

House Resolution 1136

By: Representatives Beverly of the 143rd, Gilliard of the 162nd, Neal of the 79th, Stephens of the 164th, Anulewicz of the 42nd, and others

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, pari-mutuel betting,
3 and casino gambling in this state; to provide for the regulation and allocation of revenues of
4 such activities; to provide for related matters; to provide for the submission of this
5 amendment for ratification or rejection; and for 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, betting, and casino gambling.* (a) Except as herein specifically provided
11 in this Paragraph VIII, all lotteries, and the sale of lottery tickets, and all forms of sports
12 betting, pari-mutuel betting, and casino gambling are hereby prohibited; and this
13 prohibition shall 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. Proceeds derived from the lottery or lotteries operated
20 by or on behalf of the state shall be used to pay the operating expenses of the lottery or
21 lotteries, including all prizes, without any appropriation required by law, and for
22 educational programs and purposes as hereinafter provided. Lottery proceeds shall not be
23 subject to Article VII, Section III, Paragraph II; Article III, Section IX, Paragraph VI(a);
24 or Article III, Section IX, Paragraph IV(c), except that the net proceeds after payment of
25 such operating expenses shall be subject to Article VII, Section III, Paragraph II. Net
26 proceeds after payment of such operating expenses shall be separately accounted for and
27 shall be specifically identified by the Governor in his or her annual budget presented to the
28 General Assembly as a separate budget category entitled 'Lottery Proceeds,' and the
29 Governor shall make specific recommendations as to educational programs and educational
30 purposes to which said net proceeds shall be appropriated. In the General Appropriations
31 Act adopted by the General Assembly, the General Assembly shall appropriate all net
32 proceeds of the lottery or lotteries by such separate budget category to educational
33 programs and educational purposes. Such net proceeds shall be used to support
34 improvements and enhancements for educational programs and purposes and such net
35 proceeds shall be used to supplement, not supplant, ~~non-lottery~~ nonlottery educational
36 resources for educational programs and purposes. The educational programs and
37 educational purposes for which proceeds may be so appropriated shall include only the
38 following:

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

44 (2) Voluntary pre-kindergarten;

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

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

54 (5) Capital outlay projects for educational facilities;

55 provided, however, that no funds shall be appropriated for the items listed in
56 ~~paragraphs (4) and (5) of this subsection~~ subparagraphs (c)(4) and (c)(5) of this Paragraph
57 until all persons eligible for and applying for assistance as provided in ~~paragraph (1) of~~
58 ~~this subsection~~ subparagraph (c)(1) of this Paragraph have received such assistance, all
59 approved pre-kindergarten programs provided for in ~~paragraph (2) of this subsection~~
60 subparagraph (c)(2) of this Paragraph have been fully funded, and the education shortfall
61 reserve or reserves provided for in ~~paragraph (3) of this subsection~~ subparagraph (c)(3)
62 of this Paragraph have been fully funded.

63 (d)(1) The General Assembly may by law provide for the operation and regulation of
64 sports betting, pari-mutuel betting, and casino gambling; provided, however, that all
65 pari-mutuel betting or casino gambling provided for under this subparagraph shall take
66 place at a racetrack or casino, as no off-track or off-site pari-mutuel betting or casino
67 gambling shall be permitted or authorized under this subparagraph.

68 (2)(A) For the purpose of regulation and taxation of such sports betting, pari-mutuel
69 betting, and casino gambling activities, the General Assembly shall:

70 (i) Create a gaming commission and provide such commission with such powers
71 and duties as necessary to provide appropriate regulation of such sports betting,
72 pari-mutuel betting, and casino gambling provided for under this subparagraph and
73 to tax such activities;

74 (ii) Provide for the issuance of licenses by the gaming commission that authorize
75 persons in this state to operate businesses that engage in such sports betting,
76 pari-mutuel betting, and casino gambling activities and require that at least 25 percent
77 of such licenses shall be issued to minority business enterprises; and

78 (iii) Provide for the adoption of appropriate measures by the gaming commission
79 that will promote and encourage the use of minority business enterprises in the
80 provision of goods and services by persons who are licensed by the gaming
81 commission to operate businesses that engage in such sports betting, pari-mutuel
82 betting, and casino gambling activities.

83 (B) As used in this subparagraph, the term 'minority business enterprise' means any
84 business enterprise:

85 (i) That is at least 51 percent owned by one or more minority individuals or, in the
86 case of any publicly owned corporation, has at least 51 percent of its stock owned by
87 one or more minority individuals; and

88 (ii) Whose management and daily business operations are controlled by one or
89 more minority individuals.

90 (3) The proceeds derived from the taxation of the sports betting, pari-mutuel betting,
91 and casino gambling activities provided for in this subparagraph shall be used as provided
92 for in subparagraph (e) of this Paragraph. Notwithstanding the provisions of Article VII,
93 Section III, Paragraph II(a), all other proceeds derived from the regulation of such
94 activities shall, without any appropriation required by law, be used to pay the operating
95 expenses and, as may be provided by law, any operating reserves of the gaming
96 commission, except that the net proceeds after payment of such operating expenses and

97 operating reserves shall be paid into the general fund of the state treasury. Such proceeds
98 derived from the taxation of sports betting, pari-mutuel betting, and casino gambling and
99 all other proceeds derived from the regulation of such activities that are required to be
100 paid into the general fund of the state treasury shall be separately accounted for and shall
101 be specifically identified by the Governor in his or her annual budget presented to the
102 General Assembly as a separate budget category entitled 'Sports Betting, Pari-mutuel
103 Betting, and Casino Gambling Proceeds.'

104 (e)(1) Proceeds derived from the taxation of the sports betting, pari-mutuel betting, and
105 casino gambling provided for in subparagraph (d) of this Paragraph shall not be subject
106 to the provisions of Article III, Section IX, Paragraph VI, relating to the allocation of
107 proceeds, or Article VII, Section III, Paragraph II(a), relating to payment into the general
108 fund of the state treasury, and shall be distributed and dedicated as follows:

109 (A) Fifteen percent shall be deposited into the Community Enhancement Fund from
110 which funds shall be disbursed for the purpose of reducing poverty in the state;

111 (B) Six and one-half percent shall be deposited into the Community Mitigation Fund
112 from which funds shall be disbursed to assist local government entities in offsetting
113 costs related to the construction and operation of sports betting, pari-mutuel betting, or
114 casino gambling establishments, including but not limited to costs associated with water
115 and sewer services, education, transportation, infrastructure, housing, environmental
116 issues, and public safety;

117 (C) Ten percent shall be deposited into the Debt and Long-Term Liability Reduction
118 Fund from which funds shall be disbursed for the payment of any debt or other
119 long-term liability of the state;

120 (D) Fifteen percent shall be deposited into the Education Fund from which funds
121 shall be disbursed for need based scholarships, grants, or loans to citizens of this state
122 to enable such citizens to attend units of the University System of Georgia, branches

123 of the Technical College System of Georgia, or other private colleges and universities
124 located within this state;

125 (E) Nine and one-half percent shall be deposited into the Gaming Economic
126 Development Fund from which funds shall be disbursed to support economic
127 development and job growth in the state;

128 (F) Twenty percent shall be deposited into the Gaming Local Aid Fund from which
129 funds shall be disbursed to local government entities in accordance with a formula to
130 be provided by law by the General Assembly;

131 (G) Five percent shall be deposited into the Gaming Public Health Fund from which
132 funds shall be disbursed to promote social service and public health programs dedicated
133 to addressing problems associated with compulsive gambling;

134 (H) Two percent shall be deposited into the Georgia Cultural and Performing Arts
135 Mitigation Fund from which funds shall be disbursed to support performing arts centers
136 owned by nonprofit organizations or local government entities that are impacted by the
137 operation of sports betting, pari-mutuel betting, and casino gambling facilities in the
138 state;

139 (I) One percent shall be deposited into the Georgia Tourism Fund from which funds
140 shall be disbursed to support and promote tourism in the state;

141 (J) Four and one-half percent shall be deposited into the Local Capital Projects Fund
142 from which funds shall be disbursed to support local government entities with capital
143 outlay projects;

144 (K) One and one-half percent shall be deposited into the Race Horse Development
145 Fund from which funds shall be disbursed to support the thoroughbred and
146 standardbred horse racing industries in the state; and

147 (L) Ten percent shall be deposited into the State Stabilization Reserve Fund from
148 which funds shall be disbursed to make up any difference between actual and projected
149 state revenues in any fiscal year in which actual revenues fall below the projected

150 amount, to replace any loss of federal funding by the state or any local government
151 entity, or to address any event that threatens the health, safety, or welfare of the people
152 or the fiscal stability of the state or any local government entity.

153 (2) The General Assembly is authorized to create and appropriate moneys to the
154 Community Enhancement Fund, the Community Mitigation Fund, the Debt and
155 Long-Term Liability Reduction Fund, the Education Fund, the Gaming Economic
156 Development Fund, the Gaming Local Aid Fund, the Gaming Public Health Fund, the
157 Georgia Cultural and Performing Arts Mitigation Fund, the Georgia Tourism Fund, the
158 Local Capital Projects Fund, the Race Horse Development Fund, and the State
159 Stabilization Reserve Fund from which funds shall only be disbursed for those purposes
160 respectively set forth in subparagraphs (e)(1)(A) through (e)(1)(L) of this Paragraph. The
161 moneys paid into the funds listed in subparagraphs (e)(1)(A) through (e)(1)(L) of this
162 Paragraph and created pursuant to this subparagraph shall not be subject to the provisions
163 of Article III, Section IX, Paragraph IV(c), relating to the lapsing of funds.

164 (d)(f) On and after January 1, 1995, the holding of raffles by nonprofit organizations
165 shall be lawful and shall not be prohibited by any law enacted prior to January 1, 1994.
166 Laws enacted on or after January 1, 1994, however, may restrict, regulate, or prohibit the
167 operation of such raffles."

168 **SECTION 2.**

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

172 " YES Shall the Constitution of Georgia be amended so as to authorize the General
173 NO Assembly to provide by law for sports betting, pari-mutuel betting, and
174 casino gambling in this state and to provide for such proceeds to be used for
175 supporting community enhancement, education, cultural and performing
176 arts, state tourism, local governments, economic development, compulsive
177 gambling assistance, horse racing industries, and payment of state debt and
178 long-term liabilities?"

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