

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SR 140:

A RESOLUTION

1 Proposing an amendment to the Constitution of the State of Georgia so as to authorize the
 2 Georgia General Assembly to provide by general law for sports betting in this state; to
 3 provide for the regulation and allocation of revenues of such activities; to provide for related
 4 matters; to provide for the submission of this amendment for ratification or rejection; and for
 5 other purposes.

6 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 SECTION 1.

8 Article I, Section II of the Constitution is amended by revising Paragraph VIII as follows:

9 "Paragraph VIII. *Lotteries, and nonprofit bingo games, raffles by nonprofit*
 10 *organizations, and sports betting.* (a) Except as herein specifically provided in this
 11 Paragraph ~~VIII~~, all lotteries, and the sale of lottery tickets, and all forms of sports betting,
 12 pari-mutuel betting, and casino gambling are hereby prohibited; and this prohibition shall
 13 be enforced by penal laws.

14 (b) The General Assembly may by law provide that the operation of a nonprofit bingo
 15 game shall not be a lottery and shall be legal in this state. The General Assembly may by
 16 law define a nonprofit bingo game and provide for the regulation of nonprofit bingo games.

17 (c) The General Assembly may by law provide for the operation and regulation of a
18 ~~lottery or lotteries~~ by or on behalf of the state and for any matters relating to the purposes
19 or provisions of this subparagraph. Such lotteries shall be implemented and regulated by
20 the Georgia Lottery Corporation or any successor entity created by the General Assembly
21 consistent with the enabling legislation for the Georgia Lottery Corporation or any such
22 successor entity. Proceeds derived from the ~~lottery or lotteries~~ operated by or on behalf of
23 the state, as well as proceeds received by the Georgia Lottery Corporation from its
24 participation in any activities authorized by subparagraph (f) of this Paragraph, shall be
25 used to pay the operating expenses of the ~~lottery or lotteries~~, including all prizes, as well
26 as the operating expenses of the Georgia Lottery Corporation relating to its participation
27 in any activities authorized by subparagraph (f) of this Paragraph without any appropriation
28 required by law, and for educational programs and purposes as hereinafter provided.
29 Lottery proceeds and proceeds received by the Georgia Lottery Corporation from its
30 participation in any activities authorized by subparagraph (f) of this Paragraph shall not be
31 subject to Article VII, Section III, Paragraph II; Article III, Section IX, Paragraph VI(a);
32 or Article III, Section IX, Paragraph IV(c), except that the net proceeds after payment of
33 such operating expenses shall be subject to Article VII, Section III, Paragraph II. Net
34 proceeds after payment of such operating expenses shall be separately accounted for and
35 shall be specifically identified by the Governor in his or her annual budget presented to the
36 General Assembly as a separate budget category entitled 'Lottery Proceeds,' and the
37 Governor shall make specific recommendations as to educational programs and educational
38 purposes to which said net proceeds shall be appropriated. In the General Appropriations
39 Act adopted by the General Assembly, the General Assembly shall appropriate all net
40 proceeds of the ~~lottery or lotteries~~ and all net proceeds received by the Georgia Lottery
41 Corporation from its participation in any activities authorized by subparagraph (f) of this
42 Paragraph by such separate budget category to educational programs and educational
43 purposes. Such net proceeds shall be used to support improvements and enhancements for

44 educational programs and purposes and such net proceeds shall be used to supplement, not
 45 supplant, ~~non-lottery~~ other educational resources for educational programs and purposes.
 46 The educational programs and educational purposes for which proceeds may be so
 47 appropriated shall include only the following:

48 (1) Tuition grants, scholarships, or loans to citizens of this state to enable such citizens
 49 to attend colleges and universities located within this state, regardless of whether such
 50 colleges or universities are operated by the board of regents, or to attend institutions
 51 operated under the authority of the ~~Department of Technical and Adult Education~~
 52 Technical College System of Georgia;

53 (2) Voluntary pre-kindergarten;

54 (3) One or more educational shortfall reserves in a total amount of not less than 10
 55 percent of the net proceeds of the lottery for the preceding fiscal year;

56 (4) Costs of providing to teachers at accredited public institutions who teach
 57 levels K-12, personnel at public postsecondary technical institutes under the authority of
 58 the ~~Department of Technical and Adult Education~~ Technical College System of Georgia,
 59 and professors and instructors within the University System of Georgia the necessary
 60 training in the use and application of computers and advanced electronic instructional
 61 technology to implement interactive learning environments in the classroom and to access
 62 the state-wide distance learning network; and

63 (5) Capital outlay projects for educational facilities;

64 provided, however, that no funds shall be appropriated for the items listed in ~~paragraphs (4)~~
 65 ~~and (5) of this subsection~~ subparagraphs (c)(4) and (c)(5) of this Paragraph until all persons
 66 eligible for and applying for assistance as provided in ~~paragraph (1) of this subsection~~
 67 subparagraph (c)(1) of this Paragraph have received such assistance, all approved
 68 pre-kindergarten programs provided for in ~~paragraph (2) of this subsection~~
 69 subparagraph (c)(2) of this Paragraph have been fully funded, and the education shortfall

70 reserve or reserves provided for in ~~paragraph (3) of this subsection~~ subparagraph (c)(3) of
71 this Paragraph have been fully funded.

72 (d) The General Assembly may by law provide for the operation and regulation of sports
73 betting activities by or on behalf of the state. For the purpose of regulation and taxation
74 of such sports betting activities, the General Assembly shall create a gaming commission
75 and shall provide such commission with such powers and duties as necessary to provide
76 appropriate regulation of such sports betting activities provided for under this subparagraph
77 and to tax such activities. The proceeds derived from the taxation of the sports betting
78 activities provided for in this subparagraph shall be used as provided for in
79 subparagraph (e)(1) of this Paragraph, and all other proceeds derived from the regulation
80 of such activities shall be used to pay the operating expenses of the gaming commission.
81 Such proceeds derived from the regulation and taxation of sports betting activities shall be
82 separately accounted for and shall be specifically identified by the Governor in his or her
83 annual budget presented to the General Assembly as a separate budget category entitled
84 'Sports Betting Proceeds.'

85 (e)(1) Proceeds derived from the taxation of the sports betting activities provided for
86 in subparagraph (d) of this Paragraph shall be appropriated by the General Assembly, as
87 provided by law, for the following purposes:

88 (A) Fifty percent to need based scholarships, grants, or loans to citizens of this state
89 to enable such citizens to attend units of the University System of Georgia, branches
90 of the Technical College System of Georgia, or other private colleges and universities
91 located within the state;

92 (B) Twenty-five percent for programs and services related to health care, mental
93 health, economic development, and the reduction of poverty in less developed and high
94 poverty areas;

95 (C) Fifteen percent to public health and educational programs and services that seek
96 to prevent individuals from experiencing, and provide assistance to individuals who
97 experience, addiction or other problems relating to betting or gambling;

98 (D) Five percent to the advancement of sports in the state, including, but not limited
99 to, the costs and expenses associated with soliciting, promoting, honoring, sponsoring,
100 and hosting regional, national, and international sporting events within the state; and

101 (E) Five percent to innovational educational programs and services.

102 (2) The General Assembly is authorized to create and appropriate moneys to the
103 Educational Opportunity Fund, the Community Enhancement Fund, the Responsible
104 Gaming Fund, the Sports Promotion Fund, and the Education Innovation Fund from
105 which funds shall be disbursed for those purposes respectively set forth in
106 subparagraphs (e)(1)(A) through (e)(1)(E) of this Paragraph. The moneys paid into such
107 funds shall not be subject to the provisions of Article III, Section IX, Paragraph IV(c),
108 relating to the lapsing of funds; Article III, Section IX, Paragraph VI, relating to
109 allocation of proceeds; or Article VII, Section III, Paragraph II(a), relating to payment
110 into the general fund of the state treasury.

111 (f) The Georgia Lottery Corporation shall be authorized to participate in any sports
112 betting activities provided for by the General Assembly pursuant to subparagraph (d) of
113 this Paragraph; provided, however, that all net proceeds received by the Georgia Lottery
114 Corporation from its participation in such sports betting activities shall be used in
115 accordance with the provisions of subparagraph (c) of this Paragraph. Any proceeds
116 derived from any tax imposed upon the Georgia Lottery Corporation's participation in such
117 sports betting activities that are received by the gaming commission provided for in
118 subparagraph (d) of this Paragraph shall be used in accordance with the provisions of
119 subparagraph (e)(1) of this Paragraph.

120 ~~(d)~~(g) On and after January 1, 1995, the holding of raffles by nonprofit organizations
121 shall be lawful and shall not be prohibited by any law enacted prior to January 1, 1994.

122 Laws enacted on or after January 1, 1994, however, may restrict, regulate, or prohibit the
123 operation of such raffles."

124 **SECTION 2.**

125 The above proposed amendment to the Constitution shall be published and submitted as
126 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
127 above proposed amendment shall have written or printed thereon the following:

128 "() YES Shall the Constitution of Georgia be amended so as to authorize the General
129 () NO Assembly to provide by law for sports betting in this state and to provide for
130 such proceeds to be used for need based educational funding, services in
131 less developed and high poverty areas, services for gambling addiction,
132 advancement and promotion of sports in the state, and innovational
133 educational programs and services?"

134 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
135 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
136 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
137 become a part of the Constitution of this state.