

1 HB405
2 217484-1
3 By Representative Rogers
4 RFD: Jefferson County Legislation
5 First Read: 24-FEB-22

A BILL
TO BE ENTITLED
AN ACT

Relating to Jefferson County; to permit wagering on the results of certain professional or collegiate sports or athletic events and other events authorized as sports wagering activities; to create the Jefferson County Sports Wagering Commission; to provide rulemaking authority to the commission; to allow the commission to issue licenses relating to sports wagering; to establish license requirements and prohibitions; to authorize licensing fees; to define the duties of an operator conducting sports wagering; to require the posting of betting limits; to authorize sports wagering agreements with other governments; to create the Jefferson County Sports Wagering Fund; to authorize the collection of license fees; to authorize the commission to collect an administrative allowance from gross sports wagering receipts; to authorize the commission to levy and collect a tax in the amount of 10

1 percent of adjusted gross sports wagering receipts; to provide
2 for the distribution of monies deposited in the Jefferson
3 County Sports Wagering Fund; to authorize certain agreements
4 between the commission and law enforcement agencies; to impose
5 civil penalties for certain violations; and to provide for the
6 forfeiture of property for certain violations.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. This act shall be known and may be cited
9 as the Jefferson County Sports Wagering Act.

10 Section 2. As used in this act, the following words
11 shall have the following meanings:

12 (1) ADJUSTED GROSS RECEIPTS. The gross receipts of a
13 licensee of the commission to operate sports wagering in
14 Jefferson County at a licensed gaming facility, less winnings
15 paid to wagerers in the games.

16 (2) COLLEGIATE SPORT OR ATHLETIC EVENT. A sport or
17 athletic event offered or sponsored by, or played in
18 connection with, a public or private institution that offers
19 educational services beyond the secondary level.

20 (3) COMMISSION. The Jefferson County Sports Wagering
21 Commission.

22 (4) GAMING EQUIPMENT or SPORTS WAGERING EQUIPMENT. A
23 mechanical, electronic, or other device, mechanism, or
24 equipment, and related supplies used or consumed in the
25 operation of sports wagering at a gaming facility, including,
26 but not limited to, a kiosk installed to accept sports wagers.

1 (5) GAMING FACILITY. A designated area on the
2 premises of a facility licensed to accept sports wagering.

3 (6) GROSS SPORTS WAGERING RECEIPTS. The total gross
4 receipts received by a gaming facility from sports wagering.

5 (7) LICENSE. Any license applied for or issued by
6 the commission under this act, including, but not limited to
7 any of the following:

8 a. Management services provider license. A license
9 granted to an individual to provide management services under
10 a contract to a gaming facility to operate sports wagering.

11 b. Occupational license. A license granted to an
12 individual to be employed at a gaming facility to operate
13 sports wagering in a designated gaming area that has sports
14 wagering or perform duties in furtherance of or associated
15 with the operation of sports wagering at the gaming facility.

16 c. Operator license. A license to operate sports
17 wagering at a gaming facility.

18 d. Supplier license. A license to supply a gaming
19 facility with sports wagering equipment or services necessary
20 for the operation of sports wagering.

21 (8) NATIONAL CRIMINAL HISTORY BACKGROUND CHECK
22 SYSTEM. The criminal history record system maintained by the
23 Federal Bureau of Investigation, based on fingerprint
24 identification, or any other method of positive
25 identification.

26 (9) OPERATOR. A gaming facility that is licensed to
27 operate sports wagering activities.

1 (10) PROFESSIONAL SPORT OR ATHLETIC EVENT. An event
2 during which two or more individuals participate in a sports
3 event and receive compensation in excess of actual expenses
4 for their participation in the event.

5 (11) SPORTS EVENT or SPORTING EVENT. Any
6 professional sports or athletic event, any collegiate sports
7 or athletic event, any motor race event, or any other special
8 event authorized by the commission under this act.

9 (12) SPORTS POOL. The business of accepting wagers
10 on any sports event by any system or method of wagering.

11 (13) SPORTS WAGERING. The business of accepting
12 wagers on sporting events and other events, the individual
13 performance statistics of athletes in a sporting event or
14 other events, or a combination of any of the same by any
15 system or method of wagering approved by the commission,
16 including, but not limited to, mobile applications and other
17 digital platforms that utilize communications technology to
18 accept wagers originating within Jefferson County. The term
19 includes, but is not limited to, exchange wagering, parlays,
20 over-under, moneyline, pools, and straight bets. The term does
21 not include any of the following:

22 a. Pari-mutuel betting on the outcome of horse or
23 dog races.

24 b. Lottery games.

25 c. Racetrack video lottery.

26 d. Limited video lottery.

27 e. Racetrack table games.

1 f. Video lottery and table games.

2 g. Daily Fantasy Sports.

3 (14) SPORTS WAGERING ACCOUNT. A financial record
4 established by a licensed gaming facility for an individual
5 patron in which the patron may deposit and withdraw funds for
6 wagering and other authorized purchases, and to which the
7 gaming facility may credit winnings or other amounts due to
8 that patron or authorized by that patron.

9 (15) SPORTS WAGERING AGREEMENT. A written agreement
10 between the commission and one or more other governments,
11 whereby individuals who are physically located in a signatory
12 jurisdiction may participate in sports wagering, conducted by
13 one or more operators licensed by the signatory governments.

14 (16) SPORTS WAGERING FUND. The Jefferson County
15 Sports Wagering Fund.

16 (17) SPORTS WAGERING LICENSE. Authorization granted
17 under this act by the commission to a gaming facility to
18 permit the gaming facility to operate sports wagering in one
19 or more designated areas or in one or more buildings owned by
20 the gaming facility on the grounds where the facility is
21 located, or through any other authorized platform developed by
22 the gaming facility.

23 (18) SUPPLIER. An individual who requires a supplier
24 license to provide an operator with goods or services to be
25 used in connection with the operation of sports wagering.

26 (19) TAX. The levy on the adjusted gross sports
27 wagering receipts from the operation of sports wagering.

1 (20) WAGER. A sum of money or thing of value risked
2 on an uncertain occurrence.

3 Section 3. (a) There is created the Jefferson County
4 Sports Wagering Commission which shall regulate and supervise
5 the operation and conduct of sports wagering in Jefferson
6 County, and implement, regulate, administer, and supervise all
7 laws and rules related to the operation and conduct of sports
8 wagering in the county.

9 (b) (1) The commission shall consist of all of the
10 following:

11 a. Two members appointed by the Jefferson County
12 Commission.

13 b. Two members appointed by the Jefferson County
14 House of Representatives Delegation whose districts lie
15 entirely within Jefferson County.

16 c. Two members appointed by the Jefferson County
17 Senate Delegation whose districts lie entirely within
18 Jefferson County.

19 d. One member appointed by the members of the
20 Jefferson County Delegation whose districts are not entirely
21 within Jefferson County.

22 (2) The appointment of the initial members of the
23 commission shall be made within 60 days of the ratification of
24 the proposed constitutional amendment in House Bill ___ of the
25 2022 Regular Session. The appointing authorities shall
26 coordinate their appointments to assure the commission
27 membership is inclusive and reflects the racial, gender,

1 geographic, urban, rural, and economic diversity of the
2 county.

3 (3) Each member of the commission shall be a
4 resident of Jefferson County and the State of Alabama, a
5 United States citizen, a prominent person in his or her
6 business or profession, not have been convicted of a felony,
7 and not have been employed by the gaming industry for a period
8 of at least five years prior to his or her appointment or
9 following his or her service. An elected state or local
10 official may not be a member of the commission.

11 (4) Initial members shall serve for an initial term
12 as follows: Two members shall serve for an initial term of two
13 years; two members shall serve for an initial term of three
14 years; and three members shall serve for an initial term of
15 four years. Thereafter, each member shall serve for terms of
16 five years, but no more than two full terms. Any vacancy
17 occurring on the commission shall be filled for the unexpired
18 term by the original appointing authority. Each member of the
19 commission shall serve for the duration of his or her term and
20 until his or her successor is appointed and qualified;
21 however, if a successor is not appointed within 120 days after
22 the expiration of the term of a member, a vacancy shall be
23 deemed to exist.

24 (c) A licensee or an applicant for a license may not
25 make a campaign contribution to any public official authorized
26 to make an appointment to the commission.

1 (d) The commission shall adopt rules pursuant to the
2 Administrative Procedure Act providing for all of the
3 following:

4 (1) Establishing standards and procedures for sports
5 wagering, which shall provide for the conduct and
6 implementation of sports wagering within licensed facilities,
7 including any new sports wagering or variations or composites
8 of approved sports wagering, if the commission determines that
9 the new sports wagering or any variations or composites or
10 other approved sports wagering is suitable for use after a
11 test or experimental period under terms and conditions the
12 commission may deem appropriate.

13 (2) Establishing standards and rules to govern the
14 conduct of sports wagering and the system of wagering,
15 including the manner in which wagers are received; payouts are
16 remitted; and point spreads, lines, and odds are determined.
17 The commission may also establish standards and rules to
18 govern the conduct of sports wagering and the system of
19 wagering as a form of interactive gaming authorized by the
20 state.

21 (3) Establishing the method for calculating gross
22 sports wagering revenue and standards for the daily counting
23 and recording of cash and cash equivalents received in the
24 conduct of sports wagering, including ensuring that internal
25 controls are followed and how financial books and records are
26 maintained and audits are conducted. The commission shall

1 consult with the Alabama Department of Revenue in adopting
2 rules under this subdivision.

3 (4) Establishing notice requirements pertaining to
4 minimum and maximum wagers on sports wagering.

5 (5) Establishing compulsive and problem gambling
6 standards pertaining to sports wagering consistent with this
7 act.

8 (6) Establishing standards prohibiting persons under
9 21 years of age from participating in sports wagering.

10 (7) Requiring each licensee, as appropriate, to do
11 all of the following:

12 a. Provide written information about sports wagering
13 rules, payouts, winning wagers, and other information as the
14 commission may require.

15 b. Designate one or more locations within the
16 licensed facility of the license holder to conduct sports
17 wagering.

18 c. Ensure that no person under 21 years of age
19 participates in sports wagering.

20 Section 4. (a) In addition to the duties set forth
21 in Section 3, the commission may regulate sports pools and the
22 conduct of sports wagering under this act.

23 (b) The commission shall examine the rules
24 implemented in other states where sports wagering is conducted
25 and, as far as practicable, shall adopt a similar regulatory
26 framework by rule.

1 (c) (1) The commission may adopt any rules necessary
2 for the successful implementation, administration, and
3 enforcement of this act, including, but not limited to, any of
4 the following:

5 a. The acceptance of wagers on a sports event or a
6 series of sports events.

7 b. Maximum wagers which may be accepted by an
8 operator from any one patron on any one sports event.

9 c. The type of wagering tickets which may be used.

10 d. The method of issuing tickets and the method of
11 accounting to be used by operators.

12 e. The type of records which shall be kept and the
13 use of credit and checks by patrons.

14 f. The type of system for wagering and protections
15 for patrons placing wagers.

16 g. The promotion of social responsibility,
17 responsible gaming, and inclusion of the statement, "If you or
18 someone you know has a gambling problem and wants help, call
19 1-800 GAMBLER," in every designated area approved for sports
20 wagering and on any mobile application or other digital
21 platform used to place wagers.

22 (2) The commission shall also establish and approve
23 minimum internal control standards proposed by licensed
24 operators for the administration of sports wagering
25 operations, wagering equipment, and systems, or other items
26 used to conduct sports wagering, as well as maintenance of
27 financial records and other required records.

1 (d) The commission shall determine the eligibility
2 of an individual to hold or continue to hold a license, shall
3 issue all licenses, and shall maintain a record of all
4 licenses issued pursuant to this act.

5 (e) The commission shall levy and collect all fees,
6 surcharges, civil penalties, and taxes on adjusted gross
7 sports wagering receipts imposed by this act, and deposit all
8 monies into the Jefferson County Sports Wagering Fund, except
9 as otherwise provided in this act.

10 (f) The commission may sue to enforce any provision
11 of this act or any rule adopted by the commission by civil
12 action or petition for injunctive relief.

13 (g) The commission may hold hearings, administer
14 oaths, and issue subpoenas.

15 (h) The commission may exercise any powers necessary
16 to effectuate this act and any rules adopted by the
17 commission.

18 Section 5. (a) An individual or entity may not
19 engage in any activity in connection with sports wagering in
20 this state unless all necessary licenses have been obtained in
21 accordance with this act and rules adopted by the commission.
22 The four types of licenses which may be issued pursuant to
23 this act are operator, supplier, management services provider,
24 and occupational.

25 (b) The commission may not grant a license until the
26 commission determines that the applicant, and each individual
27 who has control of the applicant, meets all qualifications for

1 licensure. The following individuals are considered to have
2 control of an applicant:

3 (1) Each individual associated with a corporate
4 applicant, including any corporate holding company, parent
5 company, or subsidiary company of the applicant who has the
6 ability to control the activities of the corporate applicant
7 or elect a majority of the board of directors of that
8 corporation, excluding any bank or other licensed lending
9 institution which holds a mortgage or other lien acquired in
10 the ordinary course of business.

11 (2) Each individual associated with a noncorporate
12 applicant who directly or indirectly holds a beneficial or
13 proprietary interest, or who the commission otherwise
14 determines has the ability to control the applicant.

15 (3) Key personnel of an applicant, including any
16 executive, employee, or agent having the power to exercise
17 significant influence over decisions concerning any part of
18 the applicant's business operation.

19 (c) Each applicant for a license issued under this
20 act shall submit an application to the commission in the form
21 the commission requires and submit fingerprints for a state
22 and national criminal history records check from the Alabama
23 State Law Enforcement Agency or the Federal Bureau of
24 Investigation. The fingerprints shall be furnished by all
25 individuals required to be named in the application and shall
26 be accompanied by a signed authorization for the release of
27 information by the Alabama State Law Enforcement Agency and

1 the Federal Bureau of Investigation. The commission may
2 require additional background checks on licensees when they
3 apply for annual license renewal, and an applicant convicted
4 of a disqualifying offense shall not be licensed.

5 (d) Each operator, licensed supplier, or licensed
6 management services provider shall display the license
7 conspicuously in his or her place of business or have the
8 license available for inspection by any agent of the
9 commission or any law enforcement agency.

10 (e) Each holder of an occupational license shall
11 carry the license on his or her person and have some indicia
12 of licensure prominently displayed in a licensed gaming
13 facility at all times in accordance with the rules of the
14 commission.

15 (f) Each person licensed under this act shall give
16 written notice to the commission within 30 days of a change to
17 any information provided in the licensee's application for a
18 license or renewal.

19 (g) No commission employee may be an applicant for
20 any license issued under this act.

21 Section 6. (a) The commission may issue up to seven
22 sports wagering licenses on payment of a one hundred thousand
23 dollar (\$100,000) application fee to an operator that provides
24 for the right to conduct sports wagering and who otherwise
25 meets the requirements for licensure under this act and rules
26 adopted by the commission. The license shall be issued for a
27 five-year period and may be renewed for five-year periods upon

1 payment of a one hundred thousand dollar (\$100,000) renewal
2 fee so long as an operator continues to meet all qualification
3 requirements.

4 (b) A sports wagering license authorizes the
5 operation of sports wagering at locations and through any
6 mobile application or other digital platform approved by the
7 commission.

8 (c) (1) An operator may not enter into any
9 management services contract that would permit any person
10 other than the licensee to act as an agent of the commission
11 in operating sports wagering, unless the management services
12 contract meets the following requirements:

13 a. Is with a person licensed under this act to
14 provide management services.

15 b. Is in writing.

16 c. Has been approved by the commission.

17 (2) After a management services contract has been
18 approved by the commission, any material change to the
19 contract must be submitted to the commission for its approval
20 or rejection before the material change takes effect.

21 (3) The duties and responsibilities of a management
22 services provider under a management services contract may not
23 be assigned, delegated, subcontracted, or transferred to a
24 third party without the prior approval of the commission, and
25 all third parties shall be licensed as a management services
26 provider under this act before providing such services.

1 (d) (1) An operator shall submit to the commission
2 any documentation or information the commission may require to
3 demonstrate, to the satisfaction of the commission, that the
4 operator continues to meet the requirements of this act and
5 rules adopted by the commission. The required documentation or
6 information shall be submitted no later than five years after
7 issuance of an operator license and every five years
8 thereafter, or within lesser periods, based on circumstances
9 specified by the commission.

10 (2) If the operator fails to apply to renew its
11 license prior to expiration, the commission shall renew the
12 license if the operator was operating in compliance with the
13 applicable requirements in the preceding license year.

14 (e) An operator shall execute a surety bond in an
15 amount and in the form approved by the commission, to be given
16 to the county, to guarantee the operator faithfully makes all
17 payments in accordance with this act and rules adopted by the
18 commission.

19 (f) Upon application for a license, under Section 5
20 and annually thereafter, an operator shall submit to the
21 commission an annual audit of the financial transactions and
22 condition of the total operations of the licensee, prepared by
23 a certified public accountant, in accordance with generally
24 accepted accounting principles and applicable federal and
25 state laws.

26 (g) Each operator shall provide suitable office
27 space at the sports wagering facility, at no cost, for the

1 commission to perform the duties required by this act and the
2 rules adopted by the commission.

3 (h) Each operator shall demonstrate that its gaming
4 facility meets all of the following requirements:

5 (1) Is accessible to disabled individuals in
6 accordance with applicable federal and state laws.

7 (2) Is licensed in accordance with this act and all
8 other applicable federal, state, and local laws.

9 (3) Meets the qualifications specified in rules
10 adopted by the commission.

11 (i) Notwithstanding any provision of law or rules
12 adopted by the Alcoholic Beverage Control Board, vacation of
13 the premises after service of beverages ceases is not required
14 for any licensed gaming facility.

15 Section 7. (a) An operator may contract with an
16 entity to conduct operations in accordance with rules adopted
17 by the commission. The entity shall obtain a license as a
18 management services provider prior to the execution of the
19 contract and the license shall be issued pursuant to this act
20 and rules adopted by the commission.

21 (b) Each applicant for a management services
22 provider license shall meet all requirements for licensure and
23 shall pay a nonrefundable application fee of one thousand
24 dollars (\$1,000). The commission may adopt rules establishing
25 additional requirements for an authorized management services
26 provider. The commission may accept licensing by another
27 jurisdiction if the other jurisdiction has similar licensing

1 requirements, as evidence the applicant meets authorized
2 management services provider licensing requirements.

3 (c) Each management services provider license shall
4 be renewed annually by a licensee who continues to be in
5 compliance with all requirements and who pays the annual
6 renewal fee of one thousand dollars (\$1,000).

7 (d) An entity or individual who shares in revenue,
8 including any affiliate operating under a revenue share
9 agreement, shall be licensed under this section.

10 Section 8. (a) (1) The commission may issue a
11 supplier license to a person to sell or lease sports wagering
12 equipment, systems, or other gaming items necessary to conduct
13 sports wagering, and offer services related to the equipment
14 or other gaming items to an operator while the license is
15 active. The commission may establish the conditions under
16 which the commission may issue provisional licenses, pending
17 completion of final action on an application.

18 (2) The commission may adopt rules establishing
19 additional requirements for a sports wagering supplier and a
20 system or other equipment utilized for wagering. The
21 commission may accept licensing by another jurisdiction if the
22 other jurisdiction has similar licensing requirements and the
23 applicant meets sports wagering supplier licensing
24 requirements.

25 (b) An applicant for a supplier license shall
26 demonstrate that the equipment, system, or services that the
27 applicant plans to offer to the operator conforms to standards

1 established by the commission and applicable state law. The
2 commission may accept approval by another jurisdiction if the
3 jurisdiction has similar equipment standards and the applicant
4 meets the standards established by the commission and
5 applicable state law.

6 (c) Each applicant shall pay to the commission a
7 nonrefundable license fee and an application fee in the amount
8 of one thousand dollars (\$1,000). After the initial one-year
9 term, the commission shall renew supplier licenses annually.
10 Renewal of a supplier license will be granted to any renewal
11 applicant who has continued to comply with all applicable
12 statutory and regulatory requirements upon submission of the
13 commission issued renewal form and payment of a one thousand
14 dollar (\$1,000) renewal fee.

15 (d) A licensed sports wagering supplier shall submit
16 to the commission a list of all sports wagering equipment and
17 services sold, delivered to, or offered to an operator in the
18 county, as required by the commission, all of which shall be
19 tested and approved by an independent testing laboratory
20 approved by the commission. An operator may continue to use
21 supplies acquired from a licensed sports wagering supplier,
22 even if the license of the supplier has expired or is
23 otherwise canceled, unless the commission finds a defect in
24 the supplies.

25 Section 9. (a) Each person employed to be engaged
26 directly in wagering-related activities, or otherwise
27 conducting or operating sports wagering, shall be licensed by

1 the commission and maintain a valid occupational license at
2 all times. The commission shall issue the license to a person
3 who meets the requirements of this section.

4 (b) An occupational license shall permit the
5 licensee to be employed in the capacity designated by the
6 commission while the license is still active. The commission,
7 by rule, may adopt job classifications with different
8 requirements to recognize the extent to which a particular job
9 has the ability to impact the proper operation of sports
10 wagering.

11 (c) Each applicant shall submit any required
12 application forms established by the commission and pay a
13 nonrefundable application fee of one hundred dollars (\$100).
14 The fee may be paid on behalf of an applicant by the employer
15 of the applicant.

16 (d) Each person with an occupational license shall
17 pay to the commission an annual license fee of one hundred
18 dollars (\$100) by October 31 of each year. The fee may be paid
19 by the employer. In addition to a renewal fee, each licensed
20 employee shall annually submit a renewal application on a form
21 required by the commission.

22 Section 10. (a) The commission may not grant any
23 license if evidence satisfactory to the commission exists that
24 the applicant:

25 (1) Has knowingly made a false statement of a
26 material fact to the commission.

1 (2) Has been suspended from operating a gambling
2 game, gaming device, or gaming operation, or had a license
3 revoked by any governmental authority responsible for the
4 regulation of gaming activities.

5 (3) Has been convicted of a crime of moral
6 turpitude, a gambling-related offense, a theft or fraud
7 offense, or has otherwise demonstrated, either by a law
8 enforcement record or other satisfactory evidence, a lack of
9 respect for law and order.

10 (4) Is a company or individual who has been directly
11 employed by any illegal or offshore book that serviced the
12 United States, or otherwise accepted black market wagers from
13 individuals located in the United States.

14 (b) The commission may deny a license to an
15 applicant, reprimand a licensee, or suspend or revoke a
16 license under any of the following circumstances:

17 (1) If the applicant or licensee has not
18 demonstrated to the satisfaction of the commission financial
19 responsibility sufficient to adequately meet the requirements
20 of the proposed enterprise.

21 (2) If the applicant or licensee is not the true
22 owner of the business or is not the sole owner, and has not
23 disclosed the existence or identity of other persons who have
24 an ownership interest in the business.

25 (3) If the applicant or licensee is a corporation
26 that sells more than five percent of the voting stock of the
27 licensee, or more than five percent of the voting stock of a

1 corporation which controls the licensee, or sells the assets
2 of a licensee, other than those bought and sold in the
3 ordinary course of business, or any interest in the assets, to
4 any person not already determined by the commission to have
5 met the qualifications of a licensee under this act.

6 (c) The commission may deny a sports wagering
7 license to an applicant, reprimand a licensee, or suspend or
8 revoke a license if an applicant has not met the requirements
9 of this act.

10 Section 11. (a) Each operator shall adopt
11 comprehensive house rules governing sports wagering
12 transactions with its patrons. The comprehensive rules shall
13 be published as part of the minimum internal control
14 standards. The rules shall specify the amounts to be paid on
15 winning wagers and the effect of schedule changes. House rules
16 shall be approved by the commission prior to implementation.

17 (b) The house rules, together with other information
18 the commission deems appropriate, shall be conspicuously
19 displayed and included in the terms and conditions of the
20 sports wagering system, and copies of the rules shall be made
21 readily available to patrons.

22 (c) The commission shall design a logo and require
23 the display of the logo on game surfaces, other gaming items,
24 and other locations the commission considers appropriate.

25 Section 12. Each operator shall do all of the
26 following:

1 (1) Employ a monitoring system utilizing software to
2 identify irregularities in volume or odds swings, which could
3 signal suspicious activities that require further
4 investigation, which shall be immediately reported to and
5 investigated by the commission. The system requirements and
6 specifications shall be developed according to industry
7 standards and implemented by the commission as part of the
8 minimum internal control standards.

9 (2) Promptly report to the commission any facts or
10 circumstances related to the operation of an operator which
11 constitute a violation of state or federal law and immediately
12 report any suspicious betting over a threshold set by the
13 operator, that has been approved by the commission, to the
14 appropriate state or federal authorities.

15 (3) Conduct all sports wagering activities and
16 functions in a manner which does not pose a threat to the
17 health, safety, or welfare of the residents of this state and
18 does not adversely affect the security or integrity of sports
19 wagering in this state.

20 (4) Hold the commission and the county harmless
21 from, and defend and pay for the defense of, all claims
22 asserted against a licensee, the commission, the county, or
23 employees of any of them, arising from the actions or
24 omissions of the licensee while acting as an agent of the
25 commission.

26 (5) Assist the commission in maximizing sports
27 wagering revenues.

1 (6) Keep current in all payments and obligations to
2 the commission.

3 (7) Prevent any person from tampering with or
4 interfering with the operation of any sports wagering.

5 (8) Ensure that sports wagering conducted at a
6 gaming facility is within the sight and control of designated
7 employees of the operator and such wagering at the facility or
8 otherwise available by the operator is conducted under
9 continuous observation by security equipment in conformity
10 with specifications and requirements of the commission.

11 (9) Ensure that sports wagering occurs only in the
12 specific locations within designated gaming areas, approved by
13 the commission, or uses a commission-approved device, mobile
14 application, or digital platform that utilizes communications
15 technology to accept wagers originating within this state.
16 Sports wagering shall only be relocated or offered in
17 additional authorized manners in accordance with the rules of
18 the commission.

19 (10) Maintain sufficient cash and other supplies to
20 conduct sports wagering at all times.

21 (11) Maintain daily records showing the gross sports
22 wagering receipts and adjusted gross sports wagering receipts
23 of the licensee from sports wagering and timely filing with
24 the commission of any additional reports required by rule or
25 otherwise by this act.

26 Section 13. Each operator shall conspicuously post a
27 sign at each sports wagering location indicating the minimum

1 and maximum wagers permitted at that location and shall comply
2 with those limits.

3 Section 14. (a) The commission may enter into sports
4 wagering agreements with other state or local governing bodies
5 where a person who is physically located in the signatory
6 jurisdiction may participate in sports wagering conducted by
7 one or more operators licensed by the signatory governing
8 bodies and take all necessary actions to ensure that any
9 sports wagering agreement entered into becomes effective.

10 (b) Rules adopted by the commission to implement
11 this section may include the following:

12 (1) The form, length, and terms of an agreement
13 entered into by the commission and another governing body,
14 including, but not limited to, provisions relating to how:

15 a. Taxes are to be treated by this state and the
16 other governing body.

17 b. Revenues are to be shared and distributed.

18 c. Disputes with patrons are to be resolved.

19 (2) The information required to be furnished to the
20 commission by a governing body that proposes to enter into an
21 agreement with the commission pursuant to this section.

22 (3) The information required to be furnished to the
23 commission to enable the commission to carry out the purposes
24 of this section.

25 (4) The manner and procedure for hearings conducted
26 by the commission pursuant to this section, including any
27 special rules or notices.

1 (5) The information required to be furnished to the
2 commission to support any recommendations made to the
3 commission pursuant to this section.

4 (c) The commission may not enter into any sports
5 wagering agreement pursuant to this section unless the
6 agreement does all of the following:

7 (1) Accounts for the sharing of revenues between
8 participating governing bodies and the commission.

9 (2) Permits the effective regulation of sports
10 wagering by the commission, including provisions relating to
11 the licensing of persons, technical standards, resolution of
12 disputes by patrons, requirements for bankrolls, enforcement,
13 accounting, and maintenance of records.

14 (3) Requires each governing body that is a signatory
15 to the agreement to prohibit operators of sports wagering,
16 service providers, manufacturers, or distributors of sports
17 wagering systems from engaging in any activity permitted by
18 the sports wagering agreement, unless they are licensed by the
19 commission or in a signatory jurisdiction with similar
20 requirements approved by the commission.

21 (4) Prevents variation from the requirements of the
22 sports wagering agreement by any signatory governing body.

23 (5) Prohibits any subordinate or side agreements
24 among any subset of governing body signatory to the agreement,
25 unless the agreement relates exclusively to the sharing of
26 revenues.

1 (6) Requires the county commission to establish and
2 maintain regulatory requirements governing sports wagering
3 that are consistent with the requirements of this state in all
4 material respects, if the sports wagering agreement allows
5 persons physically located in this state to participate in
6 sports wagering conducted by another governing body or an
7 operator licensed by another governing body.

8 Section 15. (a) An operator shall accept wagers on
9 sports events and other events authorized under this act from
10 persons physically present in a gaming facility where
11 authorized sports wagering occurs, or from persons not
12 physically present who wager by means of approved electronic
13 devices. A person placing a wager shall be at least 21 years
14 of age.

15 (b) An operator may accept wagers from an individual
16 physically located within this state using a mobile or other
17 digital platform or a sports wagering device approved by the
18 commission through the patron's sports wagering account.

19 (c) An operator may accept wagers from an individual
20 physically located in a state or jurisdiction with which the
21 commission has entered into a sports wagering agreement by
22 using a mobile or other digital platform or a sports wagering
23 device, through the patron's sports wagering account, if the
24 device or platform is approved by the commission and all other
25 requirements of the agreement are satisfied.

26 (d) The commission and operator may prohibit any
27 person from entering the gaming area of a gaming facility

1 conducting sports wagering on the grounds of a gaming facility
2 licensed under this act, from participating in the play or
3 operation of all sports wagering. A log of all excluded
4 players shall be kept by the commission and each operator, and
5 a player on the commission's exclusion list or the operator's
6 exclusion list may not be allowed to wager on sports wagering
7 under this act.

8 (e) A licensed gaming facility employee may not
9 place a wager on any sports wagering at the facility of his or
10 her employer or through any other mobile application or
11 digital platform of his or her employer.

12 (f) A commission employee may not knowingly wager or
13 be paid any prize from any wager placed at any licensed gaming
14 facility with sports wagering within this state or at any
15 facility outside this jurisdiction that is directly or
16 indirectly owned or operated by an operator.

17 (g) The commission shall adopt rules to implement
18 this section.

19 Section 16. (a) For the privilege of holding a
20 license to operate sports wagering under this act there is
21 levied a 10 percent tax on the adjusted gross sports wagering
22 receipts from the operation of sports wagering of the
23 operator. The accrual method of accounting shall be used for
24 purposes of calculating the amount of the tax owed by the
25 licensee.

26 (b) (1) The tax levied and collected pursuant to
27 subsection (a) is due and payable to the commission in weekly

1 installments, on or before the Wednesday following the
2 calendar week in which the adjusted gross sports wagering
3 receipts were received and the tax obligation was accrued.

4 (2) The operator shall complete and submit the
5 return for the preceding week by electronic communication to
6 the commission, on or before Wednesday of each week, in the
7 form prescribed by the commission that provides all of the
8 following:

9 a. The total gross sports wagering receipts and
10 adjusted gross sports wagering receipts from the operation of
11 sports wagering during that week.

12 b. The tax amount for which the operator is liable.

13 c. Any additional information necessary in the
14 computation and collection of the tax on adjusted gross sports
15 wagering receipts required by the commission.

16 (3) The tax amount shown to be due shall be remitted
17 by electronic funds transfer simultaneously with the filing of
18 the return. All monies received by the commission pursuant to
19 this section shall be deposited in the Jefferson County Sports
20 Wagering Fund.

21 (4) When the adjusted gross receipts for a week is a
22 negative number because the winnings paid to patrons wagering
23 on the sports wagering of the operator exceeds the total gross
24 receipts of the operator from sports wagering by patrons, the
25 commission shall allow the operator to carry over the negative
26 amount to returns filed for subsequent weeks. The negative
27 amount of adjusted gross receipts may not be carried back to

1 an earlier week and monies previously received by the
2 commission will not be refunded, except if the operator
3 surrenders its license, and the last return reported negative
4 adjusted gross receipts, and in that case, the commission
5 shall multiply the amount of negative adjusted gross receipts
6 by 10 percent and pay the amount to the licensee in the manner
7 approved by the commission.

8 (c) With the exception of ad valorem property taxes,
9 the tax on the adjusted gross sports wagering receipts imposed
10 by this section is in lieu of all other state and local taxes
11 and fees imposed on the operation of, or the proceeds from the
12 operation of, sports wagering.

13 (d) Notwithstanding any other provision of law, no
14 credit may be allowed against the tax obligation imposed by
15 this section or against any other tax imposed by any other
16 provision of law for any investment in gaming equipment or for
17 any investment in, or improvement to, real property that is
18 used in the operation of sports wagering.

19 Section 17. (a) A special fund in the Jefferson
20 County Treasury known as the Jefferson County Sports Wagering
21 Fund is created and all monies collected under this act by the
22 commission shall be deposited with the county treasurer to the
23 Jefferson County Sports Wagering Fund. The fund shall be an
24 interest-bearing account with all interest or other return
25 earned credited to and deposited in the fund. All expenses of
26 the commission incurred in the administration and enforcement

1 of this act shall be paid from the Jefferson County Sports
2 Wagering Fund, pursuant to subsection (b).

3 (b) The commission shall deduct an amount sufficient
4 to reimburse its actual costs and expenses incurred in
5 administering sports wagering at licensed gaming facilities
6 from the gross deposits into the Jefferson County Sports
7 Wagering Fund. The amount remaining after the deduction for
8 administrative expenses is the net profit.

9 (1) The commission shall retain up to 15 percent of
10 the gross deposits for the fund operation and administrative
11 expenses. If the percentage allotted for operations and
12 administration generates a surplus, the surplus shall be
13 allowed to accumulate, but may not exceed two hundred fifty
14 thousand dollars (\$250,000). On a monthly basis, the
15 commission shall remit the entire amount of surplus funds in
16 excess of two hundred fifty thousand dollars (\$250,000) to the
17 county treasurer which shall be allocated as net profit and
18 shall be deposited into the Jefferson County Sports Wagering
19 Fund.

20 (2) Monies in the Jefferson County Sports Wagering
21 Fund shall be distributed on a pro rata basis to Jefferson
22 County, and each municipality within the county, excluding the
23 population of those municipalities which are not within
24 Jefferson County.

25 Section 18. (a) The commission may impose on any
26 person who violates this act a civil penalty, not to exceed
27 fifty thousand dollars (\$50,000) for each violation.

1 (b) The provisions of Section 41-22-12, Code of
2 Alabama 1975, shall apply to any civil penalty imposed
3 pursuant to this section.

4 Section 19. (a) An operator may not do any of the
5 following:

6 (1) Operate sports wagering without the authority of
7 the commission to do so.

8 (2) Operate sports wagering in any location or by
9 any manner that is not approved by the commission.

10 (3) Knowingly conduct, carry on, operate, or allow
11 any sports wagering to occur on premises, or through any other
12 device, if equipment or material has been tampered with or
13 exposed to conditions in which it will be operated in a manner
14 designed to deceive the public.

15 (4) Employ an individual who does not hold a valid
16 occupational license in a position for which a license is
17 required or otherwise allow an individual to perform duties
18 for which a license is required, or continue to employ an
19 individual after the employee's occupational license is no
20 longer valid.

21 (5) Act or employ another person to act as if he or
22 she is not an agent or employee of the operator in order to
23 encourage participation in sports wagering at the gaming
24 facility.

25 (6) Knowingly permit an individual under the age of
26 21 years to enter or remain in a designated gaming area or to
27 engage in sports wagering at a gaming facility.

1 (7) Exchange tokens, chips, electronic media, or
2 other forms of credit used for wagering for anything of value
3 except money or credits applied to a sports wagering account
4 at a gaming facility.

5 (8) Offer, promise, or give anything of value to
6 anyone for the purpose of influencing the outcome of a race,
7 sporting event, contest, or game upon which a wager may be
8 made, or knowingly allow or direct a person to place,
9 increase, or decrease a wager after acquiring knowledge, not
10 available to the general public, that anyone has been offered,
11 promised, or given anything of value for the purpose of
12 influencing the outcome of a race, sporting event, contest, or
13 game upon which the wager is placed, increased, or decreased.

14 (9) Change or alter the normal outcome of any game
15 played on a mobile or other digital platform, including any
16 interactive gaming system used to monitor the same, or the way
17 in which the outcome is reported to any participant in the
18 game.

19 (10) Manufacture, sell, or distribute any device
20 that is intended by that person to be used to violate this act
21 or the sports wagering laws of any other state.

22 (11) Place a bet or aid any other individual in
23 placing a bet on a sporting event or other sports wagering
24 game or offering authorized under this act after unlawfully
25 acquiring knowledge of the outcome in which winnings from that
26 bet are contingent.

1 (12) Claim, collect, or take anything of value from
2 a gaming facility with sports wagering with intent to defraud
3 without having made a wager in which the amount or value is
4 legitimately won or owed.

5 (13) Knowingly place a wager using counterfeit
6 currency or other counterfeit forms of credit for wagering at
7 a gaming facility with sports wagering.

8 (14) Allow a person to have in his or her possession
9 on grounds owned by the gaming facility or on grounds
10 contiguous to the facility, any device intended to be used to
11 violate this act or any rule of the commission.

12 (15) Attempt to commit any violation of this
13 subsection.

14 (b) Each operator shall post notice of the
15 prohibitions and penalties provided by this section in a
16 manner determined by rules adopted by the commission.

17 Section 20. This act shall become operative
18 contingent upon the ratification of the proposed
19 constitutional amendment in House Bill ___ of the 2022 Regular
20 Session, authorizing the Legislature, by local or general law,
21 to authorize sports wagering on professional, collegiate, and
22 amateur sports contests and other athletic events.

23 Section 21. This act shall become effective on the
24 first day of the third month following its passage and
25 approval by the Governor, or its otherwise becoming law.