

1 SB214  
2 209930-1  
3 By Senator Marsh (Constitutional Amendment)  
4 RFD: Tourism  
5 First Read: 09-FEB-21

8 SYNOPSIS: Under existing law, lotteries and gift  
9 enterprises are prohibited by Section 65 of the  
10 Constitution of Alabama of 1901.

11 This bill proposes an amendment to Section  
12 65 of the Constitution of Alabama of 1901, to  
13 establish the Alabama Education Lottery and the  
14 Alabama Education Lottery Corporation and require  
15 the Legislature to enact one or more general laws  
16 to provide for the duties, powers, authority, and  
17 composition of the corporation.

18 The proposed amendment would also create the  
19 Alabama Gaming Commission to supervise the conduct  
20 of bingo, charitable bingo, sports wagering and  
21 casino-style games in the state.

22 The proposed amendment would provide that  
23 casino-style games and sports wagering may be  
24 operated only at Greenetrack, the Birmingham Race  
25 Course, the Greyhound Racing Facility in Mobile,  
26 VictoryLand, an additional site in Jackson or  
27 DeKalb County operated by the Poarch Band of Creek

1 Indians, and on lands held in trust for the Poarch  
2 Band of Creek Indians pursuant to a compact. The  
3 proposed amendment would impose specified license  
4 fees for a license to operate casino-style games  
5 for specified terms and a nominal license fee  
6 established by the commission for charitable bingo  
7 operations.

8 The amendment would also impose a tax of 20  
9 percent on the net gaming revenues of the gaming  
10 operations in the state except operations on lands  
11 held in trust for the Poarch Band of Creek Indians.

12 The proposed amendment would require the  
13 Governor to negotiate in good faith a compact with  
14 the Poarch Band of Creek Indians to authorize  
15 casino-style games on lands held in trust for the  
16 Poarch Band of Creek Indians and require the  
17 Legislature to enact implementing legislation.

18  
19 A BILL

20 TO BE ENTITLED

21 AN ACT

22  
23 Proposing an amendment to Section 65 of the  
24 Constitution of Alabama of 1901, to establish an Alabama  
25 Education Lottery and the Alabama Education Lottery  
26 Corporation; to establish the Alabama Gaming Commission to  
27 regulate the conduct of bingo, charitable bingo, sports

1 waging, and casino-style games; to authorize the operation  
2 of casino-style games at Greenetrack, the Birmingham Race  
3 Course, the Greyhound Racing Facility in Mobile, VictoryLand,  
4 and a site in Jackson or DeKalb County operated by the Poarch  
5 Band of Creek Indians; to impose license fees and a tax on  
6 certain gaming proceeds; to authorize the commission to adopt  
7 rules governing the licensing, administration, and conduct of  
8 sports wagering; to authorize the Governor to negotiate a  
9 compact with the Poarch Band of Creek Indians for the  
10 operation of casino-style games on lands held in trust by the  
11 United States for the benefit of the Poarch Band of Creek  
12 Indians; and to require the Legislature to meet in special  
13 session to enact implementing legislation.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

21 PROPOSED AMENDMENT

22 "Section 65.

23 "Part I.

24 "~~The legislature~~ Except as provided in Part II and  
25 Part III, the Legislature shall have no power to authorize  
26 lotteries or gift enterprises for any purposes, and shall pass  
27 laws to prohibit the sale in this state of lottery or gift

1 enterprise tickets, or tickets in any scheme in the nature of  
2 a lottery; and, except as provided in Part II and Part III,  
3 all acts, or parts of acts heretofore passed by the  
4 Legislature of this state, authorizing a lottery or lotteries,  
5 and all acts amendatory thereof, or supplemental thereto, are  
6 hereby avoided.

7 "Part II.

8 "Section 1. Declarations. The People of Alabama find  
9 that: Lotteries have been enacted in many states and the  
10 revenues generated from the lotteries benefit those states;  
11 many Alabamians participate in lotteries in other states; an  
12 official state lottery would benefit Alabama if fairly and  
13 honestly administered and if the proceeds improve quality of  
14 life in the state; gaming facilities and resorts are allowed  
15 in many states and generate revenues that benefit economic  
16 development and increased tourism in those states; many  
17 Alabamians already visit gaming facilities and resorts in  
18 nearby states; and Alabamians support gaming in Alabama if it  
19 is effectively and honestly regulated to protect consumers and  
20 to promote integrity within the gaming industry, if it is  
21 effectively taxed to produce revenues that improve quality of  
22 life in the state, and if it is effectively limited to  
23 designated locations to preserve the aesthetic character of  
24 the state. Therefore, the purposes of this amendment are: (1)  
25 to establish and provide for a fair and honest Alabama  
26 Education Lottery to generate revenue for postsecondary  
27 education scholarships; (2) to limit and regulate gaming to

1 designated locations and to subject all gaming to regulation;  
2 (3) to levy taxes on gaming at those locations to generate  
3 revenue for the benefit of the state; (4) to support the  
4 state's tourism industry and economic development; (5) to  
5 authorize the Governor to negotiate a compact for gaming with  
6 the Poarch Band of Creek Indians; and (6) to establish the  
7 Alabama Education Lottery Corporation and the Alabama Gaming  
8 Commission to regulate gaming in the state.

9 "Section 2. Establishment of an Alabama Education  
10 Lottery.

11 "(a) The Legislature, by general law, shall provide  
12 for the establishment, administration, operation, and  
13 regulation of an Alabama Education Lottery consistent with  
14 this part and Part III.

15 "(b) (1) The proceeds from the Alabama Education  
16 Lottery shall be applied first to the payment of the expenses  
17 of administering, operating, and regulating the Alabama  
18 Education Lottery, including, without limitation, the payment  
19 of all prizes, without any further appropriation required by  
20 law, and the balance of the proceeds after the payments shall  
21 be deposited in a special, separate account in the State  
22 Treasury hereby created and designated the Lottery Trust Fund  
23 until such time as the proceeds are appropriated each fiscal  
24 year. The proceeds in the fund shall be appropriated for a  
25 postsecondary scholarship program based on a combination of  
26 need, merit, and workforce needs in the state, which may  
27 include scholarships to four-year institutions of higher

1 education for teachers who pursue a degree in education for  
2 in-demand fields as provided in general law.

3 "(2) A portion of any lottery prize money that  
4 remains unclaimed shall be used for agriculture grant programs  
5 as established by general law. Any remaining unclaimed prize  
6 money shall be used for scholarships as provided in  
7 subdivision (1).

8 "(c) The administration and operation of the Alabama  
9 Education Lottery shall be vested in a corporation hereby  
10 created and designated the Alabama Education Lottery  
11 Corporation. The duties, powers, authority, and composition of  
12 the Alabama Education Lottery Corporation shall be enumerated  
13 in one or more general laws enacted by the Legislature  
14 subsequent to and supplemental to this amendment.

15 "Section 3. Establishment of the Gaming Trust Fund.

16 "(a) The Gaming Trust Fund is created. Monies  
17 received by the Alabama Gaming Commission from license fees  
18 pursuant to Sections 3 and 4 of Part III, fees from a compact  
19 negotiated under Section 10 of Part III, fines and penalties  
20 collected by the commission pursuant to Section 9 of Part III,  
21 and a portion of the proceeds of the tax on net gaming revenue  
22 pursuant to Section 7 of Part III shall be deposited in the  
23 fund.

24 "(b) Annually, monies in the fund shall be applied  
25 first to the payment of the reasonable expenses of the  
26 commission. The commission shall report annually in writing to

1 the Legislative Council regarding its operational and  
2 administrative expenses.

3 "(c) Annually, the remainder of the monies in the  
4 fund shall be appropriated by the Legislature in an  
5 independent supplemental appropriation bill.

6 "Part III.

7 "Section 1. Definitions. As used in this amendment,  
8 the following words and phrases shall have the following  
9 respective meanings:

10 "(1) ADDITIONAL SITE. A single site operated by the  
11 Poarch Band of Creek Indians offering casino-style games and  
12 sports wagering located in Jackson or DeKalb County.

13 "(2) ALABAMA EDUCATION LOTTERY. Any large-scale  
14 intrastate, multistate, or multi-sovereign lottery approved by  
15 the commission for operation by the Alabama Education Lottery  
16 Corporation such as Pick-3, Pick-4, Mega Millions, or  
17 Powerball. The term includes instant tickets. The term does  
18 not include a video lottery or video lottery terminal.

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

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

26 "b. Alphanumeric or similar designations are  
27 randomly drawn and announced one by one.



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

5           "d. A player can fail to pay proper attention or to  
6 properly mark his or her card, and thereby miss an opportunity  
7 to be declared winner.

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

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

16           "g. The game of bingo is played with actual physical  
17 cards made of cardboard, paper, or some functionally similar  
18 material that is flat and is preprinted with the grid and the  
19 designations referenced in this subdivision. The game of bingo  
20 may not be played with an electronic, computer, or other  
21 technologic aid.

22           "The term does not include electronic bingo.

23           "This definition of bingo does not apply to any game  
24 operated on land held in trust for the Poarch Band of Creek  
25 Indians and at covered locations.

26           "(4) CASINO-STYLE GAME. Any casino game, activity,  
27 or device approved by the commission that is accessed for play

1 by physical presence at the location site of the game,  
2 activity, or device, including, but not limited to: Slot  
3 machines; a video lottery; video lottery terminals; electronic  
4 representations of pari-mutuel wagering games, including, but  
5 not limited to, historical horse racing machines, historical  
6 sporting event machines, machines of any kind that are based  
7 on historic events, and other technological aids and  
8 electronic facsimiles of these games; banking or banked card  
9 games, including, but not limited to, poker, baccarat, chemin  
10 de fer, and blackjack; all dice games; roulette; all table  
11 games and electronic representations of such games; all  
12 electronic sweepstakes games, terminals, or devices; and any  
13 electronic gaming device used to play these games. The term  
14 does not include the Alabama Education Lottery or pari-mutuel  
15 wagering on simulcast and live racing events.

16 "(5) CHARITABLE BINGO. Bingo, as defined in  
17 subdivision (2), conducted by or for the benefit of a bona  
18 fide religious, educational, youth, service, senior citizens',  
19 fraternal, veterans', or other eleemosynary organization that  
20 operates without profit to its members and that either has  
21 been in existence continuously as such an organization for a  
22 period of three years or is exempt from taxation by virtue of  
23 having been classified as a tax exempt nonprofit organization  
24 by the Internal Revenue Service, United States Government. The  
25 term includes charitable raffles and draw downs. The term does  
26 not include electronic bingo.

1           "(6) COMMISSION. The Alabama Gaming Commission  
2 created by this amendment.

3           "(7) COVERED LOCATION. The Greenetrack location,  
4 Jefferson County location, Mobile County location, VictoryLand  
5 location, and the additional site.

6           "(8) COVERED OPERATOR. The owner of a covered  
7 location or a wholly owned subsidiary entity of the owner of a  
8 covered location.

9           "(9) ELECTRONIC BINGO. Any game referred to as bingo  
10 if played with an electronic, computer, or other technologic  
11 aid.

12           "(10) GREENETRACK LOCATION. The currently existing  
13 location in Greene County, Alabama, which is commonly known as  
14 Greenetrack, and any contiguous land that is later added to  
15 the existing location.

16           "(11) HISTORICAL HORSE RACING. A form of horse  
17 racing that creates pari-mutuel pools from wagers placed on  
18 previously conducted horse races.

19           "(12) INSTANT TICKET. A lottery game in which a  
20 player manipulates a paper ticket to determine if the player  
21 has won.

22           "(13) JEFFERSON COUNTY LOCATION. The currently  
23 existing location in Jefferson County, Alabama, which is  
24 commonly known as the Birmingham Race Course, and any  
25 contiguous land that is later added to the existing location.

26           "(14) MANAGEMENT SERVICES PROVIDER. A party that  
27 holds a license issued by the commission pursuant to Section 5

1 to operate sports wagering in person at a covered location or  
2 through any authorized Internet sports wagering platform on  
3 behalf of a covered operator with a sports wagering operator  
4 license.

5 "(15) MOBILE COUNTY LOCATION. The currently existing  
6 location in Mobile County, which is commonly known as the  
7 Mobile Greyhound Racing facility, and any contiguous land that  
8 is later added to the existing location.

9 "(16) NET GAMING REVENUE. The total amount of money  
10 or value in any form received by a covered operator with  
11 respect to the playing of a casino-style game or electronic  
12 bingo less the total money or value in any form paid as prizes  
13 or winnings as a result of the play, free play or promotional  
14 play.

15 "(17) NET GAMING REVENUE FOR SPORTS WAGERING. The  
16 total amount of money or value in any form received by a  
17 covered operator with respect to sports wagering less the  
18 total money or value in any form paid as prizes or winnings as  
19 a result of the play, free play or promotional play.

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

24 "(19) SPORTING EVENT. Any amateur sport or athletic  
25 event, professional sport or athletic event, any collegiate  
26 sport or athletic event, motor race event, electronic sports  
27 event, competitive video game event, or any other event

1 authorized by the commission under this amendment. The term  
2 does not include any amateur youth sport or athletic event.

3 "(20) SPORTS WAGERING. 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 by any system or method of  
7 wagering approved by the commission including, but not limited  
8 to, in person at a covered location or through an Internet  
9 sports wagering platform, which may include mobile  
10 applications and other digital platforms that use  
11 communications technology to accept wagers. The term may  
12 include single-game bets, teaser bets, parlays, over-under,  
13 moneyline, pools, exchange wagering, in-game wagering, in-play  
14 bets, proposition bets, straight bets, and any other bet  
15 authorized by the commission. The term does not include wagers  
16 on fantasy sports contests authorized under Chapter 19F of  
17 Title 8, Code of Alabama 1975.

18 "(21) VICTORYLAND LOCATION. The currently existing  
19 location in Macon County, Alabama, which is commonly known as  
20 VictoryLand, and any contiguous land that is later added to  
21 the existing location.

22 "(22) VIDEO LOTTERY or VIDEO LOTTERY TERMINAL. Any  
23 electronic interactive game, machine, or device equipped with  
24 a video screen and buttons, keys, a keyboard, touchscreen or  
25 other input method allowing input by an individual player and  
26 into which the player inserts coins, tokens, currency, or  
27 other representation of value, including, but not limited to,

1 an electronic card, ticket, or other thing on which value is  
2 electronically recorded, as consideration in order for play of  
3 a game to be available, and through which, as a result of play  
4 of a game to be available, and through which, as a result of  
5 the play of the game, the player may receive free games,  
6 credits, redeemable for cash or a noncash prize, or some other  
7 thing of value, whether received directly from the device or  
8 otherwise, determined wholly or predominantly by chance. The  
9 term does not include electronic bingo.

10 "Section 2. Limitation on Gaming in Alabama.

11 "(a) Casino-style games may be operated only through  
12 in-person, on-premises play at covered locations and on lands  
13 held in trust by the United States for the benefit of the  
14 Poarch Band of Creek Indians pursuant to a compact negotiated  
15 under Section 10. Casino-style games at covered locations are  
16 subject to regulation by the commission. Casino-style games  
17 and sports wagering conducted on lands held in trust for the  
18 Poarch Band of Creek Indians shall be operated only pursuant  
19 to and regulated in a manner consistent with the terms of a  
20 negotiated compact.

21 "(b) Sports waging may be operated as provided in  
22 Section 5.

23 "(c) Bingo and charitable bingo may be conducted  
24 only pursuant to rules adopted by the commission. Any  
25 definition of bingo in state or local law that varies from the  
26 definition of bingo in subdivision (3) of Section 1 is hereby  
27 superseded by the definition of bingo in subdivision (3) of

1 Section 1, and all previously ratified constitutional  
2 amendments relating to bingo or charitable bingo, including,  
3 but not limited to, Amendments 386, 387, 413, 440, 506, 508,  
4 549, 550, 565, 569, 599, 600, 612, 674, 692, 732, 743, and  
5 744, are repealed.

6 "Section 3. Award of Licenses to Covered Operators.

7 "(a) Each covered operator shall pay the applicable  
8 first license fee installment on a date specified by the  
9 commission and as provided in Section 4 to the Gaming Trust  
10 Fund for the Greenetrack Location, Mobile County Location,  
11 VictoryLand Location, and the Jefferson County Location. Once  
12 paid, the commission shall issue a license to the covered  
13 operator to conduct and operate casino-style games and sports  
14 wagering, as provided in Section 5, at the covered location  
15 for the term specified in Section 4.

16 "(b) The Poarch Band of Creek Indians shall select a  
17 site from a county in which an additional site may be located.  
18 The Poarch Band of Creek Indians shall submit its business  
19 plan relating to its proposed operation at the additional site  
20 for review by the commission. The commission shall review the  
21 plan considering the license fees and terms provided in  
22 Section 4 for the other authorized locations and make a  
23 determination regarding the license fee and license term to be  
24 paid for the operation at the additional site. Upon notice of  
25 this determination, the Poarch Band of Creek Indians shall pay  
26 its first license fee installment as specified by the  
27 commission to the Gaming Trust Fund for the additional site.

1 Once paid, the commission shall issue a license to the Poarch  
2 Band of Creek Indians to open a gaming facility and to conduct  
3 and operate casino-style games and sports wagering as provided  
4 in Section 5, at the additional site for a term as specified  
5 by the commission.

6 "(c) (1) A license awarded pursuant to this section  
7 may be serially renewed by the commission.

8 "(2) The commission shall adopt rules to establish a  
9 competitive process for the award of a license at any covered  
10 location or similar location if a license issued pursuant to  
11 this section is revoked or nonrenewed by the commission or  
12 waived or forfeited by the covered operator.

13 "(d) If another constitutional amendment that  
14 provides for the operation of casino-style games or sports  
15 wagering at a location in the state other than a covered  
16 location or on lands held in trust for the Poarch Band of  
17 Creek Indians is ratified within 10 years of when this  
18 amendment is ratified, the remaining license fees due to be  
19 paid under Section 4 are no longer due and payable by the  
20 applicable covered operator.

21 "(e) Any other form of gambling that is not a game  
22 of chance or otherwise allowed by this amendment may not be  
23 authorized by general law for a period of 10 years from the  
24 date this amendment is ratified.

25 "Section 4. License Fees.

26 "(a) With respect to a charitable bingo operation,  
27 the operator shall pay the commission a nominal license fee



1 established by the commission. At the end of the original  
2 term, the license may be serially renewed for a fee  
3 established by the commission.

4 "(b) With respect to the Greenetrack Location and  
5 Mobile County Location, the covered operator shall pay the  
6 commission a license fee of five million dollars (\$5,000,000),  
7 payable in 10 consecutive annual equal installments of five  
8 hundred thousand dollars (\$500,000) each, for a license term  
9 of 10 years.

10 "(c) With respect to the VictoryLand Location, the  
11 covered operator for the VictoryLand Location shall pay the  
12 commission a license fee of fifty million dollars  
13 (\$50,000,000), payable in 10 consecutive annual equal  
14 installments of five million dollars (\$5,000,000) each, for a  
15 license term of 25 years.

16 "(d) With respect to the Jefferson County Location,  
17 the covered operator shall pay the commission a license fee of  
18 one hundred million dollars (\$100,000,000), payable in 10  
19 consecutive annual equal installments of ten million dollars  
20 (\$10,000,000) each, for a license term of 30 years.

21 "(e) Renewal fees for licenses awarded under this  
22 section and to the Poarch Band of Creek of Indians for  
23 operation at the additional site shall be set by the  
24 commission one year prior to the expiration of the subject  
25 license. The commission shall consider market conditions and  
26 other factors deemed relevant by the commission in its  
27 determination of the renewal fee.

1           "(f) The transfer of a license must be approved by  
2 the Alabama Gaming Commission.

3           "Section 5. Sports Wagering.

4           "(a) The commission shall adopt rules governing the  
5 licensing, administration, and conduct of sports wagering,  
6 which shall include all of the following:

7           "(1) Qualifications and conditions of licenses  
8 issued for the operation of sports wagering either in person  
9 or through any authorized Internet sports wagering platform.

10          "(2) The acceptance of wagers on a sporting event or  
11 a series of sporting events and acceptable forms of payment  
12 and advance deposit methods by patrons.

13          "(3) The method of accounting to be used by sports  
14 wagering operators, including the types of records that shall  
15 be maintained by the operator.

16          "(4) Protections for patrons placing wagers,  
17 including requirements to ensure responsible gaming.

18          "(b) A person may not engage in any activity in  
19 connection with sports wagering in this state unless all  
20 necessary licenses have been obtained in accordance with this  
21 section.

22          "(c) The commission may not grant a license until it  
23 determines that each person who has control of the applicant  
24 meets all qualifications for licensure. For purposes of this  
25 subsection, "control of the applicant" means any owner of 10  
26 percent or more of the applicant, its chief executive officer,

1 and any individual who has ultimate responsibility for the  
2 applicant's operations in this state.

3 "(d) (1) The commission may issue a sports wagering  
4 operator license to a covered operator as provided in this  
5 amendment.

6 "(2) The fee paid by the covered operator under  
7 Sections 3 and 4 shall grant the operator the right to conduct  
8 sports wagering, subject to all other qualifications and  
9 conditions provided by the commission.

10 "(3) A sports wagering operator license authorizes  
11 the operation of sports wagering at a covered location through  
12 up to three, individually branded, Internet sports wagering  
13 platforms operated by management service providers, which may  
14 include websites and associated mobile applications approved  
15 by the commission.

16 "(4) A sports wagering operator licensee may not  
17 enter into any contract with a management services provider  
18 that would permit any person other than the licensee to act as  
19 the sports wagering operator licensee's agent in operating  
20 sports wagering unless the contract with the management  
21 services provider satisfies all of the following:

22 "1. Is with a person licensed as a management  
23 services provider.

24 "2. Is in writing.

25 "3. Has been approved by the commission.

26 "(5) A licensed sports wagering operator shall  
27 submit to the commission such documentation or information as

1 the commission may require demonstrating that the licensee  
2 continues to meet the requirements of the law and rules of the  
3 commission.

4 "(e) (1) The holder of a license to operate sports  
5 wagering may contract with up to three management service  
6 providers to conduct their Internet sports wagering operation  
7 and may contract with up to one management services provider  
8 to conduct sports wagering at its covered location in  
9 accordance with the rules of the commission. Each management  
10 services provider shall obtain a license as a management  
11 services provider prior to the execution of any contract, and  
12 the license shall be issued pursuant to this section and any  
13 rules adopted by the commission.

14 "(2) Each applicant for a management services  
15 provider license shall meet all requirements for licensure and  
16 pay a nonrefundable license and application fee of one hundred  
17 thousand dollars (\$100,000). The commission may adopt rules  
18 establishing additional requirements for a management services  
19 provider. The commission shall accept licensing by another  
20 jurisdiction that has similar licensing requirements, as  
21 evidence the applicant meets management services provider  
22 licensing requirements.

23 "(3) Management services provider licenses shall be  
24 renewed every five years to any licensee who continues to be  
25 in compliance with all requirements and who pays the renewal  
26 fee determined by the commission.

1           "(f) The commission may enter into sports wagering  
2 agreements with other states and jurisdictions to authorize  
3 individuals who are physically located in a signatory  
4 jurisdiction to participate in sports wagering conducted by  
5 one or more operators licensed by the signatory states and  
6 jurisdictions.

7           "Section 6. Compliance with Federal Laws.

8           "The State of Alabama, acting by and through the  
9 adoption of this amendment, and in accordance with Section  
10 1172 of Title 15 of the United States Code, does hereby  
11 declare that any and all casino-style games, bingo equipment,  
12 electronic bingo equipment, and lottery game equipment,  
13 materials, paraphernalia, and supplies may be transported in  
14 interstate commerce into or out of the state, including lands  
15 held in trust for the Poarch Band of Creek Indians, without  
16 violating that section, or any other applicable federal law,  
17 if the equipment, materials, paraphernalia, and supplies are  
18 used, to be used, or have been used in the conduct of the  
19 Alabama Education Lottery, charitable bingo, electronic bingo,  
20 casino-style games, or pari-mutuel games at covered locations  
21 or on lands held in trust for the Poarch Band of Creek  
22 Indians.

23           "Section 7. State Tax on Net Gaming Revenues and Use  
24 of Tax Proceeds.

25           "(a) (1) Within 20 days after the end of each  
26 calendar month, the covered operator shall pay the commission  
27 a tax of 20 percent of the net gaming revenues for the

1 location for the immediately preceding calendar month. The  
2 commission shall timely remit the following percentages of the  
3 proceeds, as follows:

4 "a. 20 percent to the Gaming Trust Fund.

5 "b. 75 percent to the state General Fund.

6 "c. 3 percent to the county commission of the county  
7 in which the covered operator is licensed.

8 "d. 2 percent to the governing body of the  
9 municipality in which the covered operator is licensed. If the  
10 covered operator is not located within the corporate limits of  
11 a municipality, 2 percent of the proceeds shall be remitted to  
12 the county commission of the county in which the covered  
13 operator is licensed.

14 "(2)a. The proceeds distributed to the state General  
15 Fund under paragraph (1)b., shall be appropriated as follows:

16 "1. 65 percent for information technology  
17 infrastructure. The first \$1 billion dollars appropriated  
18 under this subparagraph shall be for the statewide development  
19 and expansion of broadband.

20 "2. 25 percent for the provision of rural health  
21 care services.

22 "3. 10 percent for mental health services.

23 "b. When the amount distributed under subparagraph  
24 a.1. cumulatively reaches \$1 billion for the development and  
25 expansion of broadband, the proceeds distributed to the state  
26 General Fund under paragraph (1)b. shall be distributed as  
27 follows:

1                   "1. 25 percent shall remain in the state General  
2 Fund.

3                   "2. 25 percent shall be appropriated for the  
4 provision of rural health services.

5                   "3. 25 percent shall be appropriated for information  
6 technology infrastructure.

7                   "4. 15 percent shall be appropriated for mental  
8 health services.

9                   "5. 10 percent shall be appropriated for grant  
10 programs awarded to municipalities and counties that do not  
11 have a gaming facility within their corporate limits for  
12 infrastructure improvements.

13                   "(b) Within 20 days after the end of each calendar  
14 month, the covered operator and a management services provider  
15 shall pay the commission a tax of 20 percent of the net gaming  
16 revenues for sports wagering for the location for the  
17 immediately preceding calendar month. The commission shall  
18 timely remit all of the proceeds for deposit as follows:

19                   "(1) First, to be credited toward the repayment of  
20 the Alabama Trust Fund under the People's Trust Act, Section  
21 29-10-1, Code of Alabama 1975.

22                   "(2) Upon the completion of repayment of the Alabama  
23 Trust Fund under the People's Trust Act, to be deposited as  
24 follows:

25                   "a. 75 percent to the state General Fund.

26                   "b. 25 percent to the Alabama Trust Fund.

1           "(c) The tax rates under subsections (a) and (b) and  
2 what qualifies as net gaming revenues under those subsections  
3 may be amended by the Legislature, upon recommendation of the  
4 commission, by general law five years after the ratification  
5 of this amendment and every five years thereafter.

6           "(d) The tax on net gaming revenues shall be in lieu  
7 of all other state or local taxes, license fees, or franchise  
8 fees levied with respect to the conduct of any casino-style  
9 games or the operation of any machines used to conduct  
10 casino-style games. The license fee payable to the state shall  
11 be in lieu of all other state or local license fees or  
12 franchise fees levied with respect to a licensee providing  
13 hotel services, dining, other facilities, or services  
14 ancillary to its gaming activities, if the activities are  
15 conducted in conjunction with this amendment at covered  
16 locations, but such providers of hotel services, dining, other  
17 facilities, or ancillary services must meet the environmental,  
18 fire, health, and safety requirements of other similarly  
19 situated license holders in the county and municipality in  
20 which the facility is located. Notwithstanding the foregoing,  
21 unless the taxes are otherwise abated pursuant to this  
22 amendment, all covered locations are liable for all state and  
23 local property taxes, lodging taxes, and sales and use taxes  
24 on merchandise sold in gift shops or retail stores, food, and  
25 beverages generally applicable at uniform rates to all  
26 similarly situated businesses operating in the county and  
27 municipality in which the covered location is located, and



1 except with respect to those taxes, fees, or expenses  
2 expressly addressed in this amendment, all other state or  
3 local taxes which are generally imposed by the state or a  
4 local taxing entity if the taxes are generally applied at  
5 rates uniformly applied within reasonable classifications  
6 among all businesses operating in the county or municipality,  
7 or both.

8 "Section 8. Creation of the Alabama Gaming  
9 Commission.

10 "(a) There is created the Alabama Gaming Commission.

11 "(b) The commission shall consist of seven members,  
12 appointed as follows:

13 "(1) Four by the Governor.

14 "(2) One by the Speaker of the House of  
15 Representatives.

16 "(3) One by the President Pro Tempore of the Senate.

17 "(4) One by the Attorney General.

18 "(c) All members shall be appointed with the advice  
19 and consent of the Senate. Initial appointments shall be made  
20 within 60 days after ratification of this amendment. The  
21 appointing authorities of the commission shall coordinate  
22 their appointments to assure the commission membership is  
23 inclusive and reflects the racial, gender, geographic,  
24 urban/rural, and economic diversity of the state.

25 "(1) The commission shall be chaired by a member  
26 designated by the Governor.

1           "(2) Members of the commission shall be residents of  
2 the State of Alabama, United States citizens, and prominent  
3 persons in their businesses or professions, and may not be the  
4 executive director of the commission or an employee of the  
5 commission, a member, employee, or vendor of the Alabama  
6 Lottery Corporation, or an officer of a political party or the  
7 occupant of an official position in a political party, an  
8 elected official, or actively engaged in the business of, or  
9 have a pecuniary interest in, a covered location or an  
10 operation owned by the Poarch Band of Creek Indians, or a  
11 supplier of devices used in the play of casino-style games.

12           "(3) The initial term of office shall be four years  
13 for members appointed under subdivision (b) (1), three years  
14 for members appointed under subdivision (b) (2), and two years  
15 for members appointed under subdivisions (b) (3) and (4).  
16 Thereafter, members shall serve a term of four years. Members  
17 may serve two complete terms and any portion of an initial  
18 term of less than four years or any portion of an unexpired  
19 term to which appointed. Any vacancy occurring on the  
20 commission shall be filled for the unexpired term by the  
21 appointing authority as described in this section, or as  
22 otherwise provided by act of the Legislature. Each member of  
23 the commission shall serve for the duration of the member's  
24 term and until the member's successor is duly appointed and  
25 confirmed by the Senate.

26           "(4) The appointing authority may at any time remove  
27 his or her appointee to the commission for cause, which shall

1 include neglect of duty, malfeasance, misfeasance, or  
2 nonfeasance in office.

3 "(5) The commission and its members and employees  
4 shall be subject to the Ethics Law, Section 36-25-1, et seq.,  
5 Code of Alabama 1975; the Alabama Open Records Act; the  
6 Alabama Open Meetings Act; and the Alabama Administrative  
7 Procedure Act, provided, however, that the appeal of any  
8 contested case shall be pursuant to Section 9(b). In this  
9 amendment, references to statutes and the Rules of Civil  
10 Procedure are as to those statutes and rules as they exist at  
11 the time the amendment becomes law and as thereafter amended,  
12 except as explicitly stated otherwise.

13 "(6) The compensation of the members of the  
14 commission shall be provided by general law.

15 "Section 9. Powers and Duties of the Commission.

16 "(a) The commission may adopt rules necessary to  
17 implement this amendment and related legislation. All rules  
18 relative to hearings and licenses shall include due process  
19 for those involved, including for covered operators. The  
20 commission may add to, alter, or delete its rules in  
21 accordance with the Alabama Administrative Procedure Act, and  
22 shall have all of the following powers and duties:

23 "(1) In addition to other enforcement powers granted  
24 by general law, and subject to Rule 45 of the Alabama Rules of  
25 Civil Procedure, for which purpose the commission shall be in  
26 the place of a court, as to matters within the commission's  
27 jurisdiction, the commission may issue subpoenas and compel

1 the production of documents or items and the attendance of  
2 witnesses, to administer oaths, to require testimony under  
3 oath, and to enforce its orders. Any person making a false  
4 oath in any matter before the commission is subject to a  
5 criminal perjury charge.

6 "(2) The commission may appoint impartial hearing  
7 examiners who may administer oaths and receive evidence and  
8 testimony under oath and make recommendations to the  
9 commission.

10 "(3) The commission may demand access to and  
11 inspect, examine, photocopy, and audit all papers, books, and  
12 records respecting net gaming proceeds and any other matters  
13 necessary to carry out its duties.

14 "(4) The commission may impose reasonable civil  
15 fines and penalties on any individual or entity for violations  
16 of this amendment, violations of general law enacted pursuant  
17 to this amendment, or violations of rules adopted by the  
18 commission.

19 "(5) The commission shall regulate the Alabama  
20 Education Lottery Corporation in the operation and conduct of  
21 the Alabama Education Lottery as provided in Section 2 of Part  
22 II.

23 "(6) The commission shall regulate and supervise the  
24 conduct and operation of casino-style games at covered  
25 locations and charitable bingo. The commission shall also  
26 regulate sports wagering as provided in Section 5. The  
27 commission shall also issue, modify, transfer, renew, suspend,

1 or revoke licenses subject to and in accordance to any rules  
2 adopted by the commission.

3 "(7) The commission shall approve all casino-style  
4 games and Alabama Education Lottery games.

5 "(8) The commission shall enact rules and procedures  
6 to address the failure of an operator to timely remit  
7 applicable state tax on net gaming revenues and license fees.  
8 The rules shall clearly state the actions that can be taken  
9 against the operator and the operator's license, including,  
10 but not limited to, suspension or revocation of the license.

11 "(9) The commission shall cooperate with the  
12 Attorney General and the local district attorneys in enforcing  
13 all laws related to legal gaming and illegal gaming. Nothing  
14 in this amendment shall be construed to diminish the supreme  
15 executive power of the Governor or the power of either the  
16 Governor or the Attorney General with respect to litigation  
17 affecting the state.

18 "(b) A person aggrieved by a final decision of the  
19 commission may appeal to an appellate court of statewide  
20 jurisdiction in compliance with rules adopted by the Alabama  
21 Supreme Court.

22 "(c) In addition to the powers granted in this  
23 section, additional powers of the commission with respect to  
24 regulation and supervision of covered locations and charitable  
25 bingo shall be enumerated in one or more general laws enacted  
26 by the Legislature and supplemental to this amendment to  
27 further its purposes and provide for its implementation.

1           "(d) The number of casino-style games in operation  
2 at a covered location may not be restricted.

3           "(e) A person under the age of 21 years may not play  
4 any casino-style game, be employed to operate any casino-style  
5 game, facilitate the playing of any casino-style game, or  
6 serve any persons playing any casino-style game. This  
7 subsection does not prohibit persons under the age of 21 years  
8 from being allowed on the premises of a facility where  
9 casino-style games are being played in areas of the facility  
10 in which casino-style games are not being conducted. However,  
11 persons 18 years of age or older may be employed at covered  
12 locations in non-gaming and non-alcohol-serving positions.

13           "(f) The commission may coordinate with local  
14 communities and covered locations to develop educational  
15 programs and other social programs to enhance public awareness  
16 of gaming-related issues.

17           "(g) The existing local racing commissions at each  
18 of the covered locations shall not interfere with the issuance  
19 of licenses hereunder or operation of casino-style games at  
20 the covered locations. The existing local racing commission at  
21 each covered location shall continue to have jurisdiction over  
22 pari-mutuel wagering and racing at such covered location, but  
23 the regulatory and supervisory power of each local racing  
24 commission over pari-mutuel wagering and racing at the covered  
25 location shall be subordinate to the regulatory and  
26 supervisory power of the commission, with any enforcement  
27 action of the commission to control and prevail.

1           "Section 10. Compact with the Poarch Band of Creek  
2 Indians.

3           "(a) The Governor, or the Governor's designee, is  
4 hereby authorized to negotiate in good faith and conclude a  
5 compact for the operation and regulation of casino-style games  
6 and sports wagering with the Poarch Band of Creek Indians on  
7 lands held in trust by the United States for the benefit of  
8 the Poarch Band of Creek Indians.

9           "(b) Following execution of a compact, the Governor,  
10 or the Governor's designee, shall file the executed compact  
11 with the Secretary of State and the commission. The Secretary  
12 of State shall forthwith forward an executed copy of the  
13 compact to the Secretary of the Interior for that person's  
14 review and approval in accordance with 25 U.S.C. § 2710  
15 (d) (8).

16           "(c) In return for the consideration established in  
17 the compact, the Poarch Band of Creek Indians may conduct and  
18 operate casino-style games on those lands held in trust by the  
19 United States for the benefit of the Poarch Band of Creek  
20 Indians for a term as negotiated.

21           "(d) In addition to any and all other powers of the  
22 office which may exist now or hereafter, the Governor, or the  
23 Governor's designee, may negotiate, execute, and deliver any  
24 and all documents on behalf of the state, and enter into any  
25 agreement or compact, or both, on behalf of the state, with  
26 the Poarch Band of Creek Indians. If negotiated in good faith  
27 by the state, any consideration received or to be received by

1 the state pursuant to this amendment, whether monetary or  
2 otherwise, shall be adequate and no action shall be had for  
3 private inurement or other unlawful waste, use, or  
4 misappropriation of public funds.

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

13 "(f) Disputes between the state and the Poarch Band  
14 of Creek Indians relating to compliance with compact  
15 provisions may also be resolved through arbitration procedures  
16 as set forth in the compact.

17 Section 11. Prohibited Campaign Contributions.

18 A covered operator or any officer, director, or  
19 owner of the facility operated by the covered operator, may  
20 not make a contribution to a principal campaign committee of,  
21 or a political action committee seeking to endorse or defeat a  
22 candidate for state legislative office, Governor, Lieutenant  
23 Governor, or Attorney General.

24 "Section 12. Criminal laws related to Gambling.

25 "In order to further the regulation of gaming as  
26 imposed by this amendment, the Legislature shall amend Article  
27 2 of Chapter 12 of Title 13A of the Code of Alabama 1975,



1 specifically, Sections 13A-12-22 through 13A-12-25 and  
2 13A-12-27, in order to provide felony penalties for the crimes  
3 specified in those sections.

4 "Section 13. Special Session.

5 "For the exclusive purpose of enacting general laws  
6 to implement this amendment, the Governor shall call the  
7 Legislature into a special session. If the Governor does not  
8 call the Legislature into a special session, the Legislature  
9 shall convene in special session beginning on the fourth  
10 Tuesday after the ratification of this amendment. This section  
11 does not apply if the Legislature enacts general laws to  
12 implement this amendment contingent upon, and prior to, the  
13 ratification of this amendment.

14 "Section 14. Conflicting Provisions.

15 "The operation of this amendment is not subject to,  
16 or prohibited, limited, or impaired by, any constitutional  
17 provision, statute, regulation, court decision, ordinance,  
18 resolution, or other law that is inconsistent with this  
19 amendment. Specifically, this amendment, and its implementing  
20 legislation, does not violate the ban on irrevocable or  
21 exclusive grants of special privileges or immunities in  
22 Section 22, and the licenses authorized pursuant to this  
23 amendment do not violate the prohibition on grants or  
24 franchises, privileges, or immunities in Section 22."

25 Section 2. At the November 2022 general election,  
26 the election upon the proposed amendment shall be held in  
27 accordance with Sections 284 and 285 of the Constitution of

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

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

9 "Proposing an amendment to the Constitution of  
10 Alabama of 1901, to authorize the Alabama Education Lottery;  
11 to authorize, limit, and regulate casino-style games at  
12 Greenetrack in Greene county, at the Birmingham Race Course in  
13 Jefferson County, the Mobile Greyhound Racing Facility in  
14 Mobile County, at VictoryLand in Macon County, and a site in  
15 DeKalb or Jackson County to be operated by the Poarch Band of  
16 Creek Indians; to impose license fees and a tax of 20 percent  
17 of the gaming revenues on those operations; to create the  
18 Alabama Education Lottery Corporation to operate the lottery  
19 and the Alabama Gaming Commission to supervise and regulate  
20 bingo, charitable bingo, and casino-style games authorized by  
21 the amendment; to authorize sports wagering and to allow the  
22 commission to adopt rules governing the licensing,  
23 administration, and conduct of sports wagering; and to  
24 authorize the Governor to negotiate a compact with the Poarch  
25 Band of Creek Indians.

26 "Proposed by Act \_\_\_\_\_."

1                    This description shall be followed by the following  
2       language:  
3                    "Yes ( ) No ( )."