

The Senate Committee on Economic Development and Tourism offered the following substitute to SR 538:

A RESOLUTION

1 Proposing an amendment to the Constitution of the State of Georgia so as to authorize and
2 require that the Georgia General Assembly provide by law for sports betting and casino
3 gambling in this state by July 2, 2025; to provide for the regulation and allocation of
4 revenues of such sports betting and casino gambling; to provide for related matters; to
5 provide for the submission of this amendment for ratification or rejection; and for other
6 purposes.

7 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

9 Article I, Section II of the Constitution is amended in Paragraph VIII, relating to lotteries and
10 nonprofit bingo games, by revising the caption and subparagraph (a) and by adding two new
11 subparagraphs to read as follows:

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

17 "(e)(1) On or before July 2, 2025, and in accordance with the provisions of this
18 subparagraph (e), the General Assembly shall by law provide for the operation and
19 regulation of sports betting and limited casino gambling.

20 (2) For the purpose of taxation and regulation of the sports betting and casino gambling
21 activities authorized by this subparagraph (e), the General Assembly shall create a
22 gaming commission and provide such commission with such powers and duties as
23 necessary to provide appropriate regulation of such sports betting and casino gambling
24 and to tax such activities. Such gaming commission shall be established no later than
25 December 31, 2025, and shall be composed of five members, to be appointed as follows:

26 (A) One member shall be appointed by the Governor and shall serve a term of three
27 years; provided, however, that the initial appointment shall be for one year, and
28 thereafter, successors to such member shall serve terms of three years;

29 (B) One member shall be appointed by the Governor and shall serve a term of three
30 years; provided, however, that the initial appointment shall be for two years, and
31 thereafter, successors to such member shall serve terms of three years;

32 (C) One member shall be appointed by the Governor and shall serve a term of three
33 years;

34 (D) One member shall be appointed by the President of the Senate and shall serve a
35 term of three years; provided, however, that the initial appointment shall be for two
36 years, and thereafter, successors to such member shall serve terms of three years; and

37 (E) One member shall be appointed by the Speaker of the House of Representatives
38 and shall serve a term of three years; provided, however, that the initial appointment
39 shall be for two years, and thereafter, successors to such member shall serve terms of
40 three years.

41 (3) All casino gambling activities authorized by this subparagraph (e) shall take place
42 at a casino facility owned and operated by an individual or entity that has been issued a
43 casino gaming license in this state, as no off-site casino gambling shall be permitted or

44 authorized in this state. The General Assembly shall provide by law for the issuance of
45 five casino gaming licenses by the gaming commission and each such casino gaming
46 license shall authorize the licensee, subject to the provisions of subparagraph (e)(4) of
47 this Paragraph, to create and operate a single casino facility within this state. Such casino
48 gaming licensees shall be permitted to conduct the casino gambling activities authorized
49 by this subparagraph (e) at a casino facility on each and every calendar day of the year
50 and during any and all hours of each day. Casino gaming licensees shall be permitted to
51 sell alcoholic beverages or provide complimentary servings of alcoholic beverages, for
52 on-premises consumption only, at a casino gaming facility during all hours in which such
53 casino facility is conducting casino gambling activities, and no law or regulation shall
54 prohibit such sale or complimentary serving of alcoholic beverages.

55 (4) No casino facility shall be created in any county in this state where the governing
56 authority of such county has adopted an ordinance or resolution prohibiting the creation
57 of casino facilities within the boundaries of such county; provided, however, that any
58 casino facility created by a casino gaming licensee prior to the adoption of such ordinance
59 or resolution shall be permitted to continue operating as a casino facility notwithstanding
60 the adoption of such ordinance or resolution.

61 (5) No individual or entity shall be issued more than one casino gaming license in this
62 state and no individual or entity shall own an interest in more than one entity that has
63 been issued a casino gaming license in this state.

64 (6) The General Assembly shall by law authorize the gaming commission to
65 promulgate rules and regulations, consistent with the provisions of general law and this
66 Constitution, that shall include a process by which the gaming commission will consider
67 applications for and issue sports betting and casino gaming licenses in this state as well
68 as any other matters necessary for the fair, impartial, stringent, and comprehensive
69 administration of the sports betting and casino gambling activities authorized by this
70 subparagraph (e). The General Assembly shall require by law that the gaming

71 commission promulgate such rules and regulations on or before June 30, 2026, and that
72 the gaming commission consider applications for and issue initial sports betting and
73 casino gaming licenses on or before August 31, 2026.

74 (7) The General Assembly shall provide by law for the taxation of the sports betting
75 and casino gambling activities authorized by this subparagraph (e); provided, however,
76 that the casino gambling activities authorized by this subparagraph (e) shall be taxed at
77 a rate of 13 percent of the gross income of such activities less operating expenses,
78 amounts paid out as winnings, and amounts permitted by law to be held in reserve. All
79 proceeds derived from such taxation shall be used as provided for in subparagraph (f) of
80 this Paragraph. Notwithstanding the provisions of Article VII, Section III, Paragraph II
81 of this Constitution, all other proceeds derived from the regulation of such sports betting
82 and casino gambling activities shall be used to pay the operating expenses of the gaming
83 commission without any appropriation required by law, except that the net proceeds after
84 payment of such operating expenses shall be paid into the general fund of the state
85 treasury. All proceeds derived from the taxation of the sports betting and casino
86 gambling activities authorized by this subparagraph (e) and all other proceeds derived
87 from the regulation of such activities that are required to be paid into the general fund of
88 the state treasury shall be separately accounted for and shall be specifically identified by
89 the Governor in his or her annual budget presented to the General Assembly as a separate
90 budget category entitled 'Gaming Commission Proceeds.' In addition to the taxation of
91 the sports betting and casino gambling activities provided for in this subparagraph (e),
92 each sports betting licensee and each casino facility and the casino gaming licensee that
93 owns and operates such casino facility shall be subject to all other taxes imposed by law,
94 except that the sports betting and casino gambling activities authorized by this
95 subparagraph (e) shall not be subject to any sales or use tax imposed by the state or by
96 any political subdivision of the state.

97 (f)(1) All proceeds derived from the taxation of the sports betting and casino gambling
98 activities authorized by subparagraph (e) of this Paragraph shall not be subject to the
99 provisions of Article III, Section IX, Paragraph VI(a), relating to the allocation of
100 proceeds, or Article VII, Section III, Paragraph II(a), relating to payment into the general
101 fund of the state treasury, and shall be distributed and dedicated as follows:

102 (A) Fifty percent shall be deposited into the Freight and Logistics Fund from which
103 funds shall be disbursed for freight and logistics capital infrastructure projects, not to
104 include the payment of state salaries or state owned transportation;

105 (B) Ten percent shall be deposited into the Mental Health and Gambling Addiction
106 Fund from which funds shall be disbursed to provide social service and public health
107 programs that address mental health and addiction issues, including the prevention or
108 treatment of issues related to betting or gambling;

109 (C) Ten percent shall be deposited into the Rural Health Care Fund from which funds
110 shall be disbursed to provide citizens in rural areas with access to health care services
111 and to provide programs to support hospitals and other health care facilities in those
112 regions of the state;

113 (D) Twenty percent shall be deposited into the Child Care Fund from which funds
114 shall be disbursed to provide voluntary pre-kindergarten and child care programs and
115 services; and

116 (E) Ten percent shall be deposited into the Historically Black Colleges and
117 Universities Fund from which funds shall be disbursed to historically black colleges
118 and universities located within this state to supplement need based scholarships, grants,
119 or loans to citizens of this state to enable such citizens to attend such colleges and
120 universities and for use by such colleges and universities for educational programs and
121 purposes.

122 (2) The General Assembly is authorized to create and appropriate moneys to the
123 Freight and Logistics Fund, the Mental Health and Gambling Addiction Fund, the Rural

124 Health Care Fund, the Child Care Fund, and the Historically Black Colleges and
 125 Universities Fund from which funds shall only be disbursed for those purposes
 126 respectively set forth in subparagraphs (f)(1)(A) through (f)(1)(E) of this Paragraph. The
 127 moneys paid into the funds listed in subparagraphs (f)(1)(A) through (f)(1)(E) of this
 128 Paragraph and created pursuant to this subparagraph shall not be subject to the provisions
 129 of Article III, Section IX, Paragraph IV(c), relating to the lapsing of funds."

130

SECTION 2.

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

134 "() YES Shall the Constitution of Georgia be amended so as to require the General
 135 () NO Assembly to provide by law for sports betting and casino gambling in this
 136 state no later than July 2, 2025, and to provide for such proceeds to be used
 137 for supporting freight and logistics capital infrastructure projects, mental
 138 health and gambling addiction programs, rural health care, child care
 139 programs, and educational purposes?"

140 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

141 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
 142 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
 143 become a part of the Constitution of this state.