not be commingled with any other funds or assets. Whenever any person who  
977 receives proceeds from bona fide coin operated amusement machines becomes insolvent  
978 or dies insolvent, the proceeds due the corporation from such person or his or her estate  
979 shall have preference over all debts or demands. If any financial obligation to the  
980 corporation has not been timely received, the officers, directors, members, partners, or  
981 shareholders of the location owner or location operator shall be personally liable for the  
982 moneys owed to the corporation.

983 50-27-103.

984 (a) Any local governing authority may, after providing no less than 60 days' notice to all  
985 master licensees and location owners and location operators, and in a manner consistent  
986 with this Code section, vote to remove any Class B machines from the local jurisdiction.

987 (b) Beginning on the first day of the first January after the certification of the Class B  
988 accounting terminal under the provisions of Code Section 50-27-101:

989 (1) The corporation shall notify any master licensee and location owner and location  
990 operator of any materially adverse findings of any audit conducted by the corporation to  
991 ensure compliance with Code Section 50-27-102. The notice shall be provided to both  
992 the master licensee and the location owner or location operator, regardless of which  
993 party's acts or conduct caused the materially adverse finding;

994 (2) If, after the notice required by this Code section, another consecutive audit conducted  
995 by the corporation not less than six months later contains a similar materially adverse  
996 finding, the corporation shall notify the master licensee and the location owner or location  
997 operator that were audited and every master licensee and location owner and location  
998 operator in this state. After the second consecutive audit described in this paragraph, the  
999 corporation may enter into a corrective action plan with the master licensee or the  
1000 location owner or location operator, or both. If the next audit conducted by the  
1001 corporation not less than six months later contains a similar materially adverse finding,  
1002 the corporation shall notify the master licensee and the location owner or location  
1003 operator that were audited and every master licensee and location owner and location  
1004 operator in this state, and such notice shall be considered an order by the corporation.  
1005 Unless a longer period of time is agreed to by the corporation, not more than 30 days after  
1006 the third consecutive materially adverse audit finding, the master licensee and location  
1007 owner or location operator that were audited may appeal the findings of any of the three  
1008 audits to the Office of State Administrative Hearings as a contested case under Chapter  
1009 13 of Title 50, the 'Georgia Administrative Procedure Act.' If the master licensee or  
1010 location owner or location operator that was audited does not appeal the corporation's  
1011 order as authorized in this Code section, it shall be deemed a final order and shall be used  
1012 to determine whether the notice to local governing authorities provided for in  
1013 paragraph (3) of this subsection is required, and only upon such notice shall the action  
1014 described by subsection (a) of this Code section be authorized. For the purposes of this  
1015 Code section, notice shall be provided in the same manner required by subsection (b) of  
1016 Code Section 50-27-74; and

1017 (3) If, pursuant to paragraph (2) of this subsection, a final judgment or final order has  
1018 been entered against at least 15 percent of master licensees and location owners and  
1019 location operators in a local jurisdiction over any consecutive two-year period, the  
1020 corporation shall notify the city or county and each and every licensee in this state.

1021 50-27-104.

1022 The penalties provided for in this article shall be in addition to any criminal penalties that  
1023 may otherwise be provided by law."

1024 **SECTION 1-2.**

1025 Said title is further amended by reserving the Chapter 17 designation.

1026 **PART II**

1027 **SECTION 2-1.**

1028 Code Section 16-12-35 of the Official Code of Georgia Annotated, relating to applicability  
1029 of certain provisions relative to gambling, is amended by revising subsections (a), (h), and  
1030 (i) and adding new subsections to read as follows:

1031 "(a) As used in this Code section, the term 'some skill' means any presence of the following  
1032 factors, alone or in combination with one another:

1033 (1) A learned power of doing a thing competently;

1034 (2) A particular craft, art, ability, strategy, or tactic;

1035 (3) A developed or acquired aptitude or ability;

1036 (4) A coordinated set of actions, including, but not limited to, eye-hand coordination;

1037 (5) Dexterity, fluency, or coordination in the execution of learned physical or mental  
1038 tasks or both;

1039 (6) Technical proficiency or expertise;

1040 (7) Development or implementation of strategy or tactics in order to achieve a goal; or

1041 (8) Knowledge of the means or methods of accomplishing a task.

1042 The term some skill refers to a particular craft, coordinated effort, art, ability, strategy, or  
1043 tactic employed by the player to affect in some way the outcome of the game played on a  
1044 bona fide coin operated amusement machine as defined in paragraph (2) of Code Section  
1045 ~~48-17-1~~ 50-27-70. If a player can take no action to affect the outcome of the game, the  
1046 bona fide coin operated amusement machine does not meet the 'some skill' requirement of  
1047 this Code section."

1048 "(g.1) Any location owner or location operator or person employed by a location owner  
1049 or location operator who violates subsection (h) or (i) of this Code section for the second  
1050 separate offense shall be guilty of a felony and, upon conviction, shall be punished by  
1051 imprisonment for not less than one nor more than five years, a fine not to exceed  
1052 \$25,000.00, or both, as well as loss of location license and all other state licenses.

1053 (h) Any gift certificates, tokens, vouchers, tickets, or other evidence of winnings awarded  
1054 under subsection (c) or (d) of this Code section must be redeemable only at the premises  
1055 on which the game or device is located. It shall be unlawful for any person to provide to  
1056 any other person as a reward for play on any such game or device any gift certificate,  
1057 token, voucher, ticket, or other evidence of winning which is redeemable or exchangeable  
1058 for any thing of value at any other premises. It shall be unlawful for any person at any  
1059 premises other than those on which the game or device is located to give any thing of value

1060 to any other person for any gift certificate, token, voucher, ticket, or other evidence of  
 1061 winning received by such other person from play on such game or device. Any person who  
 1062 violates this subsection shall be guilty of a misdemeanor of a high and aggravated nature.

1063 This subsection shall not apply to any ticket or product of the Georgia Lottery Corporation.

1064 (i) The merchandise, prizes, toys, gift certificates, novelties, or rewards which may be  
 1065 awarded under subsection (c) or (d) of this Code section may not include or be redeemable  
 1066 or exchangeable for any firearms, alcohol, or tobacco ~~or any lottery ticket or other item~~  
 1067 ~~enabling participation in any lottery.~~ Any person who violates this subsection shall be  
 1068 guilty of a misdemeanor of a high and aggravated nature."

1069 "(k) Any person, location owner, or location operator who places, provides, or displays a  
 1070 bona fide coin operated amusement machine and offers it to play for consideration in  
 1071 Georgia in an establishment for which the location owner or location operator is not  
 1072 licensed or in a private residence shall be guilty of a felony and, upon conviction, shall be  
 1073 punished by imprisonment for not less than one nor more than five years, a fine not to  
 1074 exceed \$25,000.00, or both."

1075 **SECTION 2-2.**

1076 Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from  
 1077 state sales and use tax, is amended in paragraph (43) by replacing the term "Chapter 17 of  
 1078 this title" with "Chapter 27 of Title 50".

1079 **SECTION 2-3.**

1080 Code Section 48-13-9 of the Official Code of Georgia Annotated, relating to limitation on  
 1081 authority of local government to impose regulatory fee, examples of businesses or  
 1082 practitioners or professions or occupations which may be subject to fees, individuals and  
 1083 entities not subject to fees, and general laws not repealed, is amended in paragraph (20) of  
 1084 subsection (c) by replacing the term "Code Section 48-17-1" with "Code Section 50-27-70"  
 1085 and by replacing the term "Code Section 48-17-9" with "Code Section 50-27-78".

1086 **SECTION 2-4.**

1087 Article 1 of Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to  
 1088 general provisions regarding the lottery for education, is amended by revising paragraph (14)  
 1089 of subsection (a) of Code Section 50-27-9, relating to general powers of the lottery  
 1090 corporation, as follows:

1091 "(14) To enter into contracts or agreements with state or local law enforcement agencies,  
 1092 including the Department of Revenue, for the performance of law enforcement,

1093 background investigations, ~~and~~ security checks, and auditing and enforcement of license  
1094 requirements required by Article 3 of this chapter;

1095 **PART III**

1096 **SECTION 3-1.**

1097 (a) This Act shall become effective upon its approval by the Governor or upon its becoming  
1098 law without such approval.

1099 (b) If any section of this Act is determined to be unconstitutional by a final decision of an  
1100 appellate court of competent jurisdiction or by the trial court of competent jurisdiction if no  
1101 appeal is made, with the exception of subsection (g) of Code Section 50-27-78 and Section  
1102 2-1 of this Act, this Act shall stand repealed by operation of law.

1103 (c) This Act is not intended to and shall not be construed to affect the legality of the repair,  
1104 transport, possession, or use of otherwise prohibited gambling devices on maritime vessels  
1105 within the jurisdiction of the State of Georgia. To the extent that such repair, transport,  
1106 possession, or use was lawful prior to the enactment of this Act, it shall not be made illegal  
1107 by this Act; and to the extent that such repair, transport, possession, or use was prohibited  
1108 prior to the enactment of this Act, it shall remain prohibited.

1109 **SECTION 3-2.**

1110 All laws and parts of laws in conflict with this Act are repealed.