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3 HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE SUBSTITUTE
4 FOR SB319
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9 SYNOPSIS: Under current law, lotteries and gift
10 enterprises are prohibited by Section 65 of the
11 Constitution of Alabama of 1901. This bill proposes
12 an amendment to Section 65 of the Constitution of
13 Alabama of 1901, to provide for the limited
14 authorization of gambling in the State to be
15 supervised and regulated by a new Alabama Gambling
16 Regulatory Commission.

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

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

1 licensed casinos. Sports betting would be limited
2 to in-person, on-premises play at a licensed casino
3 or play through an online sports betting platform.

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

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

25 Proceeds of the Alabama Education Lottery
26 would be appropriated for the establishment of a
27 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) LOTTERY. Any game, activity, or other
21 arrangement, in which consideration is provided to win a prize
22 awarded predominantly based on chance.

23 "(12) NET GAMBLING REVENUE. The total amount of
24 money or value in any form received by a casino operator with
25 respect to the conduct of any in-person, on premises gambling,
26 whether by casino-style games or sports betting, and whether
27 or not approved by the commission, less voided wagers and the

1 total money or value in any form paid as prizes or winnings as
2 a result of play, free play, and promotional play of any
3 casino-style games or sports betting.

4 “(13) NET GAMBLING REVENUE FOR ONLINE SPORTS
5 BETTING. The total amount of money or value in any form
6 received by the holder of an online sports betting license
7 with respect to the conduct of gambling, whether or not
8 approved by the commission, excluding free bets and
9 promotional credits, less federal excise taxes, voided wagers
10 and the total money or value in any form paid as prizes or
11 winnings, including the cash equivalent of any merchandise or
12 thing of value awarded as a prize.

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

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

23 “(16) POARCH BAND OF CREEK INDIANS TRUST LAND. Lands
24 held in trust by the Secretary of the Department of the
25 Interior for the benefit of the Poarch Band of Creek Indians.

26 “(17) RAFFLE. A lottery in which participants
27 provide consideration for a chance to win a prize and the

1 winner is selected through a drawing or other random selection
2 process.

3 “(18) SPORTING EVENT. Any amateur, professional, or
4 collegiate sport or athletic event, motor race event,
5 electronic sports event, competitive video game event, or any
6 other event authorized by the commission under this amendment.
7 The term does not include any youth sport or youth athletic
8 event.

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

20 “(20) SUITABILITY. Fitness for licensure, as
21 demonstrated by a prospective licensee to the satisfaction of
22 the commission, considering the prospective licensee’s moral
23 character, honesty, and integrity; reputation, experience, and
24 financial integrity; financial ability to purchase and
25 maintain adequate liability and casualty insurance, and to
26 provide an adequate surety bond as may be required by a
27 license issued by the commission; past and present compliance

1 or noncompliance with the casino or other gambling licensing
2 requirements of another jurisdiction; involvement or past
3 involvement in any bankruptcy proceeding or other proceeding
4 to adjust, defer, suspend, or otherwise work out the payment
5 of any debt; participation as a defendant in litigation
6 involving its business practices; prior activities, arrests,
7 criminal records, habits, and associations; likelihood of
8 conducting business as authorized pursuant to this section;
9 and delinquency with respect to any state, county, or
10 municipal taxes, penalties, or interest, excluding items under
11 formal appeal or protest as provided by law. The commission
12 may also consider any other factor or consideration it deems
13 appropriate to determining a prospective licensee's fitness
14 for licensure.

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

1 device or otherwise, determined wholly or predominantly by
2 chance. The term does not include electronic bingo.

3 “(c) Limitations on gambling.

4 “(1) The legislature shall have no power to
5 authorize lotteries or gift enterprises for any purposes, and
6 shall pass laws to prohibit the sale in this state of unlawful
7 lottery or gift enterprise tickets, or tickets in any scheme
8 in the nature of an unlawful lottery; and all acts, or parts
9 of acts heretofore passed by the legislature of this state,
10 authorizing a lottery or lotteries, and all acts amendatory
11 thereof, or supplemental thereto, are hereby avoided.

12 “(2) The Legislature shall have no power to
13 authorize any form of gambling that is not a lottery except by
14 a vote of two-thirds of each House.

15 “(3) The only authorized lotteries in the state
16 shall be as follows:

17 “a. An official state lottery to be known as the
18 Alabama Education Lottery, which shall consist solely of
19 Alabama Education Lottery Games approved by the Alabama
20 Gambling Regulatory Commission and which shall be administered
21 and operated solely by the Alabama Education Lottery
22 Corporation.

23 “b. Casino-style games operated only through
24 in-person, on-premises play at a licensed casino subject to
25 policies and procedures adopted by the commission.

26 “c. Sports betting conducted only pursuant to a
27 valid online sports betting license or valid casino sports

1 betting license and subject to policies and procedures adopted
2 by the commission, including policies and procedures
3 prescribing a minimum and maximum number of online sports
4 betting licenses that may be issued by the commission.

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

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

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

4 "(6) Amendments to this section may be proposed and
5 approved only pursuant to the procedures set forth in Section
6 284 and 285 of the Constitution of Alabama of 1901, now
7 appearing as Sections 284 and 285 of the Official
8 Recompilation of the Constitution of Alabama of 1901, as
9 amended.

10 "(d) Establishment of the Alabama Gambling
11 Regulatory Commission.

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

15 "b. The Governor shall appoint one member after
16 consultation with the President Pro Tempore of the Senate; one
17 member after consultation with the Speaker of the House of
18 Representatives; one member after consultation with the Senate
19 Minority Leader; and one member after consultation with the
20 House Minority Leader.

21 "c. For purposes of this paragraph, consultation has
22 occurred if the member is appointed from a list of three
23 nominees submitted to the Governor; provided, however, that
24 the Governor may reject all nominees and request the
25 submission of a new list of nominees until a nominee is
26 appointed.

1 "(2) The membership of the commission shall reflect
2 the racial, gender, geographic, and economic diversity of the
3 state. Members of the commission shall be residents of the
4 State of Alabama, United States citizens, and prominent
5 persons in their businesses or professions. Members of the
6 commission may not be an employee of the commission; a member,
7 employee, or vendor or retailer of the Alabama Education
8 Lottery Corporation; an officer of a political party or the
9 occupant of an official position in a political party; an
10 elected official; actively engaged in the business of, or have
11 a pecuniary interest in, a casino; or actively engaged in the
12 business of, or have a pecuniary interest in, an operation
13 owned by the Poarch Band of Creek Indians; or a supplier of
14 devices used in the play of casino-style games.

15 "(3) Initial appointments shall be made within 30
16 days after ratification of this section, but the commission
17 may not take official action until at least five members have
18 been appointed. At its initial meeting, the commission shall
19 elect a chair from its membership.

20 "(4) All members shall be appointed with the advice
21 and consent of the Senate. Appointees shall begin serving
22 immediately upon appointment and shall continue serving unless
23 rejected by the Senate during the regular session following
24 the appointment.

25 "(5) The initial term of office shall be four years
26 for three of the members, three years for two of the members,
27 and two years for the remaining two members. Thereafter,

1 members shall serve a term of four years. Members may serve
2 two complete terms and any portion of an initial term of less
3 than four years, or any portion of an unexpired term to which
4 they are appointed. Any vacancy occurring on the commission
5 shall be filled for the unexpired term by the Governor as
6 described in this section. Each member of the commission shall
7 serve for the duration of the member's term and until the
8 member's successor is duly appointed and confirmed by the
9 Senate.

10 "(6) The Governor may at any time remove any
11 appointee to the commission for cause, which shall include
12 neglect of duty, malfeasance, misfeasance, or nonfeasance in
13 office.

14 "(7) By general law, the Legislature may prescribe
15 additional qualifications and training requirements for
16 commission members and employees, compensation for commission
17 members, and ethical requirements for commission members and
18 commission employees.

19 "(e) General powers and duties of the commission.

20 "(1) The commission shall have the following powers:

21 "a. The commission may adopt policies and procedures
22 necessary and convenient for implementing this section or
23 legislation enacted in furtherance of this section.

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

1 "b. The commission may adopt policies and procedures
2 to appoint and supervise its personnel without regard to the
3 state merit system law or other similar law.

4 "c. The commission and its agents may demand access
5 to and inspect, examine, photocopy, or audit all of the
6 following:

7 "i. The papers, books, and records of any licensee,
8 prospective licensee, or retailer of the Alabama Education
9 Lottery Corporation relating to the proceeds generated by any
10 form of gambling, whether legal or illegal, and any other
11 matters affecting the enforcement of state laws or commission
12 policies and procedures concerning gambling.

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

26 "d. Except as otherwise provided in general law, the
27 commission may obtain from any department or agency of the

1 state, or any of its political subdivisions information
2 necessary to carry out its duties under this section.

3 "e. As to matters within the commission's
4 jurisdiction, the commission may issue subpoenas and compel
5 the production of documents or items and the attendance of
6 witnesses, administer oaths, require testimony under oath, and
7 enforce its orders. Any person making a false statement of
8 material fact in any matter before the commission is subject
9 to a criminal perjury charge.

10 "f. The commission may appoint impartial hearing
11 examiners who may administer oaths and receive evidence and
12 testimony under oath and make recommendations to the
13 commission.

14 "g. The commission may adopt policies and procedures
15 under which the commission or its agents may impose reasonable
16 civil fines and penalties, or other appropriate relief,
17 including the seizure and impoundment of any unlawful device
18 or equipment, against any person or entity for violations of
19 this section, violations of general law enacted pursuant to
20 this section, or violations of policies and procedures adopted
21 by the commission.

22 "h. The commission shall have, in addition to those
23 powers specifically enumerated in this section, all powers
24 necessary or convenient to effect the purposes for which it
25 has been established, together with all powers incidental
26 thereto or necessary for the discharge of its powers and
27 duties.

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

2 "a. The commission shall adopt and enforce policies
3 and procedures to regulate and supervise the conduct and
4 operation of casino-style games, sports betting, bingo, and
5 raffles, including through the issuance, modification,
6 transfer, renewal, suspension, revocation, or termination of
7 any license required by this section. The commission's
8 policies and procedures may be based on any factor the
9 commission deems relevant to the best interests of the State,
10 including but not limited to, the protection of gambling
11 participants, the advancement of minimum standards of
12 operation for casino operators, the promotion of integrity
13 within the gambling industry, the maintenance of the
14 anticorruption measures required to be enacted under
15 subsection (j), the preservation of the aesthetic character of
16 the State, and the generation of revenue.

17 "b. To facilitate the elimination of illegal
18 gambling, the commission shall implement a system by which it
19 may indicate its approval of a lottery as an authorized
20 Alabama Education Lottery Game, an authorized casino-style
21 game, an authorized form of sports betting, or other
22 authorized lottery or other form of gambling.

23 "c. The commission shall establish an enforcement
24 division to consist of a director, an assistant director,
25 investigators, auditors, forensic accountants, compliance
26 officers, investigative technology experts, administrative
27 staff, and any other personnel deemed necessary by the

1 commission, each of whom shall have arrest powers if certified
2 by the Alabama Peace Officers' Standards and Training
3 Commission. The enforcement division may enforce all criminal
4 laws of this state, whether or not related to gambling, and
5 all policies and procedures of the commission. Insofar as a
6 violation of any rule or law relates to gambling or occurs at
7 a casino, the authority of the enforcement division shall be
8 paramount to, and shall prevail over, the authority of any
9 sheriff or local law enforcement agency or officer.

10 "d. The commission shall adopt and enforce policies
11 and procedures requiring its licensees to publicly report
12 nonproprietary information that the commission deems
13 appropriate to promote consumer awareness and the integrity of
14 its licensees.

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

18 "f. The commission shall adopt and enforce policies
19 and procedures to prohibit persons under the legal age of
20 majority from playing, or facilitating the play of, any
21 lottery.

22 "g. The commission shall adopt and enforce policies
23 and procedures to facilitate compliance, by its licensees and
24 patrons or customers of its licensees, with the tax laws of
25 the State. In adopting these policies and procedures, the
26 commission shall cooperate with the Department of Revenue.

1 "h. The commission shall exercise regulatory and
2 supervisory power over the existing local racing commissions
3 with respect to pari-mutuel wagering and racing. The existing
4 local racing commissions shall not interfere with the issuance
5 of licenses issued under this section, the operation of
6 casino-style games, or with any other gambling activity
7 permitted under policies and procedures adopted by the
8 commission.

9 "i. The commission shall adopt and enforce policies
10 and procedures to ensure due process for any person or entity
11 due to appear before the commission.

12 "j. The commission shall cooperate with the Attorney
13 General and the local district attorneys in enforcing all laws
14 related to lotteries or other gambling activity, whether legal
15 or illegal. Nothing in this section shall be construed to
16 diminish the supreme executive power of the Governor or the
17 power of either the Governor or the Attorney General with
18 respect to litigation affecting the state.

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

23 "(3) By general law, the legislature may grant the
24 commission additional powers if necessary or convenient for
25 the regulation or supervision of legal or illegal gambling in
26 the state.

1 "(4) Any party aggrieved by an action of the
2 commission may appeal to an appellate court of statewide
3 jurisdiction in compliance with rules promulgated pursuant to
4 Section 150.

5 "(f) Licenses and fees.

6 "(1)a. As soon as practicable following ratification
7 of this section, the commission shall adopt policies and
8 procedures establishing a competitive process for the award of
9 a license to a single casino operator at each of the following
10 sites and any contiguous land that is later added to the
11 following sites: the site in Greene County commonly known as
12 Greenetrack; the site in Houston County commonly known as the
13 Crossing at Big Creek; the site in Jefferson County commonly
14 known as the Birmingham Race Course; the site in Macon County
15 commonly known as VictoryLand; and the site in Mobile County
16 commonly known as the Mobile County Greyhound Racing facility.

17 "b. The policies and procedures governing this
18 competitive process shall require the commission to consider
19 the prospective casino operator's proposed license fee; its
20 experience in the operation of pari-mutuel wagering,
21 casino-style games and sports betting; its familiarity with
22 the local market; its existing or past investments in the
23 relevant jurisdiction; its ties to, and community support
24 within, the State of Alabama and the jurisdiction of the
25 proposed casino; its anticipated annual revenues; its
26 commitment to make capital investments; its commitment to
27 employ local citizens and to pay them competitive wages; its

1 plans for recruiting a diverse workforce; its track record of
2 hiring, developing, and promoting a diverse workforce; its
3 commitment to offer amenities such as restaurants and
4 entertainment venues; its security and other logistical plans,
5 including traffic flow; and its plans to facilitate the
6 responsible play of casino-style games and sports betting. In
7 selecting a prospective casino operator, the commission shall
8 endeavor to preserve and maintain the diversity of ownership
9 of sites listed in subsection (f)(1)a. For each available
10 license, the policies and procedures shall specify a minimum
11 license fee and minimum capital-investment, employment, and
12 other commitments required for participation in the
13 competitive process. The policies and procedures also shall
14 specify any procedures to be followed if the commission
15 receives no proposals that satisfy these minimum commitments.

16 "(2) Upon selection of a casino operator, the
17 commission shall establish the terms of a license for the
18 relevant casino. The license terms shall include terms unique
19 to the casino at issue, including the amount and payment
20 structure for a license fee; capital-investment, employment,
21 and other commitments; and any other location-specific terms
22 the commission deems to be in the best interests of the state.
23 Thereafter, upon the selected casino operator's demonstration
24 of suitability, the commission shall issue a license to the
25 casino operator to conduct and operate casino-style games,
26 subject to policies and procedures of the commission and the

1 terms of the license. At the same time, the commission shall
2 issue a casino sports betting license to the casino operator.

3 "(3) As soon as practicable following any required
4 federal approval of a compact negotiated pursuant to
5 subsection (g), and upon a demonstration of suitability, the
6 commission shall issue a casino operator license to the Poarch
7 Band of Creek Indians to conduct and operate casino-style
8 games, subject to the policies and procedures of the
9 commission, at a single site in either DeKalb County or
10 Jackson County to be determined in the compact, and on terms,
11 to be determined in the compact. At the same time, the
12 commission shall issue a casino sports betting license to the
13 Poarch Band of Creek Indians for the site determined in the
14 compact.

15 "(4) The commission shall adopt policies and
16 procedures to ensure that a casino operator may not acquire or
17 own a majority interest in more than two licensed casinos.
18 Except as authorized under the Commission's policies and
19 procedures and subject to any limitations imposed by this
20 amendment, a license awarded pursuant to this section shall
21 not be transferable, assignable, or convertible by the
22 licensee.

23 "(5) If a license previously issued to a casino
24 operator pursuant to this subsection is revoked by the
25 commission or waived or forfeited by the casino operator, the
26 commission may transfer the license to a new casino operator
27 for a casino located within the same county as the casino

1 operated by the previous licensee, contingent upon a
2 demonstration of suitability by the new casino operator. The
3 commission shall adopt policies and procedures establishing a
4 competitive process for the award of a license transferred
5 pursuant to this subsection. The commission also shall issue a
6 casino sports betting license to a casino operator that is
7 awarded a transferred license pursuant to this subsection.

8 "(6) The commission shall adopt policies and
9 procedures authorizing a licensed casino operator to relocate
10 a casino subject to the approval, by resolution, of the
11 commission, and of the governing bodies of both the county and
12 any municipality in which the casino would be relocated; and
13 by joint resolution of the Legislature; provided, however,
14 that a casino may not be relocated pursuant to this paragraph
15 for a period of five years following the initial issuance of a
16 license pursuant to paragraph (f) (2) or paragraph (f) (3). The
17 commission's policies and procedures shall require the
18 commission to consider aesthetic factors and market
19 conditions, including economic impact and proximity to any
20 existing licensed casino operators, before the commission
21 approves any request to relocate a casino. The commission's
22 policies and procedures also shall ensure that any relocation
23 of a casino is contingent upon a satisfactory demonstration by
24 the casino operator of a sufficient remediation plan or
25 alternate viable use for the existing casino location. The
26 commission's policies and procedures also shall ensure that

1 any relocation of a casino would not violate or undermine any
2 compact negotiated pursuant to subsection (g).

3 "(7) A licensed casino operator shall be issued an
4 online sports betting license on the same terms as such a
5 license is available to any other person or entity pursuant to
6 the policies and procedures adopted by the commission under
7 subparagraph (e)(2)a., except that the license fee paid by the
8 casino operator under paragraph (2) shall be in lieu of any
9 license fees required by the commission's policies and
10 procedures for issuance of an online sports betting license to
11 a person or entity who is not a casino operator.

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

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

16 "(1) The Governor or the Governor's designee may
17 negotiate, execute, conclude, and take any other steps
18 necessary to effectuate a compact with the Poarch Band of
19 Creek Indians for the operation and regulation of casino-style
20 games and sports betting on Poarch Band of Creek Indians trust
21 land. Consideration for the compact may include provisions
22 relating to the issuance of a casino operator license and a
23 casino sports betting license pursuant to paragraph (f)(3).
24 Any amounts payable to the state under the compact shall be
25 payable to the commission.

26 "(2) Following execution of a compact, the Governor
27 or the Governor's designee shall file the executed compact

1 with the Secretary of State and the commission. The Secretary
2 of State shall forthwith forward an executed copy of the
3 compact to the Secretary of the Interior for that person's
4 review and approval in accordance with, and to the extent
5 required by, federal law.

6 "(3) The state's immunity from suit in federal court
7 under the Eleventh Amendment of the United States Constitution
8 is expressly waived for the sole purpose of resolving disputes
9 arising under the terms of any compact negotiated pursuant to
10 this section. The waiver of the state's immunity under this
11 subsection is contingent upon an equivalent submission in the
12 compact by the Poarch Band of Creek Indians.

13 "(h) Collection and disposition of revenue.

14 "(1)a. The Alabama Education Lottery Corporation may
15 retain a portion of proceeds from the Alabama Education
16 Lottery that is necessary to pay for its reasonable operating
17 expenses, including, without limitation, the payment of all
18 prizes.

19 "b. Within twenty days after the end of each
20 calendar month, the Alabama Education Lottery Corporation
21 shall deposit all remaining proceeds from the Alabama
22 Education Lottery into a special, separate account in the
23 State Treasury hereby created and designated the Alabama
24 Education Lottery Trust Fund.

25 "(2)a. Within twenty days after the end of each
26 calendar month, each casino operator shall remit to the
27 commission a tax of 23 percent of the net gambling revenues

1 for the licensed location for the immediately preceding
2 calendar month.

3 "b. Within twenty days after the end of each
4 quarter, each person or entity conducting sports betting
5 pursuant to an online sports betting license shall pay the
6 commission a tax of 23 percent of the net gambling revenues
7 for online sports betting for the immediately preceding
8 quarter.

9 "c. The commission may retain that portion of its
10 revenues necessary to pay for its reasonable operating
11 expenses.

12 "d. The commission shall timely deposit all
13 remaining revenues, including the taxes imposed under this
14 paragraph and any other amounts it collects or receives
15 pursuant to this section, including license fees, civil
16 penalties, or amounts received pursuant to a compact
17 negotiated under subsection (g), into a special, separate
18 account in the State Treasury hereby created and designated
19 the Alabama Gambling Trust Fund.

20 "(3) Annually, the commission and the corporation
21 shall submit to the Governor, the President Pro Tempore of the
22 Senate and the Speaker of the House of Representatives a
23 detailed and accurate financial report accounting for its
24 receipt and disposition of all monies collected pursuant to
25 this section, including a detailed accounting of the
26 commission's operating expenses.

1 "(4) Upon recommendation of the Commission, the
2 Legislature may enact general laws to amend the tax rates
3 specified in paragraph (2) or the definition of "net gambling
4 revenue" or "net gambling revenue for online sports betting"
5 specified in subsection (2); provided, however, that the tax
6 on net gambling revenue and the tax on net gambling revenue
7 for online sports betting shall not exceed thirty percent.

8 "(5) The Legislature shall, by general law, provide
9 that payment of the tax on net gambling revenue imposed by
10 this subsection shall be in lieu of other specified state and
11 local taxes.

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

17 "(i) Use of proceeds.

18 "(1) In each fiscal year, the Legislature shall
19 appropriate moneys in the Alabama Education Lottery Trust Fund
20 through an independent supplemental appropriation bill as
21 follows:

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

25 "b. All other proceeds deposited during a preceding
26 fiscal year shall be appropriated for a scholarship or other

1 program to support educational attainment or fulfilment of the
2 state's workforce needs.

3 "(2) In each fiscal year, the Legislature shall
4 appropriate moneys in the Alabama Gambling Trust Fund through
5 an independent supplemental appropriation bill. The
6 Legislature may first appropriate moneys in this fund to pay
7 any remaining expenses in the scholarship or other program
8 enacted pursuant to subparagraph (1)b. Thereafter, the
9 Legislature shall appropriate moneys in the fund as follows:

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

13 "b. Of the funds deposited during a preceding fiscal
14 year, the following amounts shall be appropriated for the
15 distribution to the following recipients to be used for
16 capital or other non-recurring expenses that serve a public
17 purpose:

18 "i. Two and one-half percent, distributed to the
19 county commissions of the state, except those county
20 commissions entitled to receive a distribution under paragraph
21 c. or paragraph d. The first fifty percent shall be
22 distributed to the county commissions equally, and the
23 remainder shall be distributed to the county commissions on a
24 per capita basis as determined by the most recent decennial
25 census.

26 "ii. Two and one-half percent, distributed to the
27 governing bodies of the municipalities of the state, except

1 those governing bodies entitled to receive a distribution
2 under paragraph d. The first twenty-five percent shall be
3 distributed to the governing bodies of the municipalities
4 equally, and the remainder shall be distributed to the
5 governing bodies of the municipalities on a per capita basis
6 as determined by the most recent decennial census.

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

14 "d. Two and one-half percent of the funds deposited
15 during a preceding fiscal year shall be appropriated for
16 distribution among the governing bodies of the municipalities
17 in which casino-style games are being operated within the
18 municipality or its police jurisdiction pursuant to a license
19 issued under subsection (f). This distribution shall be based
20 on the proportion of moneys in the fund that were generated in
21 each such municipality as determined by the commission. If the
22 casino-style games are not being operated within the corporate
23 limits of a municipality, the county commission in which the
24 games are being operated shall receive an additional
25 distribution under this subsection as if it were the governing
26 body of a municipality in which casino-style games are being
27 operated pursuant to a license issued under subsection (f).

1 "e. Forty percent of the funds deposited during a
2 preceding fiscal year shall be appropriated for the additional
3 provision of enhanced healthcare services.

4 "f. All other funds deposited during a preceding
5 fiscal year shall be appropriated, and may be used for,
6 capital or other non-recurring expenses that serve a public
7 purpose.

8 "(3) If the Legislature determines that any amount
9 of the moneys in the Alabama Education Lottery Trust Fund or
10 the Alabama Gambling Trust Fund are not needed for the
11 purposes specified in subparagraphs (1)b., (2)e., or (2)f., it
12 shall indicate the amount by joint resolution, and the State
13 Treasurer shall transfer the amount so specified to a special
14 trust fund created for investment of such amounts by the State
15 Treasurer. All earnings on the special trust fund assets shall
16 be deposited into the General Fund.

17 "(j) Anticorruption measures. The Legislature, by
18 general law, shall enact as strict a prohibition as may be
19 enacted consistent with federal law on the making of political
20 contributions by any person or entity that has a financial
21 interest in the operation of any lottery, or in the execution
22 of any compact, authorized by this section. The commission, by
23 rule or other exercise of its authority, shall assist in the
24 enforcement of the prohibitions authorized by this
25 subsection."

26 Section 2. At the November 2022 general election,
27 the election upon the proposed amendment shall be held in

1 accordance with Sections 284 and 285 of the Constitution of
2 Alabama of 1901, now appearing as Sections 284 and 285 of the
3 Official Recompilation of the Constitution of Alabama of 1901,
4 as amended, and the election laws of this state.

5 Section 3. The appropriate election official shall
6 assign a ballot number for the proposed constitutional
7 amendment on the election ballot and shall set forth the
8 following description of the substance or subject matter of
9 the proposed constitutional amendment:

10 "Proposing an amendment to Section 65 of the
11 Constitution of Alabama of 1901 to provide for the limited
12 authorization of gambling subject to regulation by a new
13 Alabama Gambling Regulatory Commission; to authorize an
14 official state lottery known as the Alabama Education Lottery,
15 casino-style games, sports betting, bingo, and raffles subject
16 to regulation by the commission; to limit the play of
17 casino-style games to six licensed casinos; to provide that
18 five of the licensed casinos may be located, by competitive
19 process, at Greenetrack in Greene County, the Crossing at Big
20 Creek in Houston County, the Birmingham Race Course in
21 Jefferson County, VictoryLand in Macon County, and the Mobile
22 County Greyhound Racing facility in Mobile County; to provide
23 that a sixth licensed casino may be operated by the Poarch
24 Band of Creek Indians at a location in either DeKalb County or
25 Jackson County to be determined in a compact negotiated by the
26 Governor; to limit sports betting to the six licensed casinos
27 and to online sports betting platforms approved by the

1 commission; to impose license fees and a tax on certain
2 gambling proceeds; to provide for appropriation of Alabama
3 Education Lottery proceeds for a scholarship or other program
4 to support educational attainment or fulfilment of the state's
5 workforce needs; and to provide for appropriation of other
6 gambling revenues for distributions to cities and counties,
7 the additional provision of enhanced healthcare services, and
8 to capital or other non-recurring expenses that serve a public
9 purpose.

10 "Proposed by Act _____."

11 This description shall be followed by the following
12 language:

13 "Yes () No ()."