

Senate Bill 483

By: Senators Mullis of the 53rd, Miller of the 49th, Harbison of the 15th, Robertson of the 29th, Lucas of the 26th and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to  
2 lottery for education, so as to comprehensively revise Article 3, relating to bona fide coin  
3 operated amusement machines; to revise and add definitions; to revise the prizes which may  
4 be awarded to successful players of bona fide coin operated amusement machines; to clarify  
5 what information may be sought in connection with a license application or renewal; to  
6 provide additional standards for reviewing license applications and renewals; to limit certain  
7 changes in license applications; to provide for additional late fees for license renewals; to  
8 provide for certain additional information on license applications; to provide for the manner  
9 of sales of licenses; to provide for the types of prizes allowed; to provide for license fees; to  
10 provide for certain prohibited practices; to provide for additional hearing officers; to provide  
11 for hearings and appeals under the "Georgia Administrative Procedure Act"; to provide for  
12 the applicability of criteria for licenses; to provide for penalties for certain unfair trade  
13 practices; to provide for the calculation of gross retail receipts and for sanctions for violation  
14 regarding excess revenues from coin operated amusement machines; to provide for a lottery  
15 gift card; to provide for an extension of certain agreements; to provide for the terms of  
16 agreements; to provide for an effective date; to provide for related matters; to repeal  
17 conflicting laws; and for other purposes.

S. B. 483

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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **SECTION 1.**

20 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to lottery for  
21 education, is amended by revising subparagraph (b)(2)(A) of Code Section 50-27-70, relating  
22 to legislative findings and definitions relating to bona fide coin operated amusement  
23 machines, as follows:

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

- 32 (i) Pinball machines;  
33 (ii) Console machines;  
34 (iii) Video games;  
35 (iv) Crane machines;  
36 (v) Claw machines;  
37 (vi) Pusher machines;  
38 (vii) Bowling machines;  
39 (viii) Novelty arcade games;  
40 (ix) Foosball or table soccer machines;  
41 (x) Miniature racetrack, football, or golf machines;  
42 (xi) Target or shooting gallery machines;  
43 (xii) Basketball machines;

- 44 (xiii) Shuffleboard games;  
45 (xiv) Kiddie ride games;  
46 (xv) Skee-ball machines;  
47 (xvi) Air hockey machines;  
48 (xvii) Roll down machines;  
49 (xviii) Trivia machines;  
50 (xix) Laser games;  
51 (xx) Simulator games;  
52 (xxi) Virtual reality machines;  
53 (xxii) Maze games;  
54 (xxiii) Racing games;  
55 (xxiv) Coin operated pool tables or coin operated billiard tables as defined in  
56 paragraph (3) of Code Section 43-8-1; and  
57 (xxv) Any other similar amusement machine which can be legally operated in  
58 Georgia.

59 The term also means a machine of any kind or character used by the public to provide  
60 music whose operation requires the payment of or the insertion of a coin, bill, other  
61 money, token, ticket, card, or similar object such as jukeboxes or other similar types of  
62 music machines. A bona fide coin operated amusement machine shall not be deemed  
63 a prohibited device as described in paragraph (2) of Code Section 16-12-20 because it  
64 is used in violation of Code Section 16-12-35."

65 **SECTION 2.**

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

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

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

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

74 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift  
75 certificates, or novelties in compliance with the provisions of subsection (c) or  
76 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a  
77 successful player with any item prohibited as a reward in subsection (i) of Code  
78 Section 16-12-35 or any reward redeemable as an item prohibited as a reward in  
79 subsection (i) of Code Section 16-12-35;

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

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

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

88 "(4.1)(A) 'Customer relations marketing funds' means anything of value given by a  
89 master licensee to an existing customer location licensee with a retail value totaling no  
90 more than \$500.00 per such location licensee customer per calendar year.

91 (B) Such term shall not include, and may be given by a master licensee in addition to,  
92 anything of value provided by such master licensee to:

93 (i) A player in order to promote the play of Class B coin operated amusement  
94 machines; or

95 (ii) A location owner or location operator that is authorized under Code Section  
96 50-27-87.1."

97 "(5.1) 'Gift certificate' or 'gift card' means an electronic payment device issued for a  
98 specific amount which:

99 (A) May or may not be increased in value or reloaded;

100 (B) Is provided or loaded on a prepaid basis for the future purchase or delivery of any  
101 merchandise or service permitted by law from single or multiple merchants or service  
102 providers, whether affiliated or not;

103 (C) Is honored upon presentation but cannot be exchanged for cash, change, or  
104 currency;

105 (D) Is available for sale on the premises; and

106 (E) Is loaded or reloaded or caused to be loaded or reloaded only by the location  
107 licensee or its employees at the location licensee's premises."

108 "(8.1) 'Lottery gift card' means an electronic payment device created by the corporation  
109 which is issued for a specific amount which:

110 (A) May or may not be increased in value or reloaded;

111 (B) Is provided or loaded on a prepaid basis for the future purchase or delivery of any  
112 merchandise or service permitted by law from single or multiple merchants or service  
113 providers, whether affiliated or not;

114 (C) Is honored upon presentation but cannot be exchanged for cash, change, or  
115 currency;

116 (D) Can be purchased from the corporation only by a location owner who is a lottery  
117 retailer for use as prizes for bona fide coin operated amusement machines; and

118 (E) Is loaded or reloaded or caused to be loaded or reloaded only by the location  
119 licensee or its employees at the location licensee's premises."

120 **SECTION 3.**

121 Said chapter is further amended in Code Section 50-27-71, relating to license fees, issuance  
122 of license, display of license, control number, duplicate certificates, application for license  
123 or renewal, and penalty for noncompliance, by revising subsections (c) and (k) as follows:

124 "(c) Each manufacturer, distributor, and master license and each location license shall list  
125 the name and address of the manufacturer, distributor, owner, location owner, or location  
126 operator, as applicable. Once an applicant for a location license selects and lists a master  
127 license holder on the location license application for a location and submits such  
128 application to the corporation for processing and the location license applicant has entered  
129 into an agreement with the master license holder to place coin operated amusement  
130 machines at such location, such selection of a master license holder shall not be changed  
131 for the term of the agreement or unless there has been, an assignment of such agreement,  
132 a breach of such agreement, just cause exists pursuant to subparagraph (b)(3)(E) of Code  
133 Section 50-27-87, or unless both the master license holder and the location license  
134 applicant agree."

135 "(k) A renewal application filed on or after the due dates set forth in the rules promulgated  
136 by the board, but before the license expires, shall be accompanied by a nonrefundable late  
137 fee of \$125.00 for Class A licenses and \$1,000.00 for Class B licenses. A ~~manufacturer,~~  
138 ~~distributor, or master license~~ or location license that has been expired for more than 90  
139 days may ~~not~~ be renewed upon the payment of the appropriate fee along with a  
140 nonrefundable \$2,000.00 late fee. ~~In such a case, the manufacturer, distributor, master~~  
141 ~~license, or location license owner shall obtain a new license, as applicable, by complying~~  
142 ~~with the requirements and procedures for obtaining an original license."~~

143 **SECTION 4.**

144 Said chapter is further amended by revising subsection (c) of Code Section 50-27-74, relating  
145 to right to notice and hearing, service of notice, establishment of procedures, and prohibition

146 on assigning, transferring, or selling by master licensee, and by adding new subsections to  
147 read as follows:

148 "(a.1) During the 30 day written notice period for the denial of a license renewal and the  
149 pendency of a hearing on a renewal application, any coin operated amusement machines  
150 subject to the denial determination shall continue operation until such time as the appeal  
151 period ends with no appeal being filed, or until a final decision is entered and all appellate  
152 rights have been exhausted, or until the corporation and licensee agree to a resolution,  
153 whichever occurs first. In such case, the master licensee and location licensee shall pay all  
154 license and permit fees for all subsequent years of operation."

155 "(c) Subject to approval by the chief executive officer and corporation, the Bona Fide Coin  
156 Operated Amusement Machine Operator Advisory Board shall establish a procedure for  
157 hearings required by this article, provided that all hearings shall be subject to the provisions  
158 of Chapter 13 of this title, the 'Georgia Administrative Procedure Act.' Such procedure  
159 shall empower the chief executive officer with the authority to delegate or appoint any  
160 person or public agency to preside over ~~the hearing~~ hearings and adjudicate ~~the appeal~~  
161 appeals, and the chief executive officer shall identify the party responsible for entering a  
162 final decision for the corporation."

163 "(e) If a hearing is requested by a licensee in accordance with this Code section, such  
164 request shall act as a supersedeas of any action and against any action or sanction being  
165 taken against a licensee until a hearing is held and a final decision is entered and all appeals  
166 from a decision that are adverse to the licensee are final.

167 (f) The coin operated amusement machine division of the corporation shall be fully subject  
168 to the provisions of Chapter 13 of this title, the 'Georgia Administrative Procedure Act.'

169 (g) If it would facilitate the resolution of any citation or dispute under this Code section,  
170 the parties to any such citation or dispute under this Code section may agree to submit the  
171 citation or dispute to mediation or binding arbitration."

172 **SECTION 5.**

173 Said chapter is further amended by revising subsection (b) of Code Section 50-27-84, relating  
174 to limitation on percent of monthly gross retail receipts derived from machines, monthly  
175 verified reports, issuance of fine or revocation or suspension of license for violations, and  
176 submission of electronic reports, as follows:

177 "(b)(1) No location owner or location operator shall derive more than 50 percent of such  
178 location owner's or location operator's ~~monthly~~ gross retail receipts, calculated quarterly,  
179 for the business location in which the Class B machine or machines are situated from  
180 such Class B machines; provided, however, that revenues that are due to a master licensee  
181 or the corporation or noncash redemption that is earned by the player shall not be deemed  
182 revenue derived from Class B machines. This paragraph shall not be applicable to a  
183 location owner or location operator that is a fraternal benefit association, as that term is  
184 defined in paragraph (15) of subsection (a) of Code Section 48-5-41, that has been in  
185 existence for at least three years or a corporation approved nationally recognized veterans  
186 organization.

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

190 (3) Any location owner or location operator that is not licensed or authorized to sell  
191 alcohol under Title 3 or petroleum products under Title 10 shall be required to maintain  
192 all records of invoices and payments for the purchases of all goods intended for resale for  
193 the prior 12 months and shall make such records available for inspection by the  
194 corporation."



195 **SECTION 6.**

196 Said chapter is further amended by adding two new subparagraphs to paragraph (3) of  
197 subsection (b) of Code Section 50-27-87, relating to master licenses and requirements and  
198 restrictions for licensees, as follows:

199 "(D) On or after July 1, 2021, a location licensee or applicant for a location license  
200 shall, as a condition of a license issued pursuant to this article, accept, adopt, and  
201 comply with the existing contract for the placement of coin operated amusement  
202 machines, if a contract currently exists, at the location for which such location license  
203 is issued for the term of such contract or ten years, whichever is less, and the issuance  
204 of such license shall be deemed to include an assignment of such contract as a matter  
205 of law to such location licensee.

206 (E) An agreement between a location owner or operator and a master license owner  
207 may be terminated by the location owner or operator under the terms of the agreement  
208 or upon just cause based upon, but not limited to, substantial lack of service from the  
209 master license holder, materially poor quality coin operated amusement machines, or  
210 nonperforming coin operated amusement machines; provided, however, that actions by  
211 a third party or the location owner or operator which would constitute a violation of this  
212 article shall not constitute just cause, including the offering or receiving of an  
213 inducement prohibited by Code Section 50-27-87.1."

214 **SECTION 7.**

215 Said chapter is further amended by revising Code Section 50-27-87.1, relating to unfair  
216 methods of competition and unfair and deceptive acts, as follows:

217 "50-27-87.1.

218 (a) The following acts or practices are deemed unfair methods of competition and unfair  
219 and deceptive acts under this article:

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

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

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

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

231 (3) A location owner or location operator, directly or indirectly, asking, demanding, or  
232 accepting anything of value, including, but not limited to, a loan or financing  
233 arrangement, gift, gift cards, lottery gift cards, procurement fee, lease payments, revenue  
234 sharing, or payment of license fees or permit fees from a manufacturer, distributor, or  
235 master licensee, as an incentive, inducement, or any other consideration to locate bona  
236 fide coin operated amusement machines in that establishment. A location owner that  
237 violates this ~~subsection~~ paragraph shall have all of the location owner's state business  
238 licenses revoked for a period of one to five years per incident. The location owner also  
239 shall be fined up to \$50,000.00 per incident and required to repay any incentive fees or  
240 other payments received from the operator; ~~and~~

241 (4) A manufacturer, distributor, operator, master licensee, or individual, directly or  
242 indirectly, providing anything of value, including but not limited to a loan or financing  
243 arrangement, gift, procurement fee, lease payments, revenue sharing, or payment of  
244 license fees or permit fees to a location owner or location operator, as an incentive,  
245 inducement, or any other consideration to locate bona fide coin operated amusement  
246 machines in that establishment. A manufacturer, distributor, operator, master licensee,

247 or individual who violates this ~~subsection~~ paragraph shall have all of his or her state  
248 business licenses revoked for a period of one to five years per incident. The individual,  
249 manufacturer, distributor, owner, or master licensee also shall be fined up to \$50,000.00  
250 per incident; and

251 (5) A master licensee or location owner or operator enrolling a player in any player  
252 tracking system or reward system without the express consent and knowledge of a player.  
253 A master licensee or operator shall not offer plays or replays on a coin operated  
254 amusement machine to a player without the express consent and knowledge of a player;  
255 provided, however, that this provision shall not apply to replays won by a player pursuant  
256 to Code Section 16-12-35.

257 (b) The prohibitions set forth in paragraph (2) of subsection (a) of this Code section shall  
258 not prohibit a master licensee or owner from entering into an agreement with a  
259 manufacturer or distributor that grants the master licensee or owner exclusive rights to the  
260 digital images displayed on a bona fide coin operated amusement machine provided that  
261 such images do not alter the performance or functionality of the bona fide coin operated  
262 amusement machine.

263 (c) The prohibitions set forth in paragraphs (3) and (4) of subsection (a) of this Code  
264 section shall not apply to a master licensee providing to a location licensee:

265 (1) Physical or digital signage to promote Class B play and explain the noncash  
266 redemption law that is placed within the area where the Class B coin operated amusement  
267 machines are located at the licensed location; provided that the master license holder does  
268 not, directly or indirectly, pay the location licensee any form of consideration for such  
269 signage which shall remain the property of the master license holder and shall be  
270 removed not later than when the Class B machines are removed from such location;

271 (2) Customer relations marketing funds; and

272 (3) Improvements that consist of wall coverings, temporary partition walls, paint,  
273 flooring, or lighting limited to use or installation within the area where the Class B coin

274 operated amusement machines are located at the licensed location; provided that such  
275 improvements are made only once per term of the contract between the parties or one  
276 every five years, whichever is greater; and provided, further, that the master licensee shall  
277 report to the corporation when such improvements are made, and shall keep all records  
278 associated with the improvements available for inspection by the corporation."

279 **SECTION 8.**

280 Said chapter is further amended by revising subsection (a) of Code Section 50-27-88, relating  
281 to establishment of rules and policies and application for license, as follows:

282 "(a) The corporation shall establish rules or policies, with the advice of the Bona Fide Coin  
283 Operated Amusement Machine Operator Advisory Board; and in accordance with  
284 Chapter 13 of this title, the 'Georgia Administrative Procedure Act,' to establish or create:

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

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

291 **SECTION 9.**

292 Said chapter is further amended by revising subsection (c) of Code Section 50-27-89, relating  
293 to the Bona Fide Coin Operated Amusement Machine Operator Advisory Board,  
294 membership, terms, policies and procedures, and selection of vendors, as follows:

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

299 The advisory board shall have the authority to adopt rules and regulations and adopt its  
300 policies and procedures in accordance with Chapter 13 of this title, the 'Georgia  
301 Administrative Procedure Act.'"

302 **SECTION 10.**

303 Said chapter is further amended by adding two new Code sections to read as follows:

304 "50-27-90.

305 (a) Not later than July 1, 2023, the corporation shall create and provide a lottery gift card.  
306 Such lottery gift card shall be a gift card which may be awarded to successful players of  
307 Class A and Class B machines and may be redeemed or exchanged for all items allowed  
308 as noncash redemption to successful players of Class A and Class B machines under this  
309 article. No value shall be placed on a lottery gift card that has not been won by the player  
310 by the successful play of a game.

311 (b) Lottery gift cards shall be issued only by licensed location owners or location  
312 operators. Lottery retailers shall receive 50 cents from the sale of each lottery gift card,  
313 and the corporation shall receive 50 cents to be deducted from the amount loaded onto a  
314 card, each time value is added to a card.

315 50-27-91.

316 (a) Notwithstanding the provisions of Code Section 16-12-35 or any other provision of law  
317 to the contrary:

318 (1) The merchandise, prizes, toys, gift certificates, gift cards, lottery gift cards, novelties,  
319 or rewards that may be awarded to a successful player shall include or be redeemable or  
320 exchangeable for any goods or services which the individual to whom such goods or  
321 services are to be awarded is entitled or permitted by law to purchase;

322 (2) A master licensee may provide something of value directly to a player to promote the  
323 play of Class B machines and such thing of value shall not be considered a redemption  
324 for the successful play of Class B machines; and

325 (3) A location owner or location operator shall be permitted to allow a player of a bona  
326 fide coin operated amusement machine to redeem winnings for a gift certificate, gift card,  
327 or lottery gift card, and the awarding of such gift certificate, gift card, or lottery gift card  
328 shall be a lawful act of in-store redemption.

329 (b) If the location owner or location operator sells gift cards at the location, gift cards may  
330 be used for noncash redemption for successful play of the coin operated amusement  
331 machines at such location."

332 **SECTION 11.**

333 This Act shall become effective upon its approval by the Governor or upon its becoming law  
334 without such approval.

335 **SECTION 12.**

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