

The House Committee on Higher Education offers the following substitute to SR 579:

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

44 and educational purposes for which proceeds may be so appropriated shall include only the  
45 following:

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

51 (2) Voluntary pre-kindergarten;

52 (3) One or more educational shortfall reserves in a total amount of not less than  
53 10 percent of the net proceeds of the lottery for the preceding fiscal year;

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

61 (5) Capital outlay projects for educational facilities;

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

70 (d) The General Assembly may by law provide for the operation and regulation of sports  
71 betting activities. The proceeds derived from the taxation of such sports betting activities  
72 shall be used as provided for in subparagraph (e) of this Paragraph. Notwithstanding the  
73 provisions of Article VII, Section III, Paragraph II(a), all other proceeds derived from the  
74 regulation of such sports betting activities shall, without any appropriation required by law,  
75 be used to pay the operating expenses and, as may be provided by law, to fund any  
76 operating reserves relating to the regulation of the sports betting activities authorized by  
77 this subparagraph, except that the net proceeds after payment of such operating expenses  
78 and the funding of such operating reserves shall be paid into the general fund of the state  
79 treasury. Such proceeds derived from the taxation of such sports betting activities and all  
80 other proceeds derived from the regulation of such sports betting activities that are required  
81 to be paid into the general fund of the state treasury shall be separately accounted for and  
82 shall be specifically identified by the Governor in his or her annual budget presented to the  
83 General Assembly as a separate budget category entitled 'Sports Betting Proceeds.'

84 (e)(1) Proceeds derived from the taxation of the sports betting activities provided for  
85 in subparagraph (d) of this Paragraph shall not be subject to the provisions of Article III,  
86 Section IX, Paragraph VI, relating to the allocation of proceeds, or Article VII,  
87 Section III, Paragraph II(a), relating to payment into the general fund of the state treasury,  
88 and shall be distributed and dedicated as follows:

89 (A) Fifteen percent of the first \$150 million of such proceeds in a fiscal year shall be  
90 deposited into the Responsible Gaming Fund from which funds shall be disbursed for  
91 programs and services that seek to prevent individuals from experiencing, and provide  
92 assistance to individuals who experience, addiction or other problems relating to betting  
93 or gambling; and

94 (B) Eighty-five percent of the first \$150 million of such proceeds in a fiscal year and  
95 all such proceeds in excess of \$150 million in a fiscal year shall be deposited into the  
96 Educational Opportunity Fund from which funds shall be disbursed for voluntary

97 pre-kindergarten and the other educational programs and purposes set forth in  
 98 subparagraph (c) of this Paragraph.

99 (2) The General Assembly is authorized to create and appropriate moneys to the  
 100 Responsible Gaming Fund and the Educational Opportunity Fund from which funds shall  
 101 be disbursed for those purposes respectively set forth in subparagraphs (e)(1)(A)  
 102 and (e)(1)(B) of this Paragraph. The moneys paid into such funds shall not be subject to  
 103 the provisions of Article III, Section IX, Paragraph IV(c), relating to the lapsing of funds.

104 (f) The Georgia Lottery Corporation may be authorized by law to participate in any  
 105 sports betting activities provided for by the General Assembly pursuant to subparagraph (d)  
 106 of this Paragraph; provided, however, that all proceeds received by the Georgia Lottery  
 107 Corporation from its participation in such sports betting activities shall be used in  
 108 accordance with the provisions of subparagraph (c) of this Paragraph. Any proceeds  
 109 derived from any tax imposed by law upon the Georgia Lottery Corporation's participation  
 110 in such sports betting activities shall be used in accordance with the provisions of  
 111 subparagraph (e) of this Paragraph.

112 ~~(d)~~(g) On and after January 1, 1995, the holding of raffles by nonprofit organizations  
 113 shall be lawful and shall not be prohibited by any law enacted prior to January 1, 1994.  
 114 Laws enacted on or after January 1, 1994, however, may restrict, regulate, or prohibit the  
 115 operation of such raffles."

116 **SECTION 2.**

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

120 "( ) YES Shall the Constitution of Georgia be amended so as to authorize sports  
 121 ( ) NO betting in this state to provide additional funding for pre-kindergarten and  
 122 HOPE scholarships?"

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