

## Gaming Proposal Summary

### 1) Establish Alabama Education Lottery to generate revenue for scholarships.

Balance of proceeds after operations and prizes shall be deposited in separate Lottery Trust Fund to be used as follows:

100 percent for postsecondary scholarships based on a combination of individual need, merit, and workforce needs in the state, which may include scholarships to four-year institutions of higher education for teachers who pursue a degree in education for in-demand fields, as provided by general law (details provided in enabling legislation).

A portion of any unclaimed lottery prize money shall be used for an agricultural grant program. Remaining unclaimed prize money would be directed to scholarships as provided above.

### 2) Establish the Alabama Education Lottery Corporation.

- a. Corporation is charged with administration and operation of Alabama Education Lottery.
- b. Duties, powers, authority, and composition shall be enumerated by general law enacted by the Legislature subsequent to passage of this amendment.
- c. Corporation shall be regulated by the Gaming Commission.

### 3) Limit gaming to designated, pre-existing "covered locations" authorized by this proposed constitutional amendment.

Proposed "Covered Location"*	Proposed License Fees / Terms	Proposed Tax Rate
Additional Site in Jackson or DeKalb	Determined by the Commission	20 percent
Jefferson County	\$100M for 30 year license term	20 percent
Victoryland	\$50M for 25 year license term	20 percent
Greenetrack	\$5M for 10 year license term	20 percent
Mobile	\$5M for 10 year license term	20 percent

*\*Definitions for above-listed sites provided below in (c)*

- a. All proposed locations listed above would be authorized to conduct "casino-style games," defined as:

Any casino game, activity, or device approved by the commission that is accessed for play by physical presence at the location site of the game, activity, or device, including, but not limited to: Slot machines; a video lottery; video lottery terminals; electronic representations of pari-mutuel wagering games, including, but not limited to, historical horse racing machines,

historical sporting event machines, machines of any kind that are based on historic events, and other technological aids and electronic facsimiles of these games; banking or banked card games, including, but not limited to, poker, baccarat, chemin de fer, and blackjack; all dice games; roulette; all table games and electronic representations of such games; all electronic sweepstakes games, terminals, or devices; and any electronic gaming device used to play these games. The term does not include the Alabama Education Lottery or pari-mutuel wagering on simulcast and live racing events.”

b. Limitation on Gaming.

- i. “Casino-style games and sports wagering may be operated only at covered locations and on lands held in trust by the U.S. for the benefit of the Poarch Band of Creek Indians subject to a compact.”
- ii. Each covered operator may be issued a license to operate sports wagering and may contract with 3 online sports books which would be separately licensed but linked to covered location that would allow for mobile sports betting within the geographic boundaries of the state. Proceeds from sports wagering would first be directed to the credit of the Alabama Trust Fund under the People’s Trust Act. Upon completion of the repayment, 75 percent of the proceeds would be directed to the General Fund and 25 percent to the Alabama Trust Fund.
- iii. Bingo and charitable bingo may be conducted only pursuant to rules adopted by the commission

c. Details related to proposed locations:

- i. **Jefferson County**  
The currently existing location in Jefferson County, commonly known as the Birmingham Race Course, and any contiguous land that is later added to the existing location.
- ii. **Additional location**  
An additional site to be operated by the Poarch Band of Creek Indians in Jackson or Dekalb County.
- iii. **Victoryland**  
The currently existing location in Macon County, commonly known as Victoryland, and any contiguous land that is later added to the existing location.
- iv. **Greenetrack**  
The currently existing location in Greene County, commonly known as Greenetrack, and any contiguous land that is later added to the existing location.
- v. **Mobile**  
The currently existing location in Mobile County, commonly known as the Mobile Greyhound Racing facility, and any contiguous land that is later added to the existing location.

d. Establish Gaming Trust Fund to receive moneys from license fees, fees from a compact negotiated by the Governor, and proceeds of the tax on net gaming revenue. These funds shall be divided, in amounts to be determined by the Legislature, as follows:

i. 20 percent to Gaming Trust Fund.

1. Applied first to reasonable expenses of the Alabama Gaming Commission. Includes an annual reporting requirement to the Legislative Council regarding expenses.
2. Remainder of monies in the fund shall be appropriated by the Legislature in an independent supplemental bill.

ii. 75 percent to the state General Fund.

1. 65 percent for IT infrastructure. The first \$1 billion shall be for the statewide development and expansion of broadband.
2. 25 percent for the provision of rural health care services.
3. 10 percent for mental health services.

When the amount distributed to the authority for statewide broadband cumulatively reaches \$1 billion, the proceeds shall be distributed as follows:

- a. 25 percent of the proceeds distributed to the state General Fund shall remain in the state General Fund.
- b. 25 percent shall be appropriated for the provision of rural health care services.
- c. 25 percent shall be appropriated by the Legislature to continue to develop and maintain IT infrastructure.
- d. 15 percent shall be appropriated for mental health services (Sen. Albritton to provide language).
- e. 10 percent shall be appropriated for grants to be awarded for infrastructure improvements to municipalities and counties that do not have a gaming facility in its jurisdiction.

iii. 3 percent to the county commission of the county in which the covered operator is licensed.

iv. 2 percent to the governing body of the municipality in which the covered operator is located. If the operator is not in the corporate limits of a municipality, the 2 percent of the proceeds shall be remitted to the county commission of the county in which the operator is licensed.

- e. Provides for a 10-year moratorium on any other expansion of gaming in the state. Directs the Legislature to amend gaming crimes to make felonies.

**4) Establish Alabama Gaming Commission to regulate all gaming activity within the state.**

- a. Consists of 7 members who will serve 4-year terms, appointed as follows, with the advice and consent of the Senate. The appointing authorities shall coordinate their appointments to assure membership is inclusive and reflects the racial, gender, geographic, urban/rural, and economic diversity of the state.
  - i. Four by the Governor.
  - ii. One by the Speaker of the House
  - iii. One by the President Pro Tem of the Senate
  - iv. One by the Attorney General.
- b. Commission members may be removed by his or her appointing authority for cause.
- c. The commission shall regulate and supervise the conduct and operation of casino-style games, sports wagering, and electronic bingo at covered locations and charitable bingo. The commission shall also issue, modify, renew, suspend, transfer, or revoke licenses subject to and in accordance to any rules adopted by the commission.
- d. In addition to powers granted to the commission by this amendment, additional powers, procedures, and operations of the commission with respect to regulation and supervision of covered locations and charitable bingo shall be enumerated in one or more general laws enacted by the Legislature.

**5) Political Contribution Prohibition.**

A licensed gaming facility, or an officer, director, or owner of the facility, is prohibited from making a contribution to a principal campaign committee of, or a political action committee seeking to endorse or defeat, a candidate for state legislative office, Governor, Lieutenant Governor, or Attorney General.

**6) Authorizes the Governor to negotiate a compact with the Poarch Band of Creek Indians**

- e. The Governor is authorized to negotiate in good faith and conclude a compact for the operation and regulation of casino-style games with the Poarch Band of Creek Indians on lands held in trust.

- f. In return for the consideration established in the compact, the Poarch Band of Creek Indians may conduct and operate casino-style games on those lands held in trust by the United States for the benefit of the Poarch Band of Creek Indians for a term to be negotiated.

#### **7) Special Session**

For the exclusive purpose of enacting general laws to implement this amendment, the Legislature shall meet in special session called by the Governor or, in the alternative, beginning on the fourth Tuesday after the ratification of this amendment.