

2
3 SUBSTITUTE FOR SB319
4
5
6
7

8 SYNOPSIS: Under current law, lotteries and gift
9 enterprises are prohibited by Section 65 of the
10 Constitution of Alabama of 1901. This bill proposes
11 an amendment to Section 65 of the Constitution of
12 Alabama of 1901, to provide for the limited
13 authorization of gambling in the State to be
14 supervised and regulated by a new Alabama Gambling
15 Regulatory Commission.

16 The proposed amendment would establish an
17 official state lottery to be known as the Alabama
18 Education Lottery, which would consist solely of
19 games approved by the commission and administered
20 by a new Alabama Education Lottery Corporation.

21 The proposed amendment would also allow
22 casino-style games, sports betting, bingo, and
23 raffles to be conducted subject to the policies,
24 procedures, and supervision of the commission.
25 Casino-style games would be limited to in-person,
26 on-premises play at one of a limited number of
27 licensed casinos. Sports betting would be limited

1 to in-person, on-premises play at a licensed casino
2 or play through an online sports betting platform.

3 The proposed amendment would limit the
4 number of licensed casinos to six. A single license
5 would be awarded pursuant to a competitive process
6 at each of the following sites: Greenetrack in
7 Greene County; the Crossing at Big Creek in Houston
8 County; the Birmingham Race Course in Jefferson
9 County; VictoryLand in Macon County; and the
10 Mobile County Greyhound Racing facility in Mobile
11 County. An additional licensed casino would be
12 allowed as part of a compact to be negotiated
13 between the Governor and the Poarch Band of Creek
14 Indians concerning the conduct of casino-style
15 games on Poarch Band of Creek Indians trust land.
16 The location of this additional licensed casino
17 would be in either DeKalb County or Jackson County,
18 as determined in the compact.

19 The proposed amendment would require a
20 selected casino operator to negotiate license fees
21 or similar payments with the commission. It would
22 also impose a tax of 23 percent on the net gambling
23 revenues for casinos and sports betting.

24 Proceeds of the Alabama Education Lottery
25 would be appropriated for the establishment of a
26 scholarship or other program to support educational

1 attainment or fulfillment of the state's workforce
2 needs.

3 Revenues from the play of casino-style
4 games, sports betting, bingo, and raffles would be
5 appropriated for distributions to cities and
6 counties, the additional provision of enhanced
7 healthcare services, and capital or other
8 non-recurring expenses that serve a public purpose.

9 Up to one-half of one percent of lottery
10 proceeds and gambling revenues could be
11 appropriated for programs to address problem
12 gambling.

13
14 A BILL
15 TO BE ENTITLED
16 AN ACT

17
18 Proposing an amendment to Section 65 of the
19 Constitution of Alabama of 1901 to provide for the limited
20 authorization of gambling subject to regulation and
21 supervision by a new Alabama Gambling Regulatory Commission;
22 to authorize an official state lottery known as the Alabama
23 Education Lottery, casino-style games, sports betting, bingo,
24 and raffles subject to regulation and supervision by the
25 commission; to limit the play of casino-style games to six
26 licensed casinos; to provide that five of the licensed casinos
27 may be located, by competitive process, at Greenetrack in

1 Greene County, the Crossing at Big Creek in Houston County,
2 the Birmingham Race Course in Jefferson County, VictoryLand
3 in Macon County, and the Mobile County Greyhound Racing
4 facility in Mobile County; to provide that a sixth licensed
5 casino may be operated by the Poarch Band of Creek Indians at
6 a location in either DeKalb County or Jackson County to be
7 determined in a compact negotiated by the Governor; to limit
8 sports betting to the six licensed casinos and to internet
9 sports betting platforms approved by the commission; to impose
10 license fees and a tax on certain gambling proceeds; to
11 provide for appropriation of Alabama Education Lottery
12 proceeds for a scholarship or other program to support
13 educational attainment or fulfilment of the state's workforce
14 needs; and to provide for appropriation of other gambling
15 revenues for distributions to cities and counties, the
16 additional provision of enhanced healthcare services, and
17 capital or other non-recurring expenses that serve a public
18 purpose.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. The following amendment to the
21 Constitution of Alabama of 1901, as amended, is proposed and
22 shall become valid as a part thereof when approved by a
23 majority of the qualified electors voting thereon and in
24 accordance with Sections 284, 285, and 287 of the Constitution
25 of Alabama of 1901, as amended:

26 PROPOSED AMENDMENT

1 Section 65 of the Constitution of Alabama of 1901 is
2 amended to read as follows:

3 ~~"Section 65. Lotteries and gift enterprises~~
4 ~~prohibited.~~ Limited authorization of gambling.

5 "(a) Findings. The Legislature and the people of
6 Alabama find that:

7 "(1) Most forms of gambling have long been
8 prohibited in Alabama, but the state has faced substantial
9 challenges in enforcing those laws. The result is that
10 gambling occurs in Alabama, but it is not effectively
11 regulated or taxed.

12 "(2) Meanwhile, many other states have authorized
13 various forms of gambling; for example, each of Alabama's
14 neighboring states has approved an official state lottery. By
15 doing so, these other states have raised hundreds of millions
16 of dollars to improve their citizens' quality of life. Yet,
17 too much of that money has come from Alabamians traveling to
18 these other states to gamble.

19 "(3) Alabamians support the limited authorization of
20 gambling in Alabama, including an official state lottery, but
21 only subject to the following general principles:

22 "a. The authorized gambling must be effectively
23 taxed and structured to produce revenues that meaningfully
24 improve quality of life in the state.

25 "b. The authorized gambling must be effectively and
26 honestly regulated to protect consumers, to promote integrity
27 among operators, and to quickly stop illegal gambling

1 activity. To this end, the people of Alabama support
2 authorized gambling only if measures are in place to prevent
3 or reduce corruption or the appearance of corruption among
4 public officials, including members of the Legislature and
5 local officials involved in the enforcement of gambling laws.

6 "c. The authorized gambling must be effectively
7 limited in forms and locations to preserve the aesthetic
8 character of the state.

9 "(b) Definitions. As used in this section, the
10 following words and phrases shall have the following
11 respective meanings:

12 "(1) ALABAMA EDUCATION LOTTERY CORPORATION. A
13 corporation established by the Legislature by general law to
14 raise funds through the honest and efficient administration of
15 the Alabama Education Lottery established in this section.

16 "(2) ALABAMA EDUCATION LOTTERY GAME. Any large-scale
17 intrastate, multistate, or multi-sovereign lottery approved by
18 the Commission for operation by the Alabama Education Lottery
19 Corporation such as Pick-3, Pick-4, Mega Millions, Powerball,
20 or instant scratch-off games. The term does not include a
21 video lottery terminal. The term does not include bingo,
22 electronic bingo, or any games similar to bingo, including
23 pull-tabs, lotto, punch boards, tip jars, or instant bingo,
24 whether or not played with an electronic, computer, or other
25 technologic aid. The term does not include any other form of
26 gambling.

1 "(3) BINGO. The game commonly or traditionally known
2 as bingo and defined by the following characteristics, when
3 players provide something of value to play and receive
4 something of value for winning:

5 "a. Each player uses one or more cards with spaces
6 arranged in five columns and five rows, with an alphanumeric
7 or similar designation assigned to each space.

8 "b. Alphanumeric or similar designations are
9 randomly drawn and announced one by one.

10 "c. In order to play, each player must pay attention
11 to the value announced; if one of the values matches a value
12 on one or more of the player's cards, the player must
13 physically act by marking his or her card accordingly.

14 "d. A player can fail to pay proper attention or to
15 properly mark his or her card, and thereby miss an opportunity
16 to be declared a winner.

17 "e. A player must recognize that the player's card
18 has a predetermined pattern of matching values, and in turn
19 announce to the other players and the announcer that this is
20 the case before any other player does so.

21 "f. The game of bingo contemplates a group activity
22 in which multiple players compete against each other to be the
23 first to properly mark a card with the predetermined winning
24 pattern and announce that fact.

25 "g. The game of bingo is played with actual physical
26 cards made of cardboard, paper, or some functionally similar
27 material that is flat and is preprinted with the grid and the

1 designations referenced in this subdivision. The game of bingo
2 may not be played with an electronic, computer, or other
3 technologic aid.

4 "The term does not include electronic bingo. The
5 term does not include any other form of gambling.

6 "(4) CASINO. A facility at which casino-style games
7 and sports betting may be conducted under this section.

8 "(5) CASINO OPERATOR. The operator of a casino or a
9 wholly owned subsidiary entity of the owner of a casino.

10 "(6) CASINO SPORTS BETTING LICENSE. A license issued
11 by the commission to a casino operator to conduct sports
12 betting, subject to the policies and procedures of the
13 commission, through in-person, on premises play at a casino.

14 "(7) CASINO-STYLE GAME. Any game, activity, or
15 device that is determined by the Commission to be a game,
16 activity, or device traditionally found in a casino. Such
17 games, activities, or devices include slot machines; banking
18 or banked card games, including, but not limited to, poker,
19 baccarat, chemin de fer, and blackjack; any kind of dice game;
20 roulette; or any table game. The term includes an electronic
21 representation of such games on an electronic device. The term
22 does not include bingo, electronic bingo, or any games similar
23 to bingo, including pull-tabs, lotto, punch boards, tip jars,
24 or instant bingo, whether or not played with an electronic,
25 computer, or other technologic aid. The term does not include
26 any other form of gambling.

1 “(8) COMMISSION. The Alabama Gambling Regulatory
2 Commission created by this amendment.

3 “(9) ELECTRONIC BINGO. Any game referred to as bingo
4 other than that defined in subdivision (3) or any game
5 referred to as bingo if played with an electronic, computer,
6 or other technologic aid.

7 “(10) GAMBLING. Any game, activity, or other
8 arrangement in which a person stakes or risks something of
9 value upon the outcome of a contest of chance or a future
10 contingent event not under his or her control or influence,
11 upon an agreement or understanding that the person or someone
12 else will receive something of value in the event of a certain
13 outcome. The term does not include bona fide business
14 transactions valid under the law of contracts, including but
15 not limited to contracts for the purchase or sale at a future
16 date of securities or commodities, and agreements to
17 compensate for loss caused by the happening of chance,
18 including but not limited to contracts of indemnity or
19 guaranty and life, health or accident insurance.

20 “(11) NET GAMBLING REVENUE. The total amount of
21 money or value in any form received by a casino operator with
22 respect to the conduct of any in-person, on premises gambling,
23 whether by casino-style games or sports betting, and whether
24 or not approved by the commission, less voided wagers and the
25 total money or value in any form paid as prizes or winnings as
26 a result of play, free play, and promotional play of any
27 casino-style games or sports betting.

1 “(12) NET GAMBLING REVENUE FOR ONLINE SPORTS
2 BETTING. The total amount of money or value in any form
3 received by the holder of an online sports betting license
4 with respect to the conduct of gambling, whether or not
5 approved by the commission, less voided wagers and the total
6 money or value in any form paid as prizes or winnings as a
7 result of the play, free play, and promotional play of any
8 online sports betting.

9 “(13) ONLINE SPORTS BETTING LICENSE. A license
10 issued by the commission to a person or entity to conduct
11 sports betting, subject to policies and procedures of the
12 commission, through an Internet sports betting platform, which
13 may include mobile applications and other digital platforms
14 that use communications technology to accept wagers.

15 “(14) POARCH BAND OF CREEK INDIANS. The federally
16 recognized Indian tribe within the State of Alabama known as
17 the Poarch Band of Creek Indians. The term includes any wholly
18 owned subsidiary of the tribe.

19 “(15) POARCH BAND OF CREEK INDIANS TRUST LAND. Lands
20 held in trust by the Secretary of the Department of the
21 Interior for the benefit of the Poarch Band of Creek Indians.

22 “(16) RAFFLE. A lottery in which participants
23 provide consideration for a chance to win a prize and the
24 winner is selected through a drawing or other random selection
25 process.

26 “(17) SPORTING EVENT. Any amateur, professional, or
27 collegiate sport or athletic event, motor race event,

1 electronic sports event, competitive video game event, or any
2 other event authorized by the commission under this amendment.
3 The term does not include any youth sport or youth athletic
4 event.

5 “(18) SPORTS BETTING. The acceptance of wagers on
6 sporting events or portions of sporting events, the individual
7 performance statistics of athletes in a sporting event, or a
8 combination of any of the same, by any system or method of
9 wagering approved by the commission. The term does not include
10 wagers on fantasy sports contests authorized under general
11 law. The term does not include bingo, electronic bingo, or any
12 games similar to bingo, including pull-tabs, lotto, punch
13 boards, tip jars, or instant bingo, whether or not played with
14 an electronic, computer, or other technologic aid. The term
15 does not include any other form of gambling.

16 “(19) SUITABILITY. Fitness for licensure, as
17 demonstrated by a prospective licensee to the satisfaction of
18 the commission, considering the prospective licensee’s moral
19 character, honesty, and integrity; reputation, experience, and
20 financial integrity; financial ability to purchase and
21 maintain adequate liability and casualty insurance, and to
22 provide an adequate surety bond as may be required by a
23 license issued by the commission; past and present compliance
24 or noncompliance with the casino or other gambling licensing
25 requirements of another jurisdiction; involvement or past
26 involvement in any bankruptcy proceeding or other proceeding
27 to adjust, defer, suspend, or otherwise work out the payment

1 of any debt; participation as a defendant in litigation
2 involving its business practices; prior activities, arrests,
3 criminal records, habits, and associations; likelihood of
4 conducting business as authorized pursuant to this section;
5 and delinquency with respect to any state, county, or
6 municipal taxes, penalties, or interest, excluding items under
7 formal appeal or protest as provided by law. The commission
8 may also consider any other factor or consideration it deems
9 appropriate to determining a prospective licensee's fitness
10 for licensure.

11 “(20) VIDEO LOTTERY TERMINAL. Any electronic
12 interactive game, machine, or device equipped with a video
13 screen and buttons, keys, a keyboard, touchscreen or other
14 input method allowing input by an individual player and into
15 which the player inserts coins, tokens, currency, or other
16 representations of value, including, but not limited to, an
17 electronic card, ticket, or other thing on which value is
18 electronically recorded, as consideration in order for play of
19 a game to be available, and through which, as a result of the
20 play of the game, the player may receive additional free
21 plays, credits redeemable for cash or a noncash prize, or some
22 other thing of value, whether received directly from the
23 device or otherwise, determined wholly or predominantly by
24 chance. The term does not include electronic bingo.

25 “(c) Limitations on gambling.

26 “(1) The legislature shall have no power to
27 authorize lotteries or gift enterprises for any purposes, and

1 shall pass laws to prohibit the sale in this state of unlawful
2 lottery or gift enterprise tickets, or tickets in any scheme
3 in the nature of an unlawful lottery; and all acts, or parts
4 of acts heretofore passed by the legislature of this state,
5 authorizing a lottery or lotteries, and all acts amendatory
6 thereof, or supplemental thereto, are hereby avoided.

7 "(2) The Legislature shall have no power to
8 authorize any form of gambling that is not a lottery except by
9 a vote of two-thirds of each House.

10 "(3) The only authorized lotteries in the state
11 shall be as follows:

12 "a. An official state lottery to be known as the
13 Alabama Education Lottery, which shall consist solely of
14 Alabama Education Lottery Games approved by the Alabama
15 Gambling Regulatory Commission and which shall be administered
16 and operated solely by the Alabama Education Lottery
17 Corporation.

18 "b. Casino-style games operated only through
19 in-person, on-premises play at a licensed casino subject to
20 policies and procedures adopted by the commission.

21 "c. Sports betting conducted only pursuant to a
22 valid online sports betting license or valid casino sports
23 betting license and subject to policies and procedures adopted
24 by the commission, including policies and procedures for
25 prescribing a limit on the total number of licenses for online
26 sports betting.

1 "d. Bingo and raffles conducted only pursuant to
2 rules adopted by the commission, provided that the commission
3 may not unduly restrict bingo or raffles conducted for a
4 charitable, social, or other non-commercial purpose. Any
5 definition of bingo in state or local law that varies from the
6 definition of bingo in subsection (b) is hereby superseded,
7 and all previously ratified constitutional amendments relating
8 to bingo or charitable bingo - including amendments 386, 387,
9 413, 440, 506, 508, 549, 550, 565, 569, 599, 600, 612, 674,
10 692, 732, 743, and 744, to the Constitution of Alabama 1901 -
11 are hereby repealed effective upon certification by the
12 commission to the Secretary of State that the commission has
13 issued a license to a casino operator under subsection (f).
14 Electronic bingo is prohibited.

15 "(4) Nothing in this section shall be construed to
16 give any person or entity an absolute right to conduct or
17 operate any form of lottery. All lotteries authorized by this
18 section are subject to policies and procedures adopted by the
19 commission pursuant to which any person's or entity's
20 authorization to conduct or operate an otherwise authorized
21 lottery may be suspended, revoked, limited, or restricted.

22 "(5) The Legislature shall amend Article 2 of
23 Chapter 12 of Title 13A of the Code of Alabama 1975 to provide
24 felony penalties for the commission of a gambling offense.

25 "(6) Amendments to this section may be proposed and
26 approved only pursuant to the procedures set forth in Section
27 284 and 285 of the Constitution of Alabama of 1901, now

1 appearing as Sections 284 and 285 of the Official
2 Recompilation of the Constitution of Alabama of 1901, as
3 amended.

4 "(d) Establishment of the Alabama Gambling
5 Regulatory Commission.

6 "(1)a. There is hereby created the Alabama Gambling
7 Regulatory Commission, which shall consist of seven members
8 appointed by the Governor.

9 "b. The Governor shall appoint one member after
10 consultation with the President Pro Tempore of the Senate; one
11 member after consultation with the Speaker of the House of
12 Representatives; one member after consultation with the Senate
13 Minority Leader; and one member after consultation with the
14 House Minority Leader.

15 "c. For purposes of this paragraph, consultation has
16 occurred if the member is appointed from a list of three
17 nominees submitted to the Governor; provided, however, that
18 the Governor may reject all nominees and request the
19 submission of a new list of nominees until a nominee is
20 appointed.

21 "(2) The membership of the commission shall reflect
22 the racial, gender, geographic, and economic diversity of the
23 state. Members of the commission shall be residents of the
24 State of Alabama, United States citizens, and prominent
25 persons in their businesses or professions. Members of the
26 commission may not be an employee of the commission; a member,
27 employee, or vendor or retailer of the Alabama Education

1 Lottery Corporation; an officer of a political party or the
2 occupant of an official position in a political party; an
3 elected official; actively engaged in the business of, or have
4 a pecuniary interest in, a casino; or actively engaged in the
5 business of, or have a pecuniary interest in, an operation
6 owned by the Poarch Band of Creek Indians; or a supplier of
7 devices used in the play of casino-style games.

8 “(3) Initial appointments shall be made within 30
9 days after ratification of this section, but the commission
10 may not take official action until at least five members have
11 been appointed. At its initial meeting, the commission shall
12 elect a chair from its membership.

13 “(4) All members shall be appointed with the advice
14 and consent of the Senate. Appointees shall begin serving
15 immediately upon appointment and shall continue serving unless
16 rejected by the Senate during the regular session following
17 the appointment.

18 “(5) The initial term of office shall be four years
19 for three of the members, three years for two of the members,
20 and two years for the remaining two members. Thereafter,
21 members shall serve a term of four years. Members may serve
22 two complete terms and any portion of an initial term of less
23 than four years, or any portion of an unexpired term to which
24 they are appointed. Any vacancy occurring on the commission
25 shall be filled for the unexpired term by the Governor as
26 described in this section. Each member of the commission shall
27 serve for the duration of the member's term and until the

1 member's successor is duly appointed and confirmed by the
2 Senate.

3 “(6) The Governor may at any time remove any
4 appointee to the commission for cause, which shall include
5 neglect of duty, malfeasance, misfeasance, or nonfeasance in
6 office.

7 “(7) By general law, the Legislature may prescribe
8 additional qualifications and training requirements for
9 commission members and employees, compensation for commission
10 members, and ethical requirements for commission members and
11 commission employees.

12 “(e) General powers and duties of the commission.

13 “(1) The commission shall have the following powers:

14 “a. The commission may adopt policies and procedures
15 necessary and convenient for implementing this section or
16 legislation enacted in furtherance of this section.

17 Notwithstanding any provision of general law, the commission
18 shall allow a reasonable opportunity for public comment before
19 adopting, amending, or repealing any policies or procedures.

20 “b. The commission may adopt policies and procedures
21 to appoint and supervise its personnel without regard to the
22 state merit system law or other similar law.

23 “c. The commission and its agents may demand access
24 to and inspect, examine, photocopy, or audit all of the
25 following:

26 “i. The papers, books, and records of any licensee,
27 prospective licensee, or retailer of the Alabama Education

1 Lottery Corporation relating to the proceeds generated by any
2 form of gambling, whether legal or illegal, and any other
3 matters affecting the enforcement of state laws or commission
4 policies and procedures concerning gambling.

5 "ii. The premises of any licensee, prospective
6 licensee, retailer of the Alabama Education Lottery
7 Corporation, or any facility where gambling devices or
8 equipment is manufactured, sold, distributed, or stored, and
9 any equipment or supplies located at any such premises. To
10 facilitate the inspection and examination, the commission or
11 its agents may summarily seize and impound any such equipment
12 or supplies, only for as long as is necessary to complete the
13 inspection and examination, and, in any event, no longer than
14 a period of thirty days, unless otherwise ordered by a court
15 of competent jurisdiction or pursuant to general law otherwise
16 allowing for seizure or forfeiture of the equipment or
17 supplies.

18 "d. The commission may obtain from any department or
19 agency of the state, or any of its political subdivisions
20 information necessary to carry out its duties under this
21 section.

22 "e. As to matters within the commission's
23 jurisdiction, the commission may issue subpoenas and compel
24 the production of documents or items and the attendance of
25 witnesses, administer oaths, require testimony under oath, and
26 enforce its orders. Any person making a false statement of

1 material fact in any matter before the commission is subject
2 to a criminal perjury charge.

3 "f. The commission may appoint impartial hearing
4 examiners who may administer oaths and receive evidence and
5 testimony under oath and make recommendations to the
6 commission.

7 "g. The commission may adopt policies and procedures
8 under which the commission or its agents may impose reasonable
9 civil fines and penalties, or other appropriate relief,
10 including the seizure and impoundment of any unlawful device
11 or equipment, against any person or entity for violations of
12 this section, violations of general law enacted pursuant to
13 this section, or violations of policies and procedures adopted
14 by the commission.

15 "h. The commission shall have, in addition to those
16 powers specifically enumerated in this section, all powers
17 necessary or convenient to effect the purposes for which it
18 has been established, together with all powers incidental
19 thereto or necessary for the discharge of its powers and
20 duties.

21 "(2) The commission shall have the following duties:

22 "a. The commission shall adopt and enforce policies
23 and procedures to regulate and supervise the conduct and
24 operation of casino-style games, sports betting, bingo, and
25 raffles, including through the issuance, modification,
26 transfer, renewal, suspension, revocation, or termination of
27 any license required by this section. The commission's

1 policies and procedures may be based on any factor the
2 commission deems relevant to the best interests of the State,
3 including but not limited to, the protection of gambling
4 participants, the promotion of integrity within the gambling
5 industry, maintenance of the anticorruption measures required
6 to be enacted under subsection (j), the preservation of the
7 aesthetic character of the State, and the generation of
8 revenue.

9 "b. To facilitate the elimination of illegal
10 gambling, the commission shall implement a system by which it
11 may indicate its approval of a lottery as an authorized
12 Alabama Education Lottery Game, an authorized casino-style
13 game, an authorized form of sports betting, or other
14 authorized lottery or other form of gambling.

15 "c. The commission shall establish an enforcement
16 division to consist of a director, an assistant director,
17 investigators, auditors, forensic accountants, compliance
18 officers, investigative technology experts, administrative
19 staff, and any other personnel deemed necessary by the
20 commission, each of whom shall have arrest powers if certified
21 by the Alabama Peace Officers' Standards and Training
22 Commission. The enforcement division may enforce all criminal
23 laws of this state, whether or not related to gambling, and
24 all policies and procedures of the commission. Insofar as a
25 violation of any rule or law relates to gambling or occurs at
26 a casino, the authority of the enforcement division shall be

1 paramount to, and shall prevail over, the authority of any
2 sheriff or local law enforcement agency or officer.

3 "d. The commission shall adopt and enforce policies
4 and procedures requiring its licensees to publicly report
5 nonproprietary information that the commission deems
6 appropriate to promote consumer awareness and the integrity of
7 its licensees.

8 "e. The commission shall adopt and enforce policies
9 and procedures providing for the voluntary self-exclusion of
10 persons from participation in an authorized lottery.

11 "f. The commission shall adopt and enforce policies
12 and procedures to prohibit persons under the legal age of
13 majority from playing, or facilitating the play of, any
14 lottery.

15 "g. The commission shall adopt and enforce policies
16 and procedures to facilitate compliance, by its licensees and
17 patrons or customers of its licensees, with the tax laws of
18 the State. In adopting these policies and procedures, the
19 commission shall cooperate with the Department of Revenue.

20 "h. The commission shall exercise regulatory and
21 supervisory power over the existing local racing commissions
22 with respect to pari-mutuel wagering and racing. The existing
23 local racing commissions shall not interfere with the issuance
24 of licenses issued under this section, the operation of
25 casino-style games, or with any other gambling activity
26 permitted under policies and procedures adopted by the
27 commission.

1 "i. The commission shall adopt and enforce policies
2 and procedures to ensure due process for any person or entity
3 due to appear before the commission.

4 "j. The commission shall cooperate with the Attorney
5 General and the local district attorneys in enforcing all laws
6 related to lotteries or other gambling activity, whether legal
7 or illegal. Nothing in this section shall be construed to
8 diminish the supreme executive power of the Governor or the
9 power of either the Governor or the Attorney General with
10 respect to litigation affecting the state.

11 "k. The commission shall comply with any laws
12 generally applicable to state agencies concerning the
13 inspection of public records, open meetings, and procurement,
14 subject to exceptions provided in general law.

15 "(3) By general law, the legislature may grant the
16 commission additional powers if necessary or convenient for
17 the regulation or supervision of legal or illegal gambling in
18 the state.

19 "(4) Any party aggrieved by an action of the
20 commission may appeal to an appellate court of statewide
21 jurisdiction in compliance with rules prescribed by the
22 Supreme Court of Alabama or the Legislature.

23 "(f) Licenses and fees.

24 "(1)a. As soon as practicable following ratification
25 of this section, the commission shall adopt policies and
26 procedures establishing a competitive process for the award of
27 a license to a single casino operator at each of the following

1 sites and any contiguous land that is later added to the
2 following sites: the site in Greene County commonly known as
3 Greenetrack; the site in Houston County commonly known as the
4 Crossing at Big Creek; the site in Jefferson County commonly
5 known as the Birmingham Race Course; the site in Macon County
6 commonly known as VictoryLand; and the site in Mobile County
7 commonly known as the Mobile County Greyhound Racing facility.

8 "b. The policies and procedures governing this
9 competitive process shall require the commission to consider
10 the prospective casino operator's proposed license fee; its
11 experience in the operation of pari-mutuel wagering,
12 casino-style games and sports betting; its familiarity with
13 the local market; its existing or past investments in the
14 relevant jurisdiction; its ties to, and community support
15 within, the State of Alabama and the jurisdiction of the
16 proposed casino; its anticipated annual revenues; its
17 commitment to make capital investments; its commitment to
18 employ local citizens; its plans for recruiting a diverse
19 workforce; its track record of hiring, developing, and
20 promoting a diverse workforce; its commitment to offer
21 amenities such as restaurants and entertainment venues; its
22 security and other logistical plans, including traffic flow;
23 and its plans to facilitate the responsible play of
24 casino-style games and sports betting. In selecting a
25 prospective casino operator, the commission shall endeavor to
26 preserve and maintain the diversity of ownership of sites
27 listed in subsection (f)(1)a. For each available license, the

1 policies and procedures shall specify a minimum license fee
2 and minimum capital-investment, employment, and other
3 commitments required for participation in the competitive
4 process. The policies and procedures also shall specify any
5 procedures to be followed if the commission receives no
6 proposals that satisfy these minimum commitments.

7 “(2) Upon selection of a casino operator, the
8 commission shall establish the terms of a license for the
9 relevant casino. The license terms shall include terms unique
10 to the casino at issue, including the amount and payment
11 structure for a license fee; capital-investment, jobs, and
12 other commitments; and any other location-specific terms the
13 commission deems to be in the best interests of the state.
14 Thereafter, upon the selected casino operator’s demonstration
15 of suitability, the commission shall issue a license to the
16 casino operator to conduct and operate casino-style games,
17 subject to policies and procedures of the commission and the
18 terms of the license. At the same time, the commission shall
19 issue a casino sports betting license to the casino operator.

20 “(3) As soon as practicable following any required
21 federal approval of a compact negotiated pursuant to
22 subsection (g), and upon a demonstration of suitability, the
23 commission shall issue a casino operator license to the Poarch
24 Band of Creek Indians to conduct and operate casino-style
25 games, subject to the policies and procedures of the
26 commission, at a single site in either DeKalb County or
27 Jackson County to be determined in the compact, and on terms,

1 to be determined in the compact. At the same time, the
2 commission shall issue a casino sports betting license to the
3 Poarch Band of Creek Indians for the site determined in the
4 compact.

5 "(4) The commission shall adopt policies and
6 procedures to ensure that a casino operator may not acquire or
7 own more than a five percent interest in more than two
8 licensed casinos. Except as authorized under the Commission's
9 policies and procedures and subject to any limitations imposed
10 by this amendment, a license awarded pursuant to this section
11 shall not be transferable, assignable, or convertible.

12 "(5) If a license previously issued to a casino
13 operator pursuant to this subsection is revoked by the
14 commission or waived or forfeited by the casino operator, the
15 commission may transfer the license to a new casino operator
16 for a casino located within the same county as the casino
17 operated by the previous licensee, contingent upon a
18 demonstration of suitability by the new casino operator. The
19 commission shall adopt policies and procedures establishing a
20 competitive process for the award of a license transferred
21 pursuant to this subsection. The commission also shall issue a
22 casino sports betting license to a casino operator that is
23 awarded a transferred license pursuant to this subsection.

24 "(6) The commission shall adopt policies and
25 procedures authorizing a licensed casino operator to relocate
26 a casino subject to the approval, by resolution, of the
27 commission, and of the governing bodies of both the county and

1 any municipality in which the casino would be relocated; and
2 by joint resolution of the Legislature. The commission's
3 policies and procedures shall require the commission to
4 consider market conditions and aesthetic factors before the
5 commission approves any request to relocate a casino. The
6 commission's policies and procedures shall ensure that any
7 relocation of a casino is contingent upon a satisfactory
8 demonstration by the casino operator of a sufficient
9 remediation plan or alternate viable use for the existing
10 casino location. The commission's policies and procedures
11 shall ensure that any relocation of a casino would not violate
12 or undermine any compact negotiated pursuant to subsection
13 (g).

14 "(7) A licensed casino operator shall be issued an
15 online sports betting license on the same terms as such a
16 license is available to any other person or entity pursuant to
17 the policies and procedures adopted by the commission under
18 subparagraph (e)(2)a., except that the license fee paid by the
19 casino operator under paragraph (2) shall be in lieu of any
20 license fees required by the commission's policies and
21 procedures for issuance of an online sports betting license to
22 a person or entity who is not a casino operator.

23 "(8) The licenses authorized pursuant to this
24 section do not violate the prohibition on grants or
25 franchises, privileges, or immunities in Section 22.

26 "(g) Compact with the Poarch Band of Creek Indians.

1 “(1) The Governor or the Governor’s designee may
2 negotiate, execute, conclude, and take any other steps
3 necessary to effectuate a compact with the Poarch Band of
4 Creek Indians for the operation and regulation of casino-style
5 games and sports betting on Poarch Band of Creek Indians trust
6 land. Consideration for the compact may include provisions
7 relating to the issuance of a casino operator license and a
8 casino sports betting license pursuant to paragraph (f)(3).
9 Any amounts payable to the state under the compact shall be
10 payable to the commission.

11 “(2) Following execution of a compact, the Governor
12 or the Governor’s designee shall file the executed compact
13 with the Secretary of State and the commission. The Secretary
14 of State shall forthwith forward an executed copy of the
15 compact to the Secretary of the Interior for that person’s
16 review and approval in accordance with, and to the extent
17 required by, federal law.

18 “(3) The state’s immunity from suit in federal court
19 under the Eleventh Amendment of the United States Constitution
20 is expressly waived for the sole purpose of resolving disputes
21 arising under the terms of any compact negotiated pursuant to
22 this section. The waiver of the state’s immunity under this
23 subsection is contingent upon an equivalent submission in the
24 compact by the Poarch Band of Creek Indians.

25 “(h) Collection and disposition of revenue.

26 “(1)a. The Alabama Education Lottery Corporation may
27 retain a portion of proceeds from the Alabama Education

1 Lottery that is necessary to pay for its reasonable operating
2 expenses, including, without limitation, the payment of all
3 prizes.

4 "b. Within twenty days after the end of each
5 calendar month, the Alabama Education Lottery Corporation
6 shall deposit all remaining proceeds from the Alabama
7 Education Lottery into a special, separate account in the
8 State Treasury hereby created and designated the Alabama
9 Education Lottery Trust Fund.

10 "(2)a. Within twenty days after the end of each
11 calendar month, each casino operator shall remit to the
12 commission a tax of 23 percent of the net gambling revenues
13 for the licensed location for the immediately preceding
14 calendar month.

15 "b. Within twenty days after the end of each
16 quarter, each person or entity conducting sports betting
17 pursuant to an online sports betting license shall pay the
18 commission a tax of 23 percent of the net gambling revenues
19 for online sports betting for the immediately preceding
20 quarter.

21 "c. The commission may retain that portion of its
22 revenues necessary to pay for its reasonable operating
23 expenses.

24 "d. The commission shall timely deposit all
25 remaining revenues, including the taxes imposed under this
26 paragraph and any other amounts it collects or receives
27 pursuant to this section, including license fees, civil

1 penalties, or amounts received pursuant to a compact
2 negotiated under subsection (g), into a special, separate
3 account in the State Treasury hereby created and designated
4 the Alabama Gambling Trust Fund.

5 “(3) Annually, the commission and the corporation
6 shall submit to the Governor, the President Pro Tempore of the
7 Senate and the Speaker of the House of Representatives a
8 detailed and accurate financial report accounting for its
9 receipt and disposition of all monies collected pursuant to
10 this section, including a detailed accounting of the
11 commission’s operating expenses.

12 “(4) Upon recommendation of the Commission, the
13 Legislature may enact general laws to amend the tax rates
14 specified in paragraph (2) or the definition of “net gambling
15 revenue” or “net gambling revenue for online sports betting”
16 specified in subsection (2); provided, however, that the tax
17 on net gambling revenue and the tax on net gambling revenue
18 for online sports betting shall not exceed thirty percent.

19 “(5) The Legislature shall, by general law, provide
20 that payment of the tax on net gambling revenue imposed by
21 this subsection shall be in lieu of other specified state and
22 local taxes.

23 “(6) The Legislature may, by general law, provide
24 that payment of a tax on any proceeds from a lottery prize or
25 a gambling wager in a casino-style game or sports betting
26 shall be in lieu of other specified state and local taxes,
27 including but not limited to any state or local income taxes.

1 "(i) Use of proceeds.

2 "(1) In each fiscal year, the Legislature shall
3 appropriate moneys in the Alabama Education Lottery Trust Fund
4 through an independent supplemental appropriation bill as
5 follows:

6 "a. Up to one-half of one percent of the proceeds
7 deposited during a preceding fiscal year shall be appropriated
8 for programs to address problem gambling.

9 "b. All other proceeds deposited during a preceding
10 fiscal year shall be appropriated for a scholarship or other
11 program to support educational attainment or fulfilment of the
12 state's workforce needs.

13 "(2) In each fiscal year, the Legislature shall
14 appropriate moneys in the Alabama Gambling Trust Fund through
15 an independent supplemental appropriation bill. The
16 Legislature may first appropriate moneys in this fund to pay
17 any remaining expenses in the scholarship or other program
18 enacted pursuant to subparagraph (1)b. Thereafter, the
19 Legislature shall appropriate moneys in the fund as follows:

20 "a. Up to one-half of one percent of the funds
21 deposited during a preceding fiscal year shall be appropriated
22 for programs to address problem gambling.

23 "b. Of the funds deposited during a preceding fiscal
24 year, the following amounts shall be appropriated for the
25 distribution to the following recipients to be used for
26 capital or other non-recurring expenses that serve a public
27 purpose:

1 "i. Two and one-half percent, distributed to the
2 county commissions of the state, except those county
3 commissions entitled to receive a distribution under paragraph
4 c. or paragraph d. The first fifty percent shall be
5 distributed to the county commissions equally, and the
6 remainder shall be distributed to the county commissions on a
7 per capita basis as determined by the most recent decennial
8 census.

9 "ii. Two and one-half percent, distributed to the
10 governing bodies of the municipalities of the state, except
11 those governing bodies entitled to receive a distribution
12 under paragraph d. The first twenty-five percent shall be
13 distributed to the governing bodies of the municipalities
14 equally, and the remainder shall be distributed to the
15 governing bodies of the municipalities on a per capita basis
16 as determined by the most recent decennial census.

17 "c. Two and one-half percent of the funds deposited
18 during a preceding fiscal year shall be appropriated for
19 distribution among the county commissions for each county in
20 which casino-style games are being operated pursuant to a
21 license issued under subsection (f). This distribution shall
22 be based on the proportion of moneys in the fund that were
23 generated in each such county as determined by the commission.

24 "d. Two and one-half percent of the funds deposited
25 during a preceding fiscal year shall be appropriated for
26 distribution among the governing bodies of the municipalities
27 in which casino-style games are being operated within the

1 municipality or its police jurisdiction pursuant to a license
2 issued under subsection (f). This distribution shall be based
3 on the proportion of moneys in the fund that were generated in
4 each such municipality as determined by the commission. If the
5 casino-style games are not being operated within the corporate
6 limits of a municipality, the county commission in which the
7 games are being operated shall receive an additional
8 distribution under this subsection as if it were the governing
9 body of a municipality in which casino-style games are being
10 operated pursuant to a license issued under subsection (f).

11 "e. Forty percent of the funds deposited during a
12 preceding fiscal year shall be appropriated for the additional
13 provision of enhanced healthcare services.

14 "f. All other funds deposited during a preceding
15 fiscal year shall be appropriated, and may be used for,
16 capital or other non-recurring expenses that serve a public
17 purpose.

18 "(3) If the Legislature determines that any amount
19 of the moneys in the Alabama Education Lottery Trust Fund or
20 the Alabama Gambling Trust Fund are not needed for the
21 purposes specified in this subsection, it shall indicate the
22 amount by joint resolution, and the State Treasurer shall
23 transfer the amount so specified to a special trust fund
24 created for investment of such amounts by the State Treasurer.
25 All earnings on the special trust fund assets shall be
26 deposited into the General Fund.

1 “(j) Anticorruption measures. The Legislature, by
2 general law, shall enact as strict a prohibition as may be
3 enacted consistent with federal law on the making of political
4 contributions by any person or entity that has a financial
5 interest in the operation of any lottery, or in the execution
6 of any compact, authorized by this section. The commission, by
7 rule or other exercise of its authority, shall assist in the
8 enforcement of the prohibitions authorized by this
9 subsection.”

10 Section 2. At the November 2022 general election,
11 the election upon the proposed amendment shall be held in
12 accordance with Sections 284 and 285 of the Constitution of
13 Alabama of 1901, now appearing as Sections 284 and 285 of the
14 Official Recompilation of the Constitution of Alabama of 1901,
15 as amended, and the election laws of this state.

16 Section 3. The appropriate election official shall
17 assign a ballot number for the proposed constitutional
18 amendment on the election ballot and shall set forth the
19 following description of the substance or subject matter of
20 the proposed constitutional amendment:

21 “Proposing an amendment to Section 65 of the
22 Constitution of Alabama of 1901 to provide for the limited
23 authorization of gambling subject to regulation by a new
24 Alabama Gambling Regulatory Commission; to authorize an
25 official state lottery known as the Alabama Education Lottery,
26 casino-style games, sports betting, bingo, and raffles subject
27 to regulation by the commission; to limit the play of

1 casino-style games to six licensed casinos; to provide that
2 five of the licensed casinos may be located, by competitive
3 process, at Greenetrack in Greene County, the Crossing at Big
4 Creek in Houston County, the Birmingham Race Course in
5 Jefferson County, VictoryLand in Macon County, and the Mobile
6 County Greyhound Racing facility in Mobile County; to provide
7 that a sixth licensed casino may be operated by the Poarch
8 Band of Creek Indians at a location in either DeKalb County or
9 Jackson County to be determined in a compact negotiated by the
10 Governor; to limit sports betting to the six licensed casinos
11 and to online sports betting platforms approved by the
12 commission; to impose license fees and a tax on certain
13 gambling proceeds; to provide for appropriation of Alabama
14 Education Lottery proceeds for a scholarship or other program
15 to support educational attainment or fulfilment of the state's
16 workforce needs; and to provide for appropriation of other
17 gambling revenues for distributions to cities and counties,
18 the additional provision of enhanced healthcare services, and
19 to capital or other non-recurring expenses that serve a public
20 purpose.

21 "Proposed by Act _____."

22 This description shall be followed by the following
23 language:

24 "Yes () No ()."