

House Bill 353 (AS PASSED HOUSE AND SENATE)

By: Representatives Powell of the 33rd, Washburn of the 144th, Jasperse of the 11th, Williams of the 168th, Mitchell of the 88th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 27 of Title 50 of the Official Code of Georgia Annotated, the "Georgia
2 Lottery for Education Act," so as to provide that administrative procedures and actions
3 regarding bona fide coin operated amusement machines shall be subject to Chapter 13 of
4 Title 50 and that certain hearings shall be subject to the "Georgia Arbitration Code"; to
5 change certain provisions relating to the shortfall reserves maintained within the Lottery for
6 Education Account; to provide definitions; to provide for certain late fees; to provide for
7 multiyear licenses; to provide for the manner of noncash redemption; to provide for a
8 limitation on the permitted noncash redemption award for Class A and Class B machines; to
9 provide for redemption for successful play of bona fide coin operated amusement machines
10 through self-service redemption devices under certain conditions; to provide for certain
11 auctions; to provide for the issuance of regulatory guidance letters; to provide for exceptions
12 to provisions of law regarding the amount of funds that may come from the play of bona fide
13 coin operated amusement machines for certain historical fraternal benefit associations and
14 veterans organizations; to provide for quarterly reports; to provide that certain provisions to
15 location owners or location operators by master licensees shall not constitute an unfair
16 method of competition or an unfair or deceptive act; to revise the division of revenue from
17 Class B machines; to provide for the issuance of federal 1099 tax forms in certain
18 circumstances; to provide for related matters; to provide for an effective date; to repeal
19 conflicting laws; and for other purposes.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21 **SECTION 1.**

22 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, the "Georgia Lottery for
23 Education Act," is amended by revising paragraph (19) of subsection (a) of Code
24 Section 50-27-9, relating to general powers of the Georgia Lottery Corporation, as follows:

25 "(19) To adopt and amend such regulations, policies, and procedures as necessary to
26 carry out and implement its powers and duties, organize and operate the corporation,
27 regulate the conduct of lottery games in general, and any other matters necessary or
28 desirable for the efficient and effective operation of the lottery or the convenience of the
29 public. The promulgation of any such regulations, policies, and procedures pursuant to
30 this article and Article 2 of this chapter shall be exempt from the requirements of
31 Chapter 13 of this title, the 'Georgia Administrative Procedure Act.' Notwithstanding any
32 other provision of law to the contrary, hearings related to any dispute between licensees
33 under Code Section 50-27-102 shall be held in accordance with the provisions of Part 1
34 of Article 1 of Chapter 9 of Title 9, the 'Georgia Arbitration Code.' All other hearings
35 and any rules, regulations, policies, or procedures related to the administration,
36 enforcement, or violation of this article shall be subject to the provisions of Chapter 13
37 of this title."

38 **SECTION 2.**

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

42 "(3)(A) Beginning in Fiscal Year 2025, a A shortfall reserve shall be maintained within
43 the Lottery for Education Account in an amount equal to at least 50 percent ~~of net~~
44 ~~proceeds deposited into such account for the preceding fiscal year~~ of the average
45 amount of net proceeds deposited into such account for the preceding three fiscal years,
46 hereinafter referred to as the minimum reserve. Beginning in Fiscal Year 2025 and for

47 each fiscal year thereafter, if on the last day of the preceding fiscal year the total reserve
 48 fund balance exceeds the minimum reserve, an amount equal to 10 percent of the excess
 49 reserve funds, meaning the amount that the total reserve fund balance exceeds the
 50 minimum reserve, shall be appropriated for educational purposes and programs.

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

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

61 SECTION 3.

62 Said chapter is further amended by revising paragraph (3) of subsection (b) of Code Section
 63 50-27-70, relating to legislative findings and definitions, and adding a new paragraph to read
 64 as follows:

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

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

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

70 (C) Rewards a successful player with noncash merchandise, prizes, toys, gift
 71 certificates, or novelties in compliance with the provisions of subsection (c) or
 72 paragraph (1) of subsection (d) of Code Section 16-12-35, and does not reward a
 73 successful player with any item prohibited as a reward in subsection (i) of Code

74 Section 16-12-35 or any reward redeemable as an item prohibited as a reward in
75 subsection (i) of Code Section 16-12-35;

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

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

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

84 "(5.1) 'Gift card' means an electronic payment device or system:

85 (A) Issued for a specific amount of noncash redemption which was earned by a
86 successful player of a bona fide coin operated amusement machine; and

87 (B) Provided or loaded on a prepaid basis for the future purchase or delivery of any
88 merchandise or service permitted by law from a single merchant or service provider or
89 multiple merchants or service providers, whether affiliated or not."

90 SECTION 4.

91 Said chapter is further amended by revising subsection (k) of Code Section 50-27-71, relating
92 to license fees, issuance of license, display of license, control number, duplicate certificates,
93 application for license or renewal, and penalty for noncompliance, and adding a new
94 subsection to read as follows:

95 "(k) A renewal application filed on or after the due dates set forth in the rules promulgated
96 by the board, but before the license expires, shall be accompanied by a nonrefundable late
97 fee of \$1,000.00; provided, however, that the nonrefundable late fee for Class A master and
98 location licenses shall be \$100.00. A manufacturer, distributor, or master license or
99 location license that has been expired for more than 90 days may not be renewed. In such
100 a case, the manufacturer, distributor, master ~~license~~ licensee, or location license owner

101 shall obtain a new license, as applicable, by complying with the requirements and
102 procedures for obtaining an original license."

103 "(o)(1) Any license issued pursuant to this Code section shall be for a period of one, two,
104 or three years at the option of the applicant or licensee at the time of issuance or renewal.
105 The license fee for multiyear licenses shall be determined based on the annual license
106 fees set forth in this Code section multiplied by the number of years for which the license
107 is issued. Any refund of a license fee sought pursuant to Code Section 50-27-72 shall be
108 prorated.

109 (2) A licensee shall report to the corporation any material change in the information
110 requested by the corporation as a part of the application for or renewal of a license under
111 this Code section and pay any additional fees associated with such change."

112 SECTION 5.

113 Said chapter is further amended by adding a new Code section to read as follows:

114 "50-27-71.1.

115 (a)(1) On and after the effective date of this Code section and before July 1, 2026,
116 nonreloadable gift cards shall be allowed as a legal form of redemption for Class A
117 machines and Class B machines in addition to any other form of redemption allowed by
118 law or authorized by the corporation.

119 (2) On and after July 1, 2026:

120 (A) Only replays and nonreloadable and reloadable gift cards shall be allowed as a
121 legal form of redemption for Class A machines in addition to any other form of
122 redemption allowed by law or authorized by the corporation; and

123 (B) Only replays, lottery products, and nonreloadable and reloadable gift cards shall
124 be allowed as a legal form of redemption for Class B machines and no other form of
125 redemption shall be allowed. Any location owner or location operator that provides for
126 the redemption of products or services, other than replays and lottery products, that are
127 not on a gift card shall, in addition to any other penalties provided by law, receive a
128 warning for the first violation and shall be punished by civil penalties for any

129 subsequent violations that shall be imposed by the corporation in amounts that are
 130 proportional to any amounts inappropriately redeemed; provided, however, that nothing
 131 in this subparagraph shall be construed to eliminate or reduce any administrative
 132 penalty related to a violation of Code Section 16-12-35.

133 (b) No value shall be placed on a gift card unless such value has been won by the player
 134 for the successful play of a game on the bona fide coin operated amusement machine. Such
 135 gift card may be used off the premises of the location licensee, but shall be loaded or
 136 caused to be loaded only on the location licensee's premises and only by the location
 137 licensee or its employees on such premises or by a self-service gift card redemption device
 138 on such premises. A gift card may be honored by the location licensee upon presentation
 139 but shall not be exchanged for cash, change, or currency.

140 (c) Notwithstanding Code Section 16-12-35 or any other provision of law to the contrary:

141 (1) Gift cards shall be redeemable or exchangeable for any goods or services which a
 142 successful player is entitled or permitted by law to purchase; and

143 (2) The award of such gift card shall be a lawful act of in-store redemption and shall be
 144 permitted to be fully redeemed off the premises.

145 (d) A successful player may redeem his or her winnings on a gift card from a self-service
 146 gift card device. Such device and the cost of such device may be provided by the location
 147 owner or location operator, the master licensee, or both. Any contract or agreement entered
 148 into with a master licensee for the provision of self-service gift card redemption devices
 149 shall not be subject to the provisions of Code Section 50-27-87.1."

150 **SECTION 6.**

151 Said chapter is further amended by revising subsection (e) of Code Section 50-27-73, relating
 152 the refusal to issue or renew license, revocation or suspension, hearing, and limitation on
 153 issuance of licenses, and adding a new subsection to read as follows:

154 "(e) Effective July 1, ~~2015~~ 2024, the corporation may issue up to 220 Class B master
 155 licenses through a process of competitive auction to be established by the corporation and
 156 ~~such a competitive auction for one license shall occur at least once every three years~~

157 effective July 1, ~~2015~~ 2024; provided, however, that any person or entity holding a Class
158 B master license on the effective date of this subsection shall not be subject to the
159 competitive auction process provided for in this Code section but shall be subject to all
160 other requirements of this article; provided, further, that the corporation shall be permitted
161 to renew Class B master licenses at any time.

162 (f) At any time following a proposed revocation or a proposed nonrenewal of a master
163 license by the corporation, any settlement of such proposed revocation or proposed
164 nonrenewal involving the sale of the master license and associated assets, including, but
165 not limited to, contracts or agreements entered into pursuant to Code Section 50-27-87 and
166 bona fide coin operated amusement machines, shall require a public auction."

167 **SECTION 7.**

168 Said chapter is further amended by adding a new Code section to read as follows:

169 "50-27-81.1.

170 The corporation shall by rule and regulation create a process whereby any person may
171 request an official interpretation of any rule or regulation through a regulatory guidance
172 letter. A regulatory guidance letter shall be issued within 60 days of a request seeking
173 guidance on a rule or regulation and shall only be used to interpret or clarify existing rules
174 and regulations. A regulatory guidance letter shall remain in effect and be valid unless it
175 is superseded by a subsequently adopted state law or a rule or regulation of the corporation,
176 a subsequently issued regulatory guidance letter, or a court order. The corporation shall
177 incorporate relevant portions of any regulatory guidance letter in subsequent rules and
178 regulations as may be applicable and necessary to ensure clarity in such rules and
179 regulations."

180 **SECTION 8.**

181 Said chapter is further amended by revising Code Section 50-27-84, relating to limitation on
182 percent of monthly gross retail receipts derived from machines, monthly verified reports,

183 issuance of fine or revocation or suspension of license for violations, and submission of
184 electronic reports, as follows:

185 "50-27-84.

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

187 (1) 'Amusement or recreational establishment' means an open-air establishment
188 frequented by the public for amusement or recreation. Such an establishment shall be in
189 a licensed fixed location located in this state and which has been in operation for at
190 least 35 years.

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

193 (3) 'Gross retail receipts' means the total revenue derived by a business at any one
194 business location from the sale of goods and services and the commission earned at any
195 one business location on the sale of goods and services but shall not include revenue from
196 the sale of goods or services for which the business will receive only a commission. The
197 sale of goods or services for which the business will receive only a commission shall not
198 include the sale of any item which the business has purchased for resale. Revenue shall
199 not include the sale of goods and services at wholesale.

200 (b)(1) No location owner or location operator shall derive more than 50 percent of such
201 location owner's or location operator's ~~monthly~~ quarterly gross retail receipts for the
202 business location in which the Class B machine or machines are situated from such Class
203 B machines; provided, however, that revenues that are due to a master licensee or the
204 corporation or noncash redemption that is earned by the player shall not be deemed
205 revenue derived from Class B machines. This paragraph shall not apply to historical
206 fraternal benefit associations or veterans organizations which are exempt from taxes and
207 are described in Code Section 48-5-41 or 48-5-478.4.

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

211 (c) For each business location which offers to the public one or more Class B machines,
212 the location owner or location operator shall prepare a ~~monthly~~ quarterly verified report
213 setting out separately by location in Georgia:

- 214 (1) The gross receipts from the Class B machines;
- 215 (2) The gross retail receipts for the business location; and
- 216 (3) The net receipts of the Class B machines.

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

- 219 (1) The gross receipts from the Class B machines which the master licensee maintains;
220 and
- 221 (2) The net receipts of the Class B machines.

222 (d) In accordance with the provisions of Code Section 50-27-73 and the procedures set out
223 in Code Sections 50-27-74 and 50-27-75, the corporation may fine an applicant or holder
224 of a license, refuse to issue or renew a location license or master license, or revoke or
225 suspend a location license or master license for single or repeated violations of
226 subsection (b) of this Code section.

227 (e) A location owner or location operator shall report the information prescribed in this
228 Code section in the form required by the corporation. Such report shall be submitted in an
229 electronic format approved by the corporation.

230 (f) Beginning on ~~August 20, 2013~~ October 1, 2024, and on the twentieth day of ~~each~~
231 month January, April, July, and October of each year thereafter, for the previous ~~month~~
232 calendar quarter, the reports required by subsections (c) and (c.1) of this Code section shall
233 be supplied to the corporation on forms provided by the corporation, including electronic
234 means. The corporation shall be authorized to audit any records for any such business
235 location or master licensee subject to this Code section. The corporation may contract with
236 any state agencies to perform the audits authorized by this Code section, and it may
237 contract or enter into a memorandum of understanding with the Department of Revenue
238 to enforce the provisions of this Code section."

239 **SECTION 9.**

240 Said chapter is further amended by revising Code Section 50-27-86, relating to local
241 government to adopt any combination of a list of ordinance provisions, as follows:

242 "50-27-86.

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

247 (1) Prohibiting the offering to the public of more than six Class B machines ~~that reward~~
248 ~~the player exclusively with noncash merchandise, prizes, toys, gift certificates, or~~
249 ~~novelties~~ at the same business location;

250 (2) Requiring the owner or operator of a business location which offers to the public any
251 ~~bona fide coin operated amusement machine that rewards the player exclusively as~~
252 ~~described in subsection (d) of Code Section 16-12-35~~ Class A machine or Class B
253 machine to inform all employees of the prohibitions and penalties set out in subsections
254 (e), (f), and (g) of Code Section 16-12-35;

255 (3) Requiring the owner or possessor of any ~~bona fide coin operated amusement machine~~
256 ~~that rewards the player exclusively as described in subsection (d) of Code Section~~
257 ~~16-12-35~~ Class A machine or Class B machine to inform each location owner or location
258 operator of the business location where such machine is located of the prohibitions and
259 penalties set out in subsections (e), (f), and (g) of Code Section 16-12-35;

260 (4) Providing for the suspension or revocation of a license granted by such local
261 governing authority to manufacture, distribute, or sell alcoholic beverages or for the
262 suspension or revocation of any other license granted by such local governing authority
263 as a penalty for conviction of the location owner or location operator of a violation of
264 subsection (e), (f), or (g) of Code Section 16-12-35, or both. An ordinance providing for
265 the suspension or revocation of a license shall conform to the due process guidelines for
266 granting, refusal, suspension, or revocation of a license for the manufacture, distribution,
267 or sale of alcoholic beverages set out in subsection (b) of Code Section 3-3-2;

- 268 (5) Providing for penalties, including fines or suspension or revocation of a license as
269 provided in paragraph (4) of this ~~subsection~~ Code section, or both, for a violation of any
270 ordinance enacted pursuant to this ~~subsection~~ Code section; provided, however, that a
271 municipal corporation shall not be authorized to impose any penalty greater than the
272 maximum penalty authorized by such municipal corporation's charter;
- 273 (6) Requiring any location owner or location operator subject to paragraph (1) of
274 subsection (b) of Code Section 50-27-84 to provide to the local governing authority a
275 copy of each verified monthly report prepared in accordance with such Code section,
276 incorporating the provisions of such Code section in the ordinance, providing for any and
277 all of the penalties authorized by subsection (d) of Code Section 50-27-84, and allowing
278 an annual audit of the reports from the location owner or location operator;
- 279 (7) Requiring the location owner or location operator of any business location which
280 offers to the public one or more ~~bona fide coin-operated amusement~~ Class A machines
281 or Class B machines to post prominently a notice that includes language provided by the
282 corporation through rules and regulations or language that is substantially similar
283 including the following or substantially similar language:
- 284 ~~'GEORGIA LAW PROHIBITS PAYMENT OR RECEIPT OF MONEY FOR~~
285 ~~WINNING A GAME OR GAMES ON THIS AMUSEMENT MACHINE; PAYMENT~~
286 ~~OR RECEIPT OF MONEY FOR FREE REPLAYS WON ON THIS AMUSEMENT~~
287 ~~MACHINE; PAYMENT OR RECEIPT OF MONEY FOR ANY MERCHANDISE,~~
288 ~~PRIZE, TOY, GIFT CERTIFICATE, OR NOVELTY WON ON THIS AMUSEMENT~~
289 ~~MACHINE; OR AWARDING ANY MERCHANDISE, PRIZE, TOY, GIFT~~
290 ~~CERTIFICATE, OR NOVELTY OF A VALUE EXCEEDING \$5.00 FOR A SINGLE~~
291 ~~PLAY OF THIS MACHINE.';~~
- 292 (8) Providing for restrictions relating to distance from specified structures or uses so long
293 as those distance requirements are no more restrictive than such requirements applicable
294 to the sale of alcoholic beverages;
- 295 (9) Requiring as a condition for doing business in the jurisdiction disclosure by the
296 location owner or location operator of the name and address of the owner of ~~the bona fide~~

297 ~~coin operated amusement machine or machines~~ each Class A machine or Class B
 298 machine;

299 (10) Requiring that all ~~bona fide coin operated amusement~~ Class A machines and Class
 300 B machines are placed and kept in plain view and accessible to any person who is at the
 301 business location; and

302 (11) Requiring a business that offers one or more ~~bona fide coin operated amusement~~
 303 Class A machines or Class B machines to the public for play to post its business license
 304 or occupation tax certificate."

305 **SECTION 10.**

306 Said chapter is further amended by designating the existing text of Code Section 50-27-87.1,
 307 relating to unfair methods of competition and unfair and deceptive acts, as subsection (a) and
 308 adding a new subsection to read as follows:

309 "(b) The provision by the master licensee of non-fixtures on or within a building in which
 310 there is a licensed location at which bona fide coin operated amusement machines are
 311 located to a location owner or location operator with whom the master licensee has a
 312 contract for the placement of Class B machines shall not be deemed to be an unfair method
 313 of competition or unfair or deceptive act under this Code section; provided, however, that
 314 such non-fixtures shall:

315 (1) Be limited to branded posters and signs, digital video signage, rugs, seating,
 316 removable partition walls, and wall coverings, unless additional non-fixtures are
 317 authorized by the corporation by the adoption of rules and regulations;

318 (2) Be exclusively for the facilitation and promotion of the play of Class B machines and
 319 the redemption of approved gift cards;

320 (3) Remain the property of the master licensee; and

321 (4) Be removed not later than when the Class B machines of the master licensee are
 322 removed from the location."

323 **SECTION 11.**

324 Said chapter is further amended by revising Code Section 50-27-102, relating to role of
 325 corporation, implementation and certification, separation of funds and accounting, and
 326 disputes, as follows:

327 "50-27-102.

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

331 (1) Retain ~~5~~ 13 percent of the net receipts;

332 (2) Provide, within five business days of receipt, ~~47.5~~ 43.5 percent of the net receipts to
 333 the location owner and location operator for the cost associated with allowing the Class
 334 B machines to be placed; and

335 (3) Provide, within five business days of receipt, ~~47.5~~ 43.5 percent of the net receipts to
 336 the operator holding the Class B master license for the cost of securing, operating, and
 337 monitoring the machines.

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

341 ~~(c)~~ (e) The corporation shall require location owners and location operators to place all bona
 342 fide coin operated amusement machine proceeds due the corporation in a segregated
 343 account in institutions insured by the Federal Deposit Insurance Corporation not later than
 344 the close of the next banking day after the date of their collection by the retailer until the
 345 date they are paid over to the corporation. At the time of such deposit, bona fide coin
 346 operated amusement machine proceeds shall be deemed to be the property of the
 347 corporation. The corporation may require a location owner or location operator to establish
 348 a single separate electronic funds transfer account where available for the purpose of
 349 receiving proceeds from Class B machines, making payments to the corporation, and
 350 receiving payments for the corporation. Unless otherwise authorized in writing by the
 351 corporation, each bona fide coin operated amusement machine location owner or location

352 operator shall establish a separate bank account for bona fide coin operated amusement
353 machine proceeds which shall be kept separate and apart from all other funds and assets
354 and shall not be commingled with any other funds or assets. Whenever any person who
355 receives proceeds from bona fide coin operated amusement machines becomes insolvent,
356 the proceeds due the corporation from such person shall have preference over all debts or
357 demands. Whenever any person who receives proceeds from bona fide coin operated
358 amusement machines dies insolvent, the proceeds due the corporation from such person's
359 estate shall have preference over all debts or demands except the provision of year's
360 support for such person's family. If any financial obligation to the corporation has not been
361 timely received, the officers, directors, members, partners, or shareholders of the location
362 owner or location operator shall be personally liable for the moneys owed to the
363 corporation. The corporation shall issue a federal Internal Revenue Service Form 1099,
364 or its equivalent, to each master licensee and location owner or location operator which
365 receives proceeds pursuant to this Code section.

366 (d)(c)(1) As a condition of the license issued pursuant to this article, no master licensee
367 or location owner or location operator shall replace or remove a Class A machine or Class
368 B ~~bona fide coin operated amusement~~ machine from a location until the master licensee
369 and location owner or location operator certify to the corporation that there are no
370 disputes regarding any agreement, distribution of funds, or other claim between the
371 master licensee and location owner or location operator; provided, however, that this
372 certification shall not be required if a master licensee is replacing its own Class A
373 machine or Class B ~~bona fide coin operated amusement~~ machine at a location. If either
374 the master licensee or location owner or location operator is unable to make the
375 certification required by this Code section, the corporation shall refer the dispute to a
376 hearing officer as set forth in this subsection.

377 (2) The corporation shall have jurisdiction of all disputes between and among any
378 licensees or former licensees whose licenses were issued pursuant to this article relating
379 in any way to any agreement involving coin operated amusement machines, distribution
380 of funds, tortious interference with contract, other claims against a subsequent master

381 ~~license holder~~ licensee or location owner, or any other claim involving coin operated
382 amusement machines; provided, however, that this paragraph shall not apply to any
383 agreement which expired on or before April 10, 2013. Except as provided in paragraph
384 (1) of this subsection, the corporation shall refer any dispute certified by any master
385 licensee against any other master licensee or any location owner or location operator or
386 by any location owner or location operator against any master licensee to a hearing
387 officer. For the purpose of service on licensees with respect to disputes, each licensee or
388 former licensee shall register and keep current with the corporation the name of an agent
389 and his or her address and an email address which shall be made available to any licensee
390 on request. Service by registered mail, courier delivery, or overnight mail delivered to
391 the agent's registered address and to the email address shall be adequate service on the
392 licensee for a hearing on the dispute. All disputes subject to the provisions of this Code
393 section certified by a master licensee, location owner, or location operator shall be
394 decided by a hearing officer approved or appointed by the corporation. The corporation
395 shall adopt rules and regulations governing the selection of hearing officers after
396 consultation with the Bona Fide Coin Operated Amusement Machine Operator Advisory
397 Board. Costs of the hearing officer's review, including any hearing set pursuant to this
398 Code section, shall be shared equally between the parties in the dispute unless provided
399 otherwise in the agreement or by the hearing officer; provided, however, that the
400 corporation shall not be responsible for any of the costs associated with the dispute
401 resolution mechanism set forth in this Code section. If any party fails to timely pay the
402 costs of the hearing officer's review within ten days of service of notice of costs by the
403 hearing officer, the hearing officer shall grant a default judgment on liability against the
404 nonpaying party. The hearing officer shall then consider evidence related to damages or
405 any other relief and shall render judgment based upon a preponderance of the evidence.
406 (3) The corporation shall also adopt rules governing the procedure, evidentiary matters,
407 and any prehearing discovery applicable to disputes resolved pursuant to this Code
408 section. Such rules shall be consistent with the Georgia Arbitration Code, and the
409 corporation shall consult the Bona Fide Coin Operated Amusement Machine Operator

410 Advisory Board regarding the procedures or rules adopted pursuant to this subsection.
411 Notwithstanding Code Section 9-9-9, such procedures and rules shall include at least the
412 right of notice to produce books, writings, and other documents or tangible things;
413 depositions; and interrogatories.

414 (4) If requested by the master licensee or the location owner or location operator, the
415 hearing officer shall conduct a hearing as to the dispute, but in no case unless extended
416 by the hearing officer for good cause shall the hearing officer conduct a hearing more
417 than 90 days after he or she has been appointed or selected to decide the dispute. No
418 Class B ~~bona fide coin operated amusement~~ machine that is subject to the dispute
419 resolution mechanism required by this Code section shall be removed from the terminal
420 by a master licensee, location owner, or location operator or otherwise prevented by a
421 master licensee, location owner, or location operator from play by the public until a final
422 decision is entered and all appellate rights have been exhausted, or until the master
423 licensee and location owner or location operator agree to a resolution, whichever occurs
424 first.

425 (5) The decision of the hearing officer may be appealed to the chief executive officer or
426 his or her designee. The chief executive officer shall not reverse a finding of fact of the
427 hearing officer if any evidence supports the hearing officer's conclusion. The chief
428 executive officer shall not reverse a conclusion of law of the hearing officer unless it was
429 clearly erroneous, arbitrary, and capricious or exceeded the hearing officer's jurisdiction.
430 The decision of the chief executive officer may be appealed to the Superior Court of
431 Fulton County, which court shall not reverse the chief executive officer's findings of fact
432 unless it is against the weight of the evidence as set forth in Code Section 5-5-21, and the
433 chief executive officer's legal conclusions shall not be set aside unless there is an error
434 of law."

435 **SECTION 12.**

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

438 **SECTION 13.**

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