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3 HOUSE STATE GOVERNMENT COMMITTEE SUBSTITUTE FOR SB311
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8 SYNOPSIS: This bill would implement the constitutional
9 amendment proposed by SB 319 of the 2021 Regular
10 Session that would provide for the limited
11 authorization of gambling to be supervised and
12 regulated by a new Alabama Gambling Regulatory
13 Commission.

14 This bill would provide startup funding for
15 the commission and include provisions designed to
16 ensure the effectiveness of the commission's
17 enforcement division, including provisions
18 providing immunity to commission APOST-certified
19 personnel and confidentiality of division
20 investigative materials. The bill would also
21 prescribe qualifications for the director and
22 assistant director of the commission's enforcement
23 division and continuing education requirements for
24 all APOST-certified enforcement division personnel.

25 The bill would impose ethics requirements
26 for commission members and employees. The ethics
27 requirements would include a conflict-of-interest

1 provision, a prohibition against the play of
2 authorized forms of gambling by commission members
3 and employees, a gift ban, and a revolving-door
4 rule. The bill would also restrict gambling
5 interests from providing gifts or campaign
6 contributions to public officials and candidates.

7 The bill would update existing provisions
8 related to gambling activity in Title 8 and Title
9 13A of the Code of Alabama 1975, and would repeal
10 certain outdated gambling-related provisions.

11 The bill would establish taxes on proceeds
12 from gambling wagers and lottery prizes.

13 Amendment 621 of the Constitution of Alabama
14 of 1901, as amended by Amendment 890, now appearing
15 as Section 111.05 of the Official Recompilation of
16 the Constitution of Alabama of 1901, prohibits a
17 general law whose purpose or effect would be to
18 require a new or increased expenditure of local
19 funds from becoming effective with regard to a
20 local governmental entity without enactment by a
21 2/3 vote unless: it comes within one of a number of
22 4 specified exceptions; it is approved by the
23 affected entity; or the Legislature appropriates
24 funds, or provides a local source of revenue, to
25 the entity for the purpose.

26 The purpose or effect of this bill would be
27 to require a new or increased expenditure of local

1 funds within the meaning of the amendment. However,
2 the bill does not require approval of a local
3 governmental entity or enactment by a 2/3 vote to
4 become effective because it comes within one of the
5 specified exceptions contained in the amendment.

6
7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to gambling; to provide startup funding for
12 the Alabama Gambling Regulatory Commission; to provide for the
13 compensation of commission members; to prescribe
14 qualifications for the director and assistant director of the
15 commission's enforcement division; to provide immunity to
16 APOST-certified personnel of the enforcement division; to
17 prescribe continuing education requirements for such
18 personnel; to provide for confidentiality of commission
19 investigative materials; to provide ethics requirements for
20 commission members and employees; to restrict gifts from
21 gambling interests to public officials and candidates; to
22 prohibit certain campaign contributions by gambling interests;
23 to prohibit the use of public assistance benefits in
24 connection with any form of gambling; to amend Sections
25 13A-12-20, 13A-12-21, 13A-12-22, 13A-12-23, 13A-12-24,
26 13A-12-25, 13A-12-26, 13A-12-27, 13A-12-28, and 13A-12-30,
27 Code of Alabama 1975, to update certain criminal penalties for

1 unlawful gambling activity; to add Sections 13A-12-32 through
2 13A-12-39, inclusive, to the Code of Alabama 1975, to
3 proscribe certain activity relating to gambling as unlawful
4 and to provide criminal penalties for violations; to amend
5 Section 13A-11-9, Code of Alabama 1975, as last amended by Act
6 2019-465, 2019 Regular Session, to further provide criminal
7 penalties for loitering relating to unlawful gambling
8 activity; to repeal Section 11-47-111, Code of Alabama 1975,
9 relating to prohibition of gambling houses; to repeal Section
10 13A-12-29, Code of Alabama 1975, relating to lotteries drawn
11 outside the state; to repeal Divisions 2, 3, and 4 of Article
12 2, of Chapter 12, of Title 13A, commencing with Sections
13 13A-12-50, 13A-12-70, and 13A-12-90, respectively, Code of
14 Alabama 1975, relating to suppression of gambling places,
15 transportation of lottery paraphernalia, and the federal
16 wagering occupational tax stamp; to establish taxes on
17 proceeds from gambling wagers and lottery prizes; and in
18 connection therewith would have as its purpose or effect the
19 requirement of a new or increased expenditure of local funds
20 within the meaning of Amendment 621 of the Constitution of
21 Alabama of 1901, as amended by Amendment 890, now appearing as
22 Section 111.05 of the Official Recompilation of the
23 Constitution of Alabama of 1901.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. The Legislature shall appropriate from
26 the State General Fund for the fiscal years ending September
27 30, 2023 and September 30, 2024, the amount necessary for

1 reasonable startup costs of the Alabama Gambling Regulatory
2 Commission. Any amounts spent pursuant to such appropriation
3 shall be repaid by the commission to the State General Fund no
4 later than September 30, 2026.

5 Section 2. Members of the Alabama Gambling
6 Regulatory Commission shall be reimbursed by the commission
7 for necessary travel expenses pursuant to Article 2, Chapter
8 7, Title 36. Members of the commission shall also be
9 reimbursed by the commission for their reasonable expenses
10 incurred in the performance of their official duties.

11 Section 3. (a) All members and employees of the
12 Alabama Gambling Regulatory Commission shall be subject to the
13 Ethics Laws, Section 36-25-1, et seq., Code of Alabama 1975.

14 (b) A member or employee of the commission is
15 prohibited from acquiring or retaining a financial interest in
16 any entity subject to regulation by the Alabama Gambling
17 Regulatory Commission.

18 (c) A member or employee of the commission is
19 prohibited from playing any form of gambling offered by any
20 holder of a license issued by the commission, except that a
21 commission employee may play such a form of gambling in
22 furtherance of his or her employment.

23 (d) (1) An entity subject to regulation by the
24 commission, and any person connected with such an entity, is
25 prohibited from offering or providing a thing of value to any
26 employee or member of the commission.

1 (2) A member or employee of the commission is
2 prohibited from soliciting or accepting a thing of value from
3 any entity subject to regulation by the commission or any
4 person connected with such an entity.

5 (3) For the purposes of this subsection, to be
6 "connected" with an entity means to be an officer or employee
7 of the entity, a person who has a financial interest in the
8 entity, or a family member of such an officer, employee, or
9 person. For purposes of this subsection, "family member" means
10 a spouse, a dependent, an adult child and his or her spouse, a
11 parent, a spouse's parents, a sibling and his or her spouse.
12 For purposes of this subsection, "thing of value" means the
13 same thing as "thing of value" as defined in Section 36-25-1,
14 Code of Alabama 1975.

15 (e) A member or employee of the commission is
16 prohibited from representing any person or entity before the
17 commission for a period of two years following termination of
18 his or her membership on, or employment with, the commission.

19 (f) A violation of this section is a Class A
20 misdemeanor.

21 Section 4. (a) The director of the Alabama Gambling
22 Regulatory Commission Enforcement Division shall satisfy all
23 of the following qualifications:

24 (1) Be certified by the Alabama Peace Officers'
25 Standards and Training Commission or shall become certified
26 within one year of appointment.

1 (2) Have a bachelor's or equivalent degree from an
2 accredited institution of higher education.

3 (3) Have an extensive law enforcement background of
4 at least 10 years, including executive-level experience with
5 specific participation in complex investigations of financial
6 crimes, conspiracy, racketeering, and other related crimes.

7 (4) Have general knowledge and experience with
8 gambling investigations.

9 (b) The assistant director of the Alabama Gambling
10 Regulatory Commission Enforcement Division shall satisfy all
11 of the following qualifications:

12 (1) Be certified by the Alabama Peace Officers'
13 Standards and Training Commission or shall become certified
14 within one year of appointment.

15 (2) Have an extensive law enforcement background of
16 at least 5 years, including specific participation in complex
17 investigations of financial crimes, conspiracy, racketeering,
18 and other related crimes.

19 (3) Have general knowledge or experience with
20 gambling investigations.

21 Section 5. Any employee of the Alabama Gambling
22 Regulatory Commission Enforcement Division certified by the
23 Alabama Peace Officers' Standards and Training Commission
24 shall be considered a law enforcement officer for purposes of
25 the immunity afforded in Section 6-5-338, Code of Alabama
26 1975.

1 Section 6. Notwithstanding any other provision of
2 local or general law, a retired state or local law enforcement
3 officer may be hired by the Alabama Gambling Regulatory
4 Commission Enforcement Division without suspension or
5 modification of his or her state or local retirement benefits.

6 Section 7. For purposes of the Alabama Criminal
7 Justice Information Center and the National Crime Information
8 Center, personnel of the Alabama Gambling Regulatory
9 Commission Enforcement Division shall be considered an
10 originating agency identifier for the purposes of criminal
11 background checks and access to criminal history data.

12 Section 8. (a) (1) By October 1, 2023, the Alabama
13 Peace Officers' Standards and Training Commission (APOST), in
14 consultation with the Alabama Gambling Regulatory Commission
15 and the Director of the Alabama Gambling Regulatory Commission
16 Enforcement Division, shall develop the following:

17 a. An intensive initial training curriculum for law
18 enforcement officers relating to enforcement of gambling laws
19 and rules, including associated activity.

20 b. An annual continuing education curriculum to
21 supplement the initial training curriculum relating to
22 investigations and enforcement of gambling laws and rules,
23 including associated activity.

24 (2) APOST shall determine the number of hours
25 necessary for the required training and continuing education
26 and shall consult with national gaming associations and other

1 entities for inclusion of national standards relating to
2 gambling investigations and enforcement in the training
3 curriculum.

4 (b) The Director of the Alabama Gambling Regulatory
5 Commission Enforcement Division shall identify those
6 individuals subject to the training requirements in this
7 section and establish a schedule for completion of the
8 required curriculum by division personnel.

9 Section 9. All of the following items in the
10 possession of the Alabama Gambling Regulatory Commission or
11 its Enforcement Division shall be privileged and confidential,
12 unless presented as evidence at a public hearing of the
13 commission or in a court of competent jurisdiction:

14 (1) All reports of investigations.

15 (2) Documents subpoenaed in furtherance of an
16 investigation or other enforcement activity.

17 (3) Reports of any investigative action.

18 (4) Memoranda of commission employees relating to an
19 investigation.

20 (5) Statements of persons interviewed in connection
21 with an investigation or other enforcement activity.

22 (6) All information, interviews, reports,
23 statements, or memoranda of any nature furnished to the
24 division.

25 (7) All information containing proprietary trade
26 secret information.

1 Section 10. The Alabama Gambling Regulatory
2 Commission Enforcement Division may request assistance from
3 the Attorney General, district attorneys, or other prosecuting
4 attorneys of this state. The Attorney General, district
5 attorneys, or other prosecuting attorneys, upon request, shall
6 assist in any action for injunction or any prosecution based
7 on the violation of a lottery or gambling law or rule of the
8 commission.

9 Section 11. Section 36-25-5.3 is added to Chapter
10 25, Title 36 of the Code of Alabama 1975, to read as follows:

11 § 36-25-5.3. Prohibited gifts by gambling interests.

12 (a) The following persons, including any subsidiary,
13 affiliate, parent, or other entity that shares common
14 ownership with the person, directly or indirectly, are
15 prohibited from offering or providing a thing of value to a
16 candidate, public employee, public official, or a family
17 member of a candidate, public official or public employee:

18 (1) A person that holds a license issued by the
19 Alabama Gambling Regulatory Commission or a person that holds
20 any interest greater than 1 percent in an entity that holds a
21 license issued by the commission.

22 (2) A person that executes a compact with the State
23 for the operation and regulation of casino-style games and
24 sports betting as authorized by the Alabama Constitution, or a
25 person that holds any interest greater than 1 percent in an
26 entity that executes such a compact with the State.

1 (3) A person that holds any interest greater than 1
2 percent in the buildings, facilities, or rooms ancillary to
3 the conduct of any gambling activity pursuant to a license
4 issued by the commission or pursuant to a compact with the
5 State for the operation and regulation of casino-style games
6 and sports betting.

7 (4) An officer or managerial employee of any person
8 identified in this subsection.

9 (5) A person that holds any interest greater than 1
10 percent in any entity identified in this subsection.

11 (6) A separate segregated fund of any person
12 identified in this subsection.

13 (b) No candidate, public employee, public official,
14 or a family member of a candidate, public official or public
15 employee shall solicit or accept a thing of value from a
16 person identified in subsection (a).

17 (c) Any person who knowingly or intentionally
18 violates this section shall be guilty, upon conviction, of a
19 Class A misdemeanor.

20 (d) Constructions and definitions.

21 (1) For the purposes of this section, "person"
22 includes a federally recognized Indian tribe.

23 (2) For the purposes of this section, a "family
24 member of a candidate" is the spouse or dependent of the
25 candidate.

26 (3) For the purposes of this section, "commission"
27 means the Alabama Gambling Regulatory Commission.

1 (4) Except for terms expressly defined herein, the
2 terms in this section shall be defined and interpreted in pari
3 materia with similar terms in Section 36-25-1.

4 Section 12. Section 17-5-15.2 is added to Chapter 5,
5 Title 17 of the Code of Alabama 1975, to read as follows:

6 § 17-5-15.2. Prohibited contributions by gambling
7 interests.

8 (a) The Legislature finds as follows:

9 (1) Concerns with gambling-related corruption have
10 long been a motivating factor for maintaining strict
11 prohibitions on gambling in Alabama.

12 (2) Notwithstanding the State's historically strict
13 prohibitions on gambling, the State has experienced multiple
14 instances of actual or apparent corruption in which
15 gambling-related interests have sought, or appear to have
16 sought, to corruptly influence public officials in the
17 exercise of their official duties.

18 (3) The State also recognizes the history of
19 gambling-related corruption that has occurred outside of
20 Alabama.

21 (4) The purpose of this section is thus to prevent
22 quid pro quo corruption and any appearance thereof. Avoiding
23 corruption and the appearance of corruption is a necessary
24 condition of authorizing any type of gambling in Alabama.

25 (b) The following persons, including any subsidiary,
26 affiliate, parent, or other entity that shares common
27 ownership with the person, directly or indirectly, are

1 prohibited or otherwise restricted, to the greatest extent
2 permissible under federal law, from making contributions or
3 expenditures to a principal campaign committee of a candidate
4 for state or local office in Alabama or a political action
5 committee that contributes to any candidate for state or local
6 office in Alabama:

7 (1) A person that holds a license issued by the
8 Alabama Gambling Regulatory Commission or a person that holds
9 any interest greater than 1 percent in an entity that holds a
10 license issued by the commission.

11 (2) A person that executes a compact with the State
12 for the operation and regulation of casino-style games and
13 sports betting as authorized by the Alabama Constitution, or a
14 person that holds any interest greater than 1 percent in an
15 entity that executes such a compact with the State.

16 (3) A person that holds any interest greater than 1
17 percent in the buildings, facilities, or rooms ancillary to
18 the conduct of any gambling activity pursuant to a license
19 issued by the commission or pursuant to a compact with the
20 State for the operation and regulation of casino-style games
21 and sports betting.

22 (4) An officer or managerial employee of any person
23 identified in this subsection.

24 (5) A person that holds any interest greater than 1
25 percent in any entity identified in this subsection.

26 (6) A separate segregated fund of any person
27 identified in this subsection.

1 (c) Any person identified in subsection (b) is also
2 prohibited from making contributions to a principal campaign
3 committee or a political action committee that contributes to
4 any candidate for state or local office in Alabama through a
5 legal entity established, directed, or controlled by that
6 person.

7 (d) Public officials and candidates are prohibited
8 from accepting a contribution from any person identified in
9 subsection (b). A principal campaign committee or a political
10 action committee that contributes to any candidate for state
11 or local office in Alabama shall not accept a contribution
12 from any person identified in subsection (b).

13 (e) Nothing in this section shall be construed to
14 prohibit or limit a person from making independent
15 expenditures, or contributing to a committee that makes only
16 independent expenditures.

17 (f) No person identified in subsection (b) shall
18 provide a monetary or in-kind donation to an inaugural
19 committee or legislative caucus organization in this state;
20 and no candidate, public employee, or public official shall
21 accept a monetary or in-kind donation from a person identified
22 in subsection (b) to an inaugural committee or legislative
23 caucus organization in this state.

24 (g) Any person who knowingly or intentionally
25 violates this section shall be guilty, upon conviction, of a
26 Class A misdemeanor.

27 (h) Constructions and definitions.

1 (1) For the purposes of this section, "person"
2 includes a federally recognized Indian tribe.

3 (2) For the purposes of this section, "commission"
4 means the Alabama Gambling Regulatory Commission.

5 (3) Except for terms expressly defined herein, the
6 terms in this section shall be defined and interpreted in pari
7 materia with similar terms in Section 17-5-2.

8 Section 13. Section 38-4-14 is amended to read as
9 follows:

10 "§38-4-14.

11 (a) For the purposes of this section, the term
12 "public assistance benefits" means money or property provided
13 directly or indirectly to eligible persons through programs of
14 the federal government, the state, or any political
15 subdivision thereof, and administered by the Alabama
16 Department of Human Resources.

17 (b) (1) A recipient of public assistance benefits may
18 not use any portion of the benefits for the purchase of any
19 alcoholic beverage, tobacco product, or lottery ticket or for
20 playing any form of gambling, whether or not authorized by or
21 pursuant to Section 65 of the Alabama Constitution of 1901.

22 Any person who violates this subsection shall reimburse the
23 Department of Human Resources for the purchase and shall be
24 subject to the following sanctions:

25 a. Upon the first violation, the person shall be
26 disqualified from receiving public assistance benefits by

1 means of direct cash payment or an electronic benefits
2 transfer access card for one month.

3 b. Upon the second violation, the person shall be
4 disqualified from receiving public assistance benefits by
5 means of direct cash payment or electronic benefits transfer
6 access card for three months.

7 c. Upon a third or subsequent violation, the person
8 shall be permanently disqualified from receiving public
9 assistance benefits by means of direct cash payment or an
10 electronic benefits transfer access card.

11 (2) A person who is disqualified from receiving
12 public assistance benefits under this subsection shall have
13 the right to a hearing pursuant to the Alabama Administrative
14 Procedure Act.

15 (c) (1) A cash recipient of public assistance
16 benefits may not withdraw or use cash benefits by means of an
17 Electronic Benefits Transfer transaction for the purchase of
18 goods or services in a retail establishment the primary
19 purpose of which is the sale of alcoholic beverages, a casino,
20 a tattoo or body piercing facility, a facility providing
21 psychic services, or an establishment that provides
22 adult-oriented entertainment in which performers disrobe or
23 perform in an unclothed state. Any person who violates this
24 subsection shall reimburse the Department of Human Resources
25 for the amount withdrawn and used and shall be subject to the
26 following sanctions:

1 a. Upon the first violation, the person shall be
2 disqualified from receiving public assistance benefits by
3 means of direct cash payment or an electronic benefits
4 transfer access card for a period of one month.

5 b. Upon the second violation, the person shall be
6 disqualified from receiving public assistance benefits by
7 means of direct cash payment or electronic benefits transfer
8 access card for a period of three months.

9 c. Upon a third or subsequent violation, the person
10 shall be permanently disqualified from receiving public
11 assistance benefits by means of direct cash payment or an
12 electronic benefits transfer access card.

13 (2) A person who is disqualified from receiving
14 public assistance benefits under this subsection shall have
15 the right to a hearing pursuant to the Alabama Administrative
16 Procedure Act.

17 (d) If a parent is deemed permanently disqualified
18 from receiving public assistance benefits under subsection (b)
19 or (c), the dependent child or other adult family member's
20 eligibility for public assistance benefits is not affected.

21 (1) An appropriate protective payee shall be
22 designated to receive benefits on behalf of the child members.

23 (2) The parent may choose to designate another
24 person to receive benefits for the minor child members. The
25 designated person must be an immediate family member or, if an
26 immediate family member is not available or the family member

1 declines the option, another person may be designated. The
2 designated person must be approved by the department.

3 (e) The Department of Human Resources shall inform
4 all applicants for and recipients of public assistance
5 benefits of the restrictions contained in this section and the
6 penalties for violating those restrictions through any means
7 practical.

8 (f) (1) The Department of Human Resources shall
9 consult with providers of automatic teller machine services to
10 consider the implementation of a program or method of blocking
11 access to cash benefits from an electronic benefits transfer
12 access card issued by the department at automatic teller
13 machines located in or at a retail establishment the primary
14 purpose of which is the sale of alcoholic beverages, a casino,
15 a tattoo facility, a facility providing psychic services, or
16 an establishment that provides adult-oriented entertainment in
17 which performers disrobe or perform in an unclothed state. If
18 the department determines the implementation of a program is
19 feasible, the department shall initiate the program by October
20 1, 2015.

21 (2) If the department requires a federal waiver to
22 comply with this section, the department shall apply
23 immediately for the federal waiver.

24 (g) The Department of Human Resources shall adopt
25 rules to implement this section.

26 (h) (1) The Alabama Department of Human Resources
27 shall perform a monthly incarceration match to obtain

1 information to assist in determining eligibility for public
2 assistance benefits based on incarceration status.

3 (2) If the department determines that a recipient of
4 public assistance benefits is incarcerated at the time the
5 incarceration match is performed, the department shall not
6 issue an electronic benefits transfer access card to the
7 incarcerated recipient. If an electronic benefits transfer
8 access card has already been issued to the incarcerated
9 recipient, the department shall deactivate the card.

10 (i) The department shall perform a monthly match
11 using the United States Social Security Death Index Database
12 to determine if a recipient is deceased. If the department
13 determines that the recipient is deceased at the time the
14 index match is performed, the department shall not issue an
15 electronic benefits transfer access card. If an electronic
16 benefits transfer access card has already been issued to the
17 deceased recipient, the department shall deactivate the card."

18 Section 14. The State of Alabama, acting by and
19 through the adoption of this amendment, and in accordance with
20 Section 1172 of Title 15 of the United States Code, does
21 hereby declare that any and all equipment, materials,
22 paraphernalia, and supplies used in the play of any lottery
23 authorized under Section 65 of the Alabama Constitution of
24 1901, may be transported in interstate commerce into or out of
25 the state, including lands held in trust for the Poarch Band
26 of Creek Indians, without violating that section.

1 Section 15. The taxes on net gambling revenues
2 imposed by Section 65 of the Alabama Constitution of 1901
3 shall be in lieu of all other state or local taxes, license
4 fees, or franchise fees levied with respect to the conduct of
5 any casino-style games or sports betting or the operation of
6 any machines used to conduct casino-style games or sports
7 betting. The license fee payable to the state shall be in lieu
8 of all other state or local license fees or franchise fees
9 levied with respect to a licensee providing hotel services,
10 dining, other facilities, or services ancillary to its
11 gambling activities, but such providers of hotel services,
12 dining, other facilities, or ancillary services must meet the
13 environmental, fire, health, and safety requirements of other
14 similarly situated license holders in the county and
15 municipality in which the facility is located. Notwithstanding
16 the foregoing, all holders of a license issued by the Alabama
17 Gambling Regulatory Commission are liable for all income
18 taxes, state and local property taxes, lodging taxes, and
19 sales and use taxes on merchandise sold in gift shops or
20 retail stores, food, and beverages, generally applicable at
21 uniform rates to all similarly situated businesses operating
22 in the county and municipality in which the facility is
23 located; and, except with respect to those taxes, fees, or
24 expenses expressly addressed in this section, all other state
25 or local taxes which are generally imposed by the state or a
26 local taxing entity, if the taxes are generally applied at
27 rates uniformly applied within reasonable classifications

1 among all businesses operating in the county or municipality,
2 or both.

3 Section 16. Sections 8-1-150, 8-1-151, 13A-12-20,
4 13A-12-21, 13A-12-22, 13A-12-23, 13A-12-24, 13A12-25,
5 13A-12-26, 13A-12-27, 13A-12-28, and 13A-12-30, Code of
6 Alabama 1975, are amended to read as follows:

7 "§8-1-150.

8 (a) All contracts founded in whole or in part on a
9 unlawful gambling consideration are void. Any person who has
10 paid any money or delivered any thing of value lost upon any
11 unlawful game or wager may recover such money, thing, or its
12 value by an action commenced within six months from the time
13 of such payment or delivery.

14 (b) Any other person may also recover the amount of
15 such money, thing, or its value by an action commenced within
16 12 months after the payment or delivery thereof for the use of
17 the wife or, if no wife, the children or, if no children, the
18 next of kin of the loser.

19 (c) A judgment under either subsection (a) or (b)
20 for the amount of money paid, thing delivered, or its value is
21 a good defense to any action brought for such money, thing, or
22 its value under the provisions of the other subsection.

23 (d) A judgment recovered under the provisions of
24 this section is a defense to any proceeding on any garnishment
25 served after the recovery of such judgment, and the court may
26 make any order staying proceedings as may be necessary to
27 protect the rights of the defendant.

1 (e) For purposes of this section, a game, wager, or
2 gambling consideration is "unlawful" if it is part of any type
3 of gambling not approved by the Alabama Gambling Regulatory
4 Commission.

5 "§8-1-151.

6 (a) Any creditor of a losing party under ~~a~~ an
7 unlawful gambling contract may garnish the winner as other
8 debtors are garnished at any time within two years from the
9 payment of such money or delivery of such thing, and if such
10 garnishee fails to appear, judgment may be entered against him
11 as against other garnishees failing to answer, but the answer
12 of a garnishee shall not be evidence against him in a criminal
13 prosecution.

14 (b) A judgment recovered by a creditor under the
15 provisions of this section is a defense to any action brought
16 by any person under the provisions of Section 8-1-150.

17 (c) For purposes of this section, a gambling
18 contract is "unlawful" if it relates to any type of gambling
19 not approved by the Alabama Gambling Regulatory Commission.

20 "§13A-12-20.

21 The following definitions apply to this article
22 unless the context otherwise requires:

23 (1) ADVANCE UNLAWFUL GAMBLING ACTIVITY. A person
24 "advances unlawful gambling activity" if he or she engages in
25 conduct that materially aids any form of unlawful gambling
26 activity. Conduct of this nature includes, but is not limited
27 to, conduct directed toward the creation or establishment of

1 the particular game, contest, scheme, device, or activity
2 involved, toward the acquisition or maintenance of premises,
3 paraphernalia, equipment, or apparatus therefor, toward the
4 solicitation or inducement of persons to participate therein,
5 toward the actual conduct of the playing phases thereof,
6 toward the arrangement of any of its financial or recording
7 phases, or toward any other phase of its operation. A person
8 advances unlawful gambling activity if, having substantial
9 proprietary control or other authoritative control over
10 premises being used with his or her knowledge for purposes of
11 unlawful gambling activity, he or she permits that activity to
12 occur or continue or makes no effort to prevent its occurrence
13 or continuation.

14 ~~(2) BOOKMAKING. Advancing gambling activity by~~
15 ~~unlawfully accepting bets from members of the public as a~~
16 ~~business, rather than in a casual or personal fashion, upon~~
17 ~~the outcome of future contingent events.~~

18 ~~(3) CONTEST OF CHANCE. Any contest, game, gaming~~
19 ~~scheme or gaming device in which the outcome depends in a~~
20 ~~material degree upon an element of chance, notwithstanding~~
21 ~~that skill of the contestants may also be a factor therein.~~

22 (2) CASINO. A facility at which casino-style games
23 and sports betting may be conducted pursuant to Section 65 of
24 the Alabama Constitution of 1901.

25 (3) CASINO-STYLE GAME. Any game, activity, or device
26 that is determined by the commission to be a game, activity,

1 or device traditionally found in a casino pursuant to Section
2 65 of the Alabama Constitution of 1901.

3 (4) COMMISSION. The Alabama Gambling Regulatory
4 Commission.

5 ~~(4)~~ (5) GAMBLING. A person engages in gambling if he
6 or she stakes or risks something of value upon the outcome of
7 a contest of chance or a future contingent event not under his
8 or her control or influence, upon an agreement or
9 understanding that ~~he~~ they or someone else will receive
10 something of value in the event of a certain outcome. Gambling
11 does not include bona fide business transactions valid under
12 the law of contracts, including but not limited to contracts
13 for the purchase or sale at a future date of securities or
14 commodities, and agreements to compensate for loss caused by
15 the happening of chance, including but not limited to
16 contracts of indemnity or guaranty and life, health or
17 accident insurance.

18 ~~(5)~~ (6) GAMBLING DEVICE. Any device, machine,
19 paraphernalia or equipment that is normally used or usable in
20 the playing phases of any gambling activity, whether that
21 activity consists of gambling between persons or gambling by a
22 person involving the playing of a machine. ~~However, The term~~
23 ~~does not include~~ lottery tickets, ~~policy slips and~~ or other
24 items used in the playing phases of an official state lottery
25 ~~and policy schemes are not gambling devices within this~~
26 ~~definition.~~

1 ~~(6) LOTTERY or POLICY. An unlawful gambling scheme~~
2 ~~in which:~~

3 ~~a. The players pay or agree to pay something of~~
4 ~~value for chances, represented and differentiated by numbers~~
5 ~~or by combinations of numbers or by some other medium, one or~~
6 ~~more of which chances are to be designated by the winning~~
7 ~~ones; and~~

8 ~~b. The winning chances are to be determined by a~~
9 ~~drawing or by some other fortuitous method; and~~

10 ~~c. The holders of the winning chances are to receive~~
11 ~~something of value.~~

12 (7) LOTTERY. An Alabama Education Lottery Game as
13 defined in Section 65 of the Alabama Constitution of 1901.

14 (8) LOTTERY TICKET or TICKET. Tickets or other
15 tangible evidence of participation used in an official state
16 lottery.

17 ~~(7) (9) PARI-MUTUEL WAGERING, MUTUEL or THE NUMBERS~~
18 ~~GAME. A form of lottery. Wagering in which the winning chances~~
19 ~~or plays are not determined upon the basis of a drawing or~~
20 ~~other act on the part of persons conducting or connected with~~
21 ~~the scheme, but upon the basis of the outcome of a future~~
22 ~~contingent event or events otherwise unrelated to the~~
23 ~~particular scheme.~~

24 ~~(8) (10) PLAYER. A person who engages in any form of~~
25 ~~gambling solely as a contestant or bettor, without receiving~~
26 ~~or becoming entitled to receive any profit therefrom other~~
27 ~~than personal gambling winnings, and without otherwise~~

1 rendering any material assistance to the establishment,
2 conduct, or operation of the particular gambling activity.

3 ~~(9)~~ (11) PROFIT FROM UNLAWFUL GAMBLING ACTIVITY. A
4 person "profits from unlawful gambling activity" if he or she
5 accepts or receives money or other property pursuant to an
6 agreement or understanding with any person whereby he or she
7 shares or is to share in the proceeds of unlawful gambling
8 activity.

9 ~~(10)~~ (12) SLOT MACHINE. A gambling device that, as a
10 result of the insertion of a coin or other object, or as a
11 result of a player otherwise providing credit or a thing of
12 value, operates, either completely automatically or with the
13 aid of some physical act by the player, in ~~such~~ a manner that,
14 depending upon elements of chance, it may eject, credit, or
15 award something of value. A device ~~so~~ constructed or readily
16 adaptable or convertible to such use is no less a slot machine
17 because it is not in working order or because some mechanical
18 act of manipulation or repair is required to accomplish its
19 adaptation, conversion, or workability. Nor is it any less a
20 slot machine because apart from its use or adaptability as
21 such it may also sell or deliver something of value on a basis
22 other than chance.

23 ~~(11)~~ (13) SOMETHING OF VALUE. Any money or property,
24 any token, object, or article exchangeable for money or
25 property, or any form of credit or promise directly or
26 indirectly contemplating transfer of money or property or of
27 any interest therein, or involving extension of a service

1 entertainment or a privilege of playing at a game or scheme
2 without charge.

3 (14) SPORTS BETTING. The acceptance of wagers on
4 sporting events or portions of sporting events, the individual
5 performance statistics of athletes in a sporting event, or a
6 combination of any of the same.

7 ~~(12)~~ (15) UNLAWFUL GAMBLING ACTIVITY. Not Gambling
8 not specifically authorized by law the commission.

9 (16) UNLAWFUL SPORTS BETTING. Sports betting not
10 authorized by the commission.

11 "§13A-12-21.

12 (a) A person commits the crime of ~~simple~~ unlawful
13 gambling if he or she knowingly advances or profits from
14 unlawful gambling activity as a player.

15 (b) It is a defense to a prosecution under this
16 section that a ~~person~~ player charged ~~with being a player~~ was
17 engaged in a social game in a private place. The burden of
18 injecting the issue is on the defendant, but this does not
19 shift the burden of proof.

20 (c) ~~Simple~~ Unlawful gambling is a Class C
21 misdemeanor.

22 "§13A-12-22.

23 (a) A person commits the crime of promoting unlawful
24 gambling if he or she knowingly advances or profits from
25 unlawful gambling activity otherwise than as a player.

26 (b) Promoting unlawful gambling is a Class ~~A~~
27 ~~misdemeanor~~ D felony.

1 "§13A-12-23.

2 (a) A person commits the crime of conspiracy to
3 promote unlawful gambling if he or she conspires to advance or
4 profit from unlawful gambling activity otherwise than as a
5 player.

6 (b) ~~"Conspire"~~ For the purposes of this section,
7 "conspire" means to engage in activity constituting a criminal
8 conspiracy as defined in Section 13A-4-3.

9 (c) Conspiracy to promote unlawful gambling is a
10 Class ~~A misdemeanor~~ D felony.

11 "§13A-12-24.

12 (a) A person commits the crime of unlawful
13 possession of gambling records in the first degree if, with
14 knowledge of the contents thereof, he or she possesses any
15 writing, paper, instrument, or article commonly used in either
16 of the following:

17 (1) ~~Of a kind commonly used in the operation or~~
18 ~~promotion of a bookmaking scheme or enterprise,~~ The operation
19 or promotion of unlawful sports betting and constituting,
20 reflecting, or representing more than five bets, or more than
21 ~~\$500.00, or~~ five hundred dollars (\$500).

22 (2) ~~Of a kind commonly used in the operation,~~
23 ~~promotion or playing of a lottery or mutuel scheme or~~
24 ~~enterprise,~~ The operation, promotion, or playing of an
25 unlawful lottery scheme and constituting, reflecting, or
26 representing more than five plays or chances ~~therein.~~

1 (b) ~~Possession~~ Unlawful possession of gambling
2 records in the first degree is a Class A ~~misdemeanor~~ C felony.

3 "§13A-12-25.

4 (a) A person commits the crime of unlawful
5 possession of gambling records in the second degree if, with
6 knowledge of the contents thereof, he or she possesses any
7 writing, paper, instrument, or article commonly used in either
8 of the following:

9 (1) ~~Of a kind commonly and peculiarly used in the~~
10 The operation or promotion of a bookmaking scheme or
11 enterprise; or unlawful sports betting.

12 (2) ~~Of a kind commonly and peculiarly used in the~~
13 The operation, promotion, or playing of a an unlawful lottery
14 or mutuel scheme or enterprise.

15 (b) ~~Possession~~ Unlawful possession of gambling
16 records in the second degree is a Class A ~~misdemeanor~~ D
17 felony.

18 "§13A-12-26.

19 A person does not commit the crime of unlawful
20 possession of gambling records ~~in either degree~~ pursuant to
21 Section 13A-12-24 or 13A-12-25, if the writing, paper,
22 instrument, or article possessed by the defendant is neither
23 used nor intended to be used in the operation or promotion ~~of~~
24 ~~a bookmaking scheme or enterprise~~ unlawful sports betting, or
25 in the operation, promotion, or playing of a an unlawful
26 lottery or mutuel scheme or enterprise. The burden of

1 injecting the issue is on the defendant, but this does not
2 shift the burden of proof.

3 "§13A-12-27.

4 (a) A person commits the crime of unlawful
5 possession of a gambling device if, with knowledge of the
6 character ~~thereof~~ of the device, he or she manufactures,
7 sells, transports, places or possesses, or conducts or
8 negotiates any transaction affecting or designed to affect
9 ownership, custody, or use of either of the following:

10 (1) A slot machine not approved by the commission as
11 a casino-style game; or

12 (2) Any other gambling device capable of use, ~~with~~
13 ~~the intention that it be used~~ in the advancement of unlawful
14 gambling activity.

15 (b) ~~Possession~~ Unlawful possession of a gambling
16 device is a Class ~~A misdemeanor~~ D felony.

17 "§13A-12-28.

18 (a) Proof of possession of any unlawful gambling
19 device, as defined by ~~subdivision (5) of~~ in Section 13A-12-20
20 or any unlawful gambling record specified in Sections
21 13A-12-24 and 13A-12-25 is prima facie evidence of possession
22 ~~thereof~~ with knowledge of its character or contents.

23 (b) In any prosecution under this article in which
24 it is necessary to prove the occurrence of a sporting event,
25 either of the following shall be admissible and shall be prima
26 facie proof of the occurrence of the event:

1 (1) ~~a~~ A published report of its occurrence in any
2 daily newspaper, magazine, or other periodically printed
3 publication of general circulation, ~~or~~.

4 (2) ~~evidence~~ Evidence that a description of some
5 aspect of the event was written, printed, or otherwise noted
6 at the place in which a violation of this chapter is alleged
7 to have been committed, ~~shall be admissible in evidence and~~
8 ~~shall constitute prima facie proof of the occurrence of the~~
9 ~~event.~~

10 "§13A-12-30.

11 (a) Any gambling device or gambling record
12 unlawfully possessed or used in violation of this article is
13 forfeited to the state, and shall by court order be destroyed
14 or otherwise disposed of as the court directs.

15 (b) Any vehicle possessed or used in violation of
16 this article may be forfeited to the state and disposed of by
17 court order as authorized by law.

18 (c) Money used as bets or stakes in unlawful
19 gambling activity ~~in violation of this article~~ is forfeited to
20 the state and by court order shall be transmitted to the State
21 General Fund ~~of the state.~~

22 Section 17. New gambling-related criminal offenses.

23 Sections 13A-12-32 through 13A-12-39, inclusive, are
24 added to the Code of Alabama 1975, to read as follows:

25 §13A-12-32.

26 (a) It is unlawful to intentionally use, at a
27 casino, an electronic, electrical, or mechanical device that

1 is designed, constructed, or programmed to assist the user or
2 another person to do any of the following:

3 (1) Project the outcome of any casino-style game.

4 (2) Keep track of cards dealt or in play.

5 (3) Analyze the probability of the occurrence of an
6 event relating to any casino-style game.

7 (4) Analyze the strategy for playing or wagering to
8 be used in any casino-style game, except as permitted by the
9 commission.

10 (5) Obtain an advantage in playing any casino-style
11 game.

12 (b) A casino shall post notice of this prohibition
13 and the penalties for violations in a manner determined by the
14 commission.

15 (c) A violation of this section is a Class D felony.

16 §13A-12-33.

17 (a) It is unlawful for any individual to cheat at
18 any casino-style game or sports betting conducted pursuant to
19 a license issued by the Alabama Gambling Regulatory
20 Commission.

21 (b) A violation of this section is a Class D felony.

22 §13A-12-34.

23 (a) It is unlawful to manufacture, sell, or
24 distribute any cards, chips, die, game, or device that is
25 intended to be used to violate the laws of this state or rules
26 of the commission.

1 (b) It is unlawful for any individual to use
2 counterfeit chips in any casino-style game.

3 (c) It is unlawful for any individual, in playing a
4 casino-style game designed to be played with, received, or be
5 operated by chips or tokens approved by the commission or
6 lawful coins of the United States of America, to knowingly use
7 chips or tokens not approved by the commission or to use
8 unlawful coins of the United States of America.

9 (d) A violation of this section is a Class D felony.
10 §13A-12-35.

11 (a) It is unlawful to place, increase, or decrease a
12 wager or determine the course of play after acquiring
13 knowledge, not available to all players, of the outcome of any
14 casino-style game or event that affects the outcome of the
15 game or that is the subject of the wager, or to aid an
16 individual in acquiring such knowledge for the purpose of
17 placing, increasing, or decreasing a wager or determining the
18 course of play contingent on that event or outcome.

19 (b) A violation of this section is a Class D felony.
20 §13A-12-36.

21 (a) (1) It is unlawful to claim, collect, take, or
22 attempt to claim, collect, or take money or anything of value
23 into or from a casino-style game, with the intent to defraud,
24 without having made a wager contingent thereon.

25 (2) It is unlawful to claim, collect, or take any
26 amount of money or anything of value greater than the amount
27 won.

1 (b) A violation of this section is a Class D felony.
2 §13A-12-37.

3 (a) It is unlawful for an individual, other than a
4 casino employee or agent acting in furtherance of his or her
5 employment, to have in his or her possession on the grounds of
6 a casino, or grounds contiguous to the casino, any device
7 intended to be used to violate a provision of this article or
8 a rule of the commission.

9 (b) A violation of this section is a Class D felony.
10 §13A-12-38.

11 (a) It is unlawful for an individual, other than a
12 casino employee or agent acting in furtherance of his or her
13 employment, to use, within a casino, a key or device known to
14 have been designed for the purpose of opening, entering, or
15 affecting the operation of any casino-style game, drop box, or
16 any electronic or mechanical device connected thereto, or for
17 removing money, token, chips, or any other contents.

18 (b) A violation of this section is a Class D felony.
19 §13A-12-39.

20 (a) (1) A person may not do any of the following:

21 a. Knowingly make a false statement on any
22 application for a license or an application for renewal of a
23 license submitted to the Alabama Gambling Regulatory
24 Commission.

25 b. Operate, carry on, or expose for play a
26 casino-style game or sports wagering prior to obtaining a

1 license or after the person's license has been suspended or
2 revoked by the commission.

3 (2) A violation under subdivision (1) shall be a
4 Class D felony.

5 (b) (1) For the purposes of this subsection, the
6 phrase "person who is connected with a casino operator"
7 includes, but is not limited to, an officer or employee of a
8 casino operator. The term "casino operator" has the same
9 meaning as "casino operator" as defined in Section 65 of the
10 Alabama Constitution of 1901.

11 (2) A person may not do any of the following:

12 a. Offer, promise, or give anything of value or
13 benefit to a person who has an ownership or financial interest
14 in, is employed by, or has a service contract with, a casino
15 operator, or to that person's spouse or any dependent child or
16 dependent parent, pursuant to an agreement or arrangement, in
17 fact or implied from the circumstances, with intent that the
18 promise or thing of value or benefit will influence the
19 actions of the person in order to affect or attempt to affect
20 the outcome of a casino-style game or sports wager.

21 b. Knowingly solicit or knowingly accept or receive
22 a promise of anything of value or benefit while the person is
23 connected with a casino operator, pursuant to an understanding
24 or arrangement in fact or implied from the circumstances, with
25 the intent that the promise or thing of value or benefit will
26 influence the actions of the person to affect or attempt to
27 affect the outcome of a casino-style game or sports wager.

1 (3) A violation of subdivision (2) shall be a Class
2 C felony.

3 (4) For purposes of this subsection, "anything of
4 value" shall have the same meaning as "thing of value" as
5 defined in Section 36-25-1, Code of Alabama 1975.

6 Section 18. Section 13A-11-9, as last amended by Act
7 2019-465, 2019 Regular Session, Code of Alabama 1975, is
8 amended to read as follows:

9 "§13A-11-9.

10 (a) A person commits the crime of loitering if he or
11 she does any of the following:

12 (1) Loiters, remains, or wanders about in a public
13 place for the purpose of begging.

14 (2) Loiters or remains in a public place for the
15 purpose of unlawful gambling activity as defined in Section
16 13A-12-20.

17 (3) Loiters or remains in a public place for the
18 purpose of engaging or soliciting another person to engage in
19 prostitution or sodomy.

20 (4) Being masked, loiters, remains, or congregates
21 in a public place.

22 (5) Loiters or remains in or about a school,
23 college, or university building or grounds after having been
24 told to leave by any authorized official of the school,
25 college, or university, not having any reason or relationship
26 involving custody of or responsibility for a pupil or any
27 other specific, legitimate reason for being there, and not

1 having written permission from a school, college, or
2 university administrator.

3 (6) Loiters or remains in any transportation
4 facility, unless specifically authorized to do so, for the
5 purpose of soliciting or engaging in any business, trade, or
6 commercial transactions involving the sale of merchandise or
7 services.

8 (7) Loiters or remains in any place with one or more
9 persons for the purpose of unlawfully using or possessing a
10 dangerous drug.

11 (b) A person does not commit a crime under
12 subdivision (a) (4) if he or she is going to or from or staying
13 at a masquerade party, or is participating in a public parade
14 or presentation of an educational, religious, or historical
15 character or in an event as defined in Section 13A-11-140.

16 (c) Sodomy in subdivision (a) (3) is defined as in
17 Section 13A-6-60.

18 (d) Dangerous drug in subdivision (a) (7) means any
19 narcotic, drug, or controlled substance as defined in Chapter
20 2 of Title 20 and any schedule incorporated therein.

21 (e) Loitering is a violation."

22 Section 19. The following sections of the Code of
23 Alabama 1975 are repealed:

24 (1) Section 11-47-111, Code of Alabama 1975,
25 relating to prohibition of gambling houses.

26 (2) Section 13A-12-29, Code of Alabama 1975,
27 relating to lotteries drawn outside the state.

1 (3) Divisions 2, 3, and 4 of Article 2 of Chapter 12
2 of Title 13A, commencing with Sections 13A-12-50, 13A-12-70,
3 and 13A-12-90, respectively, Code of Alabama 1975, relating to
4 suppression of gambling places, transportation of lottery
5 paraphernalia, and the federal wagering occupational tax
6 stamp.

7 Section 20. Taxes on proceeds from gambling wagers
8 and lottery prizes.

9 (a) (1) In lieu of any state income tax, including
10 but not limited to the income tax imposed by Section 40-18-91,
11 any casino operator licensed by the Alabama Gambling
12 Regulatory Commission or any holder of an online sports
13 betting license issued by the Commission shall deduct and
14 withhold a tax in the amount of five percent of any payment to
15 a player in excess of five thousand dollars (\$5,000) as
16 proceeds from a gambling wager in a casino-style game or
17 sports betting, if the amount of such proceeds is at least 300
18 times as large as the amount wagered. The tax shall be
19 withheld and collected and remitted to the Department of
20 Revenue in the manner provided for by rules adopted by the
21 Department of Revenue.

22 (2) The proceeds of the tax levied by paragraph (1)
23 shall be deposited into a separate fund in the State Treasury
24 for the purpose of providing education and state employee
25 retirees with a periodic bonus check.

1 (3) For purposes of this section, the term "proceeds
2 from a gambling wager" shall be determined by reducing the
3 amount received by the amount of the wager.

4 (b) (1) In lieu of any state income tax, including
5 but not limited to the income tax imposed by Section 40-18-91,
6 the Alabama Education Lottery Corporation shall deduct and
7 withhold a tax in the amount of five percent of any prize in
8 excess of six hundred dollars (\$600). The tax shall be
9 withheld and collected by the corporation and remitted to the
10 Department of Revenue in the manner provided for by rules
11 adopted by the Department of Revenue.

12 (2) The proceeds of the taxes levied by paragraph
13 (1) shall be paid into the State Treasury and shall be
14 distributed to the Alabama Forestry Commission to be used for
15 rural and community fire protection.

16 Section 21. Although this bill would have as its
17 purpose or effect the requirement of a new or increased
18 expenditure of local funds, the bill is excluded from further
19 requirements and application under Amendment 621, as amended
20 by Amendment 890, now appearing as Section 111.05 of the
21 Official Recompilation of the Constitution of Alabama of 1901,
22 as amended, because the bill defines a new crime or amends the
23 definition of an existing crime.

24 Section 22. This act shall become effective
25 immediately upon its passage and approval by the Governor or
26 upon its otherwise becoming law, contingent upon ratification

1 of the constitutional amendment proposed by SB319 of the 2021
2 Regular Session.