

HB490 INTRODUCED



1 HB490
2 FKKTE5C-1
3 By Representatives Gray, Tillman, Chestnut, England, Hendrix
4 RFD: Economic Development and Tourism
5 First Read: 01-Apr-25



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SYNOPSIS:

This bill would create the Alabama Sports Wagering Control Act.

This bill would authorize the regulation, taxation, and licensure of certain sports wagering activities in the state under a gaming commission established by the Legislature.

This bill would establish the Alabama Gaming Commission and provide for the powers, membership, and duties of the commission.

This bill would levy a state tax on net sports wagering revenues and would provide for the distribution of taxes and license fees collected by the commission.

This bill would provide for the issuance of sports wagering licenses for the operation of online sports wagering.

This bill would create the NIL Oversight Committee to regulate name, image, and likeness compensation paid to student-athletes.

This bill would authorize student-athletes to receive name, image, and likeness compensation, subject to certain conditions, and would provide rules for such compensation.

This bill would also provide for a state income



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29 tax exemption for certain student-athlete name, image,
30 and likeness compensation, subject to certain
31 requirements.

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A BILL

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TO BE ENTITLED

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AN ACT

37

38 Relating to sports wagering; to establish the Alabama
39 Gaming Control Act; to add Chapter 30 to Title 41, Code of
40 Alabama 1975, to establish and provide for the powers,
41 membership, and duties of the Alabama Gaming Commission; to
42 provide for the personnel of the commission; to provide for
43 the licensure and regulation of sports wagering activities; to
44 provide for the assessment of civil penalties imposed by the
45 commission; to provide for criminal penalties for certain
46 violations; to authorize student-athletes to receive
47 compensation for their name, image, and likeness; to provide
48 requirements for such compensation; and to provide a state
49 income tax exemption for such compensation.

50

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

51

Section 1. Chapter 30 is added to Title 41, Code of
52 Alabama 1975, to read as follows:

53

Chapter 30. Alabama Sports Wagering Control Act.

54

Article 1. General Provisions.

55

§41-30-1. Short title.

56

This chapter shall be known and may be cited as the



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57 Alabama Sports Wagering Control Act.

58 §41-30-2. Purpose.

59 The purpose of this article is to do all of the
60 following:

61 (1) Establish a regulated sports wagering market to
62 generate revenue for the state while maintaining consumer
63 protections and integrity in gaming.

64 (2) Direct sports wagering revenue to NIL programs to
65 protect and support high school student-athletes and coaches.

66 (3) Ensure financial literacy and long-term stability
67 for student-athletes through regulated trust accounts and
68 mandatory NIL certification programs.

69 (4) Prevent fraud, unethical NIL agreements, and
70 gambling-related exploitation of high school athletes.

71 (5) Provide state income tax exemptions for
72 student-athletes participating in NIL programs to maximize
73 their financial benefits.

74 §41-30-3. Definitions.

75 For the purposes of this chapter, the following words
76 have the following meanings:

77 (1) COMMISSION. The Alabama Gaming Commission
78 established by this chapter.

79 (2) EXECUTIVE DIRECTOR. The Executive Director of the
80 Alabama Gaming Commission.

81 (3) NET GAMING REVENUE. The total amount of money or
82 value in any form received as a result of any gaming activity,
83 whether or not approved by the commission, excluding free bets
84 and promotional credits, less federal excise taxes, voided



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85 wagers, and the total money or value in any form paid as
86 prizes or winnings.

87 (4) NIL. A person's name, image, and likeness.

88 (5) NIL COMPENSATION. NIL earnings for student-athletes
89 through endorsements or sponsorships.

90 (6) NIL OVERSIGHT COMMITTEE. The regulatory body
91 established by law to ensure compliance with NIL rules adopted
92 by the Alabama Gaming Commission and monitoring NIL agreements
93 and trust accounts.

94 (7) ONLINE SPORTS WAGERING PLATFORM. An individual or
95 entity that, for commercial gain, offers sports wagering over
96 the Internet, including on websites or mobile devices, or
97 both.

98 (8) PRINCIPAL OWNER OR INVESTOR. Any individual or
99 entity who has or controls, whether directly or indirectly, 10
100 percent or more ownership, income, or profit interest in an
101 applicant for licensure under this chapter or a gaming
102 establishment licensee.

103 (9) SPORTING EVENT. Any sport, athletic contest, game,
104 match, race, motor race, electronic sports event, competitive
105 video game event, or similar competitive event, whether
106 amateur, interscholastic, collegiate, or professional,
107 involving two or more competitors, in which the winner is
108 determined by score or placement. The term does not include
109 any public or private K-12 school or other amateur youth
110 sports or athletic event.

111 (10) SPORTS WAGERING. The acceptance of wagers that
112 have a basis in a sporting event that has not yet occurred or



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113 is already underway, including the outcome of the sporting
114 event or the individual performance statistics of one or more
115 athletes in a sporting event, or a combination thereof by any
116 system or method of wagering. The term includes, but is not
117 limited to, any of the following that have a basis in a
118 sporting event: Single-game bets, teaser bets, parlays,
119 over-under, moneyline, pools, exchange wagering, in-game
120 wagering, in-play bets, proposition bets, and straight bets.
121 The term does not include wagers on fantasy sports contests
122 authorized under general law. The term does not include
123 electronic games of chance or any other form of gaming
124 activity.

125 (11) SPORTS WAGERING MANAGEMENT SERVICES PROVIDER. An
126 individual or entity who contracts with a sports wagering
127 licensee to operate an online or in-person sports wagering
128 platform in the state.

129 Article 2. Alabama Gaming Commission.

130 §41-30-50. Alabama Gaming Commission created.

131 The Alabama Gaming Commission is created in the
132 Executive Branch as a state agency to license and regulate the
133 conduct of all lawful gaming activities conducted within this
134 state, as authorized by the Constitution of Alabama of 2022,
135 and this chapter, and to effectively eradicate any unlawful
136 gaming activity and unlawful gaming-related activity in this
137 state. The commission shall be located in Montgomery County.

138 §41-30-51. Commission membership.

139 (a) The membership of the commission shall include all
140 of the following:



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141 (1) Four members of the public, appointed by the
142 Governor.

143 (2) One member of the public, appointed by the
144 Lieutenant Governor.

145 (3) One member of the public, appointed by the Speaker
146 of the House of Representatives.

147 (4) One member of the public, appointed by the
148 President Pro Tempore of the Senate.

149 (5) One member of the public, appointed by the Speaker
150 of the House of Representatives from a list of two nominees
151 submitted by the Minority Leader of the House of
152 Representatives.

153 (6) One member of the public, appointed by the
154 President Pro Tempore of the Senate from a list of two
155 nominees submitted by the Minority Leader of the Senate.

156 (b)(1) Initial appointments to the commission shall be
157 made no later than January 1, 2026. The initial appointees
158 shall serve immediately upon appointment and shall continue to
159 serve until confirmed or rejected by the Senate at the first
160 regular or special session of the Legislature held after the
161 initial appointments.

162 (2) The initial appointees shall hold an organizational
163 meeting of the commission not later than February 1, 2026. At
164 the organizational meeting, the membership of the commission
165 shall select a chair and a vice chair, who shall serve in
166 those position for two years. Members of the commission shall
167 draw lots to determine which three initial appointees shall
168 serve for an initial two-year term; which three initial



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169 appointees shall serve for an initial three-year term; and
170 which three initial appointees shall serve for an initial
171 four-year term.

172 (c) After the expiration of the initial terms, members
173 appointed to the commission shall serve for four-year terms
174 and shall be confirmed with the advice and consent of the
175 Senate at the first regular or special session of the
176 Legislature held after the appointment. Members may serve two
177 complete terms in addition to any portion of an initial term
178 of less than four years or any portion of an unexpired term to
179 which appointed.

180 (d) All appointing authorities shall coordinate their
181 appointments to assure the commission membership is inclusive
182 and reflects the racial, gender, geographic, urban, rural, and
183 economic diversity of the state.

184 (e) Each member of the commission shall satisfy all of
185 the following qualifications:

186 (1) Shall be a citizen of the United States and a
187 resident of the State of Alabama for at least five years
188 immediately preceding appointment.

189 (2) Shall be 30 or more years of age.

190 (3) Shall have no conviction for any federal or state
191 felony offense or any misdemeanor property offense, offense
192 involving fraud, or felony involving moral turpitude as
193 provided under Section 17-3-30.1.

194 (4) May not be the executive director of the commission
195 or an employee of the commission.

196 (5) May not be an officer of a political party or the



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197 occupant of an official position in a political party.

198 (6) May not be a public official, as defined under
199 Section 36-25-1.

200 (7) May not be actively engaged in the business of
201 gaming activities of any kind, including pari-mutuel wagering,
202 bingo, lotteries, or sports wagering.

203 (8) May not be a supplier of devices or equipment used
204 in gaming activities.

205 (9) May not have a financial interest in any of the
206 following:

207 a. A bingo or pari-mutuel wagering establishment.

208 b. An online sports wagering platform.

209 c. A lottery retailer or vendor.

210 d. A supplier or manufacturer of equipment used to
211 facilitate any gaming activity under this subdivision.

212 e. A contractor of any of the foregoing.

213 (f) Any vacancy occurring on the commission shall be
214 filled for the unexpired term by the respective appointing
215 authority. The appointee shall serve immediately upon
216 appointment and shall continue to serve until confirmed or
217 rejected by the Senate at the first regular or special session
218 of the Legislature held after the appointment.

219 (g) Each member of the commission shall serve for the
220 duration of the member's term and until either the member's
221 successor is appointed and confirmed by the Senate or, if no
222 successor is appointed, for a period of not more than 18
223 months following the expiration of the member's term.

224 (h) Members of the commission shall be subject to the



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225 state ethics code under Chapter 25 of Title 36.

226 (i) Any member of the commission may be removed for
227 cause by his or her respective appointing authority.

228 §41-30-52. Commission meetings.

229 (a) The commission shall meet at least quarterly and at
230 other times as called by the chair or a majority of the
231 commission members.

232 (b) Meetings of the commission shall be subject to the
233 Alabama Open Meetings Act; provided, that members of the
234 commission may participate in a meeting of the commission in
235 person, by means of telephone conference, video conference, or
236 other similar communications equipment so that all individuals
237 participating in the meeting may hear each other at the same
238 time. Participation by such means shall constitute presence in
239 person at a meeting for all purposes, including for purposes
240 of establishing a quorum, and the affirmative vote of a
241 majority of the members necessary for any action of the
242 commission.

243 (c) (1) A majority of members shall constitute a quorum
244 for the transaction of any business and for the exercise of
245 any power or function of the commission.

246 (2) Action may be taken on motions and resolutions
247 adopted by the commission at any meeting of the commission by
248 an affirmative vote of a majority of present and voting
249 commission members, a quorum being present.

250 (d) No vacancy in the membership of the commission
251 shall impair the right of the members to exercise all the
252 powers and perform all the duties of the commission.



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253 §41-30-53. Compensation of members.

254 Each member of the commission shall serve without
255 compensation, but shall be entitled to the same per diem and
256 travel allowances provided for state employees.

257 §41-30-54. Powers and duties of the commission.

258 The commission shall adopt, amend, or repeal rules in
259 accordance with the Alabama Administrative Procedure Act and
260 shall have all powers necessary and convenient to fulfilling
261 its duties with respect to gaming and gaming-related
262 activities, including the following:

263 (1) To issue subpoenas and compel the production of
264 documents or items and the attendance of witnesses, to
265 administer oaths, to require testimony under oath, and to
266 enforce its orders.

267 (2) To appoint impartial hearing examiners who may
268 administer oaths and receive evidence and testimony under oath
269 and make recommendations to the commission.

270 (3) To demand access to or inspect, examine, photocopy,
271 and audit papers, books, records, equipment, supplies, and
272 premises necessary to carry out its duties.

273 (4) To seize and impound any equipment, supplies, or
274 premises used in violation of state law or rules of the
275 commission governing the conduct of gaming activities, subject
276 to the procedures provided under Section 20-2-93.

277 (5) To procure goods and services as provided under the
278 state procurement code, Article 5 of Chapter 4.

279 (6) To impose reasonable civil penalties on any person
280 for violations of this chapter or violations of rules adopted



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281 by the commission.

282 (7) To provide for the issuance of licenses for the
283 operation of sports wagering and to provide for the renewal,
284 modification, extension, suspension, revocation, transfer, or
285 forfeiture of a license therefor.

286 (8) To adopt rules and procedures to address the
287 failure of a licensee to timely remit taxes, fees, and fines
288 and penalties.

289 (9) To adopt rules limiting access to gaming activities
290 by minors and other susceptible individuals, including a
291 program of voluntary self-exclusion for individuals struggling
292 with problem gaming or a gaming addiction.

293 §41-30-55. Audits and reports.

294 (a) To ensure the financial integrity of sports
295 wagering operations in this state, the commission shall do all
296 of the following:

297 (1) Not later than the second legislative day of each
298 regular session, submit an annual report to the Governor and
299 the Legislature disclosing the total gaming revenues,
300 operating and administrative expenses of the commission, and
301 information relating to the number of licenses issued,
302 suspended, revoked, or transferred during the reporting
303 period. The annual report shall additionally describe the
304 organizational structure of the commission and summarize the
305 functions performed by each organizational division within the
306 commission. The annual report shall be displayed on the
307 website of the commission.

308 (2) Adopt a system of internal audits and audits of



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309 licensees.

310 (3) Contract with a certified public accountant or firm
311 for an annual financial audit of the commission. The certified
312 public accountant or firm shall have no financial interest in
313 any vendor with whom the commission is under contract or any
314 licensee of the commission. The certified public accountant or
315 firm shall present an audit report not later than four months
316 after the end of the fiscal year. The certified public
317 accountant or firm shall evaluate the internal auditing
318 controls in effect during the audit period. The cost of this
319 annual financial audit shall be an operating expense of the
320 commission.

321 (b) The Department of Examiners of Public Accounts
322 shall perform an audit or examination of the commission on an
323 annual basis or more frequently as deemed necessary by the
324 Chief Examiner.

325 §41-30-56. Executive director and deputy director of
326 the commission.

327 (a) (1) The commission shall appoint an executive
328 director who shall direct the day-to-day operations and
329 management of the commission and shall be vested with all
330 powers and duties as specified by the commission and by law.
331 The executive director shall serve at the pleasure of the
332 commission.

333 (2) The executive director shall meet all of the
334 following qualifications:

335 a. Shall be a person of good moral character who has
336 not engaged in conduct involving dishonesty, fraud, or



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337 misrepresentation.

338 b. May not have a conviction for any felony offense and
339 may not have a conviction for any misdemeanor offense that
340 reflects adversely on the individual's honesty or
341 trustworthiness.

342 c. May not be an officer of a political party or the
343 occupant of an official position in a political party.

344 d. May not be a public official, as defined under
345 Section 36-25-1.

346 e. May not be actively engaged in the operation of
347 bingo, pari-mutuel wagering, lottery games, sports wagering,
348 or other gaming activities.

349 f. May not be a supplier of gaming equipment under
350 paragraph e.

351 g. Shall possess any other qualifications adopted by
352 the commission, by rule.

353 (3) The executive director shall devote his or her full
354 time and attention to the duties required under this chapter
355 and may not hold any other office of profit or perform any
356 other services for profit or any other gain.

357 (4) The executive director shall receive an annual
358 salary as determined by the commission and approved pursuant
359 to Section 36-6-6 as if he or she were an officer or employee
360 appointed in the exempt service of the state.

361 (b) (1) The executive director may appoint a deputy
362 director who shall perform duties designated by the executive
363 director.

364 (2) The deputy director shall receive an annual salary



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365 as determined by the executive director and approved pursuant
366 to Section 36-6-6 as if he or she were an officer or employee
367 appointed in the exempt service of the state.

368 (c) For purposes of the Merit System Act, Article 1 of
369 Chapter 26 of Title 36, the executive director and deputy
370 director shall be employed in the exempt service of the state.

371 (d) The executive director and any deputy director may
372 not have a financial interest in any of the following:

373 (1) A gaming establishment licensee.

374 (2) An online sports wagering platform.

375 (3) A lottery retailer or vendor.

376 (4) A gaming services provider.

377 (5) A contractor doing business or proposing to do
378 business with the commission or any of the entities described
379 in subdivisions (1) through (4).

380 §41-30-57. Powers and duties of the executive director.

381 (a) The executive director shall direct and supervise
382 all administrative and technical activities in accordance with
383 this chapter and with the rules, policies, and procedures
384 adopted by the commission.

385 (b) The powers and duties of the executive director
386 shall include all of the following:

387 (1) Sue and be sued on behalf of the commission.

388 (2) Acquire real property in accordance with existing
389 law and make improvements thereon on behalf of the commission.

390 (3) Make, execute, and effectuate agreements or
391 contracts, including contracts for the purchase of goods and
392 services, as are necessary for the conduct of the business of



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393 the commission.

394 (4) Employ and direct such personnel as deemed
395 necessary.

396 (5) Employ by contract and compensate employees as
397 deemed necessary for the operation and administration of the
398 commission.

399 (6) Prepare a budget for the approval of the
400 commission.

401 (7) Prepare an annual report on behalf of the
402 commission as provided in Section 41-30-55.

403 (8) Perform other duties as necessary to implement and
404 administer this chapter.

405 §41-30-58. Employees of the commission.

406 (a) (1) An employee of the commission may not have a
407 financial interest in any of the following:

408 a. A gaming establishment licensee.

409 b. An online sports wagering platform.

410 c. A lottery retailer or vendor.

411 d. A gaming services provider.

412 e. A contractor doing business or proposing to do
413 business with the commission or any of the entities described
414 in paragraphs a. through d.

415 (2) An employee of the commission with decision-making
416 authority may not participate in any decision involving a
417 gaming establishment licensee with whom the employee has a
418 financial interest.

419 (b) An employee of the commission who leaves the
420 employment of the commission may not represent any vendor,



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421 gaming services provider, or gaming establishment licensee
422 before the commission for a period of two years following
423 termination of employment with the commission.

424 (c) An applicant for employment with the commission
425 shall submit to the executive director, on a form sworn to by
426 the applicant, his or her name, date of birth, Social Security
427 number, and two complete sets of fingerprints for completion
428 of a criminal history background check through the State
429 Bureau of Investigations. Costs associated with conducting a
430 criminal history background check may be paid by the
431 commission.

432 (d) An individual who has been convicted of any federal
433 or state felony offense or any misdemeanor property offense,
434 offense involving fraud, or all felonies involving moral
435 turpitude as provided under Section 17-3-30.1, may not be
436 employed by the commission.

437 (e) The commission shall bond commission employees with
438 access to commission funds in such an amount as provided by
439 the commission and may bond other employees as deemed
440 necessary.

441 (f) For purposes of the Merit System Act, Article 1 of
442 Chapter 26 of Title 36, the employees of the commission shall
443 be employed in the unclassified service and shall be entitled
444 to insurance, retirement, and other state employees' benefits.

445 (g) Employees of the commission shall be subject to the
446 state ethics code under Chapter 25 of Title 36.

447 §41-30-59. Records of the commission.

448 (a) Except as provided in subsection (b), records of



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449 the commission shall be public records for purposes of Section
450 36-12-40.

451 (b) The commission may determine which information and
452 records relating to its operations are confidential and not
453 subject to public disclosure. Confidential information, at a
454 minimum, shall include trade secrets; security measures,
455 systems, or procedures; security reports; employee personnel
456 information unrelated to compensation, duties, qualifications,
457 or responsibilities; and information obtained pursuant to
458 investigations which is otherwise confidential. Information
459 deemed confidential pursuant to this section shall be exempt
460 from public disclosure.

461 §41-30-60. Rulemaking authority.

462 The commission may adopt rules to implement and
463 administer this chapter.

464 Article 3. Sports wagering.

465 §41-30-100. Sports wagering license required.

466 (a) Sports wagering activities in every form, including
467 by physical, electronic, or other means, may only be operated,
468 carried on, conducted, maintained, or exposed for play in this
469 state in accordance with this article and rules adopted
470 pursuant to this article.

471 (b) A person desiring to operate, carry on, conduct,
472 maintain, or expose for play sports wagering activities in
473 this state shall apply for a sports wagering license from the
474 commission.

475 (c) The license fee shall be for an amount and term of
476 years as determined by the commission, by rule, based on



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477 market factors and conditions and industry standards.

478 (d) Nothing in this article shall authorize any online
479 or in-person gaming activities, including any form of bingo,
480 except sports wagering.

481 §41-30-101. Sports wagering license application.

482 (a) An applicant for licensure under this article shall
483 submit an application on a form in a manner as required by the
484 commission. The commission, by rule, shall establish an
485 application fee that must be paid as an application
486 requirement. The application shall include all of the
487 following with respect to the applicant:

488 (1) The names of each principal owner and investor.

489 (2) Information, documentation, and assurances, as
490 prescribed by rule of the commission, that may be required to
491 establish the good character, honesty, and integrity of the
492 principal owners and investors of the applicant and its gaming
493 employees.

494 (3) Notice and a description of all civil judgments
495 obtained against the applicant.

496 (4) A list of all jurisdictions where the applicant has
497 conducted sports wagering operations.

498 (5) Information, documentation, and assurances
499 concerning the financial background and resources as may be
500 required to establish the financial stability, integrity, and
501 responsibility of the applicant, including, but not limited
502 to, bank references, business and personal income and
503 disbursement schedules, tax returns and other reports filed
504 with governmental agencies, and business and personal



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505 accounting and check records and ledgers. To meet the
506 requirements of this subdivision, each applicant, in writing,
507 shall authorize the examination of all bank accounts and
508 related records as may be deemed necessary by the commission.
509 The commission may consider any relevant evidence of financial
510 stability. The applicant shall be presumed to be financially
511 stable if the applicant establishes that it meets each of the
512 following:

513 a. The ability to assure the financial integrity of
514 sports wagering operations by the maintenance of a bankroll or
515 equivalent provisions adequate to pay winning wagers to
516 bettors when due. An applicant is presumed to have met this
517 standard if the applicant maintains, on a daily basis, a
518 bankroll and equivalent provisions in an amount that is at
519 least equal to the average daily minimum bankroll or
520 equivalent provisions, calculated on a monthly basis, for the
521 corresponding month in the previous year.

522 b. The ability to meet ongoing operating expenses that
523 are essential to the maintenance of continuous and stable
524 sports wagering operations.

525 c. The ability to pay, as and when due, all state and
526 federal taxes.

527 (6) If an applicant has not previously been engaged in
528 business operations prior to applying for licensing, documents
529 that establish that the applicant has made sufficient
530 arrangements to fund its proposed sports wagering operations.

531 (7) Information, documentation, and assurances as may
532 be required to establish that the applicant has sufficient



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533 business ability and gaming experience as to establish the
534 likelihood of the creation and maintenance of a successful,
535 efficient sports wagering operation.

536 (8) Information, as required by rule of the commission,
537 regarding the financial standing of the applicant, including,
538 but not limited to, a listing of each individual or entity
539 that has provided loans or financing to the applicant.

540 (9) If the applicant intends to offer sports wagering
541 through an online sports wagering platform, copies of any
542 contracts with the online sports wagering platforms and any
543 other information requested by the commission relating to the
544 contract.

545 (10) A nonrefundable application fee to be set by the
546 commission by rule. If the application is approved, the
547 application fee shall be applied to the initial license fee.

548 (11) Any additional information required by the
549 commission, by rule.

550 (b) The executive director of the commission shall
551 review each application for licensure. The executive director
552 shall report in writing his or her findings to the members of
553 the commission, detailing the information supporting the
554 determination, including a formal finding of whether the
555 applicant is recommended for licensure.

556 (c) The commission shall approve or deny the license
557 application by majority vote of the members of the commission
558 within a reasonable time after receipt of the application.

559 (d) Each person holding a license under this article
560 has a continuing duty to immediately inform the commission of



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561 any material change in status relating to any information that
562 may disqualify the person from holding the license.

563 §41-30-102. Sports wagering license fee.

564 The license fee for a sports wagering license issued
565 pursuant to this article shall be for an amount and term of
566 years to be determined by the commission, by rule, based on
567 market factors and conditions and industry standards.

568 §41-30-103. In-person and online sports wagering
569 license.

570 (a) The commission may issue licenses authorizing a
571 licensee to operate, carry on, conduct, maintain, or expose
572 for play sports wagering activities as follows:

573 (1) The commission may issue to a gaming establishment
574 licensee one in-person sports wagering license that authorizes
575 the licensee to conduct in-person sports wagering on the
576 premises of the licensee's gaming establishment.

577 (2) The commission may issue an online sports wagering
578 license to an applicant that authorizes the licensee to
579 conduct sports wagering activities through an individually
580 branded sports wagering platform website and through and
581 associated mobile application bearing the same brand name.

582 (b) The commission shall adopt rules prescribing a
583 minimum and maximum number of online sports wagering licenses
584 that may be issued. It is the intent of the Legislature that
585 the number of licenses awarded foster a competitive
586 environment.

587 §41-30-104. Promotional credits.

588 Sports wagering licensees may provide promotional



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589 credits, incentives, bonuses, or similar benefits designed to
590 induce sports bettors to wager. The commission shall adopt
591 rules to govern this section.

592 §41-30-105. Prohibited sports wagering activities.

593 (a) A sports wagering licensee may not conduct any
594 sports wagering activities on any public or private K-12
595 school or other amateur youth sports or athletic events.

596 (b) A sports wagering licensee may not authorize any
597 individual under 21 years of age to engage in any sports
598 wagering activities. A sports wagering platform may satisfy
599 this requirement by using any reasonable commercially
600 available age-verification software or program.

601 (c) The commission shall adopt rules to implement and
602 administer this section, including uniform civil penalties for
603 a violation.

604 §41-30-106. Deposit of fees.

605 All fees collected under this article shall be
606 deposited into the Gaming Proceeds Trust Fund created by
607 §41-30-151.

608 §41-30-107. Required reports.

609 The holder of a sports wagering license shall maintain
610 daily records showing the gross receipts and adjusted gross
611 receipts of the licensed activities and shall timely file with
612 the commission any additional reports required by the
613 commission, by rule.

614 §41-30-108. Rulemaking authority.

615 The commission shall adopt rules governing the
616 licensing, administration, and conduct of sports wagering,



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617 which shall include all of the following:

618 (1) Qualifications and conditions of licenses issued
619 for the operation of sports wagering either in person or
620 online.

621 (2) The acceptance of wagers on a sporting event or a
622 series of sporting events and acceptable forms of payment and
623 advance deposit methods by patrons.

624 (3) The method of accounting to be used by sports
625 wagering licensees, including the types of records that shall
626 be maintained by the licensee.

627 (4) Protections for patrons placing wagers, including
628 requirements to ensure responsible gaming.

629 §41-30-109. Interstate sports wagering agreements.

630 The commission may enter into sports wagering
631 agreements with other states and jurisdictions to authorize
632 individuals who are physically located in a signatory
633 jurisdiction to participate in sports wagering activities.

634 §41-30-110. Duties and prohibitions of licensees.

635 (a) (1) A licensee may not accept any wagers on any high
636 school sporting event or upon the individual performance of a
637 high school athletes.

638 (2) A licensee who knowingly or intentionally violates
639 this subsection shall be liable to the commission for a fine
640 of one million dollars (\$1,000,000) for each wager placed in
641 violation of this subsection.

642 (b) Licensees shall report all wagers of ten thousand
643 dollars (\$10,000) or more to the commission. The report shall
644 include the amount of the wager and the identity of the patron



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645 placing the wager.

646 (c) Licensees shall report all suspicious wagers to the
647 commission within 24 hours of discovering the wager.

648 Article 4. State Tax on Gaming Revenue.

649 §41-30-150. State tax on sports wagering revenues;
650 distribution of proceeds.

651 (a) Within 20 days after the end of each quarter of a
652 fiscal year, a sports wagering licensee shall pay to the
653 commission a tax of 10 percent of the net gaming revenues for
654 sports wagering activities for the immediately preceding
655 quarter. The commission shall timely remit all of the proceeds
656 to the Gaming Proceeds Trust Fund.

657 (b) If the net gaming revenues under subsection (a)
658 properly reflect a net loss for a quarter, as substantiated by
659 audit, an adjustment for the amount of any remaining net loss
660 shall be carried forward on the subsequent tax and fee
661 schedules until the loss is offset by the entity's net gaming
662 revenues.

663 §41-30-151. Gaming Proceeds Trust Fund created;
664 distribution of gaming proceeds.

665 (a) The Gaming Proceeds Trust Fund is created within
666 the State Treasury. All fines, fees, and other revenues
667 collected under this chapter shall be deposited into the fund.
668 Amounts in the fund shall be budgeted and allotted pursuant to
669 Chapter 19, the Budget Management Act, and Article 4 of
670 Chapter 4.

671 (b) On August 1 of each year, the Comptroller shall
672 distribute the balance of the Gaming Proceeds Trust Fund as



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673 follows:

674 (1) Forty percent shall be distributed to the State
675 General Fund.

676 (2) Forty percent shall be distributed to the Education
677 Trust Fund.

678 (3) Twenty percent shall be distributed to the NIL
679 Trust Fund.

680 §41-30-152. Gaming taxes in lieu of state and local
681 taxes.

682 (a) Except for any fees levied pursuant to this
683 chapter, the tax on net gaming revenues levied under this
684 article shall be in lieu of all other state or local taxes,
685 license fees, or franchise fees levied with respect to the
686 conduct of any gaming activities.

687 (b) Any gaming establishment license fee or sports
688 wagering license fee payable to the state pursuant to this
689 chapter shall be in lieu of all other state or local license
690 fees or franchise fees levied with respect to a licensee
691 providing hotel services, dining, or services ancillary to its
692 gaming activities, if the activities are conducted at gaming
693 establishments. Such providers of hotel services, dining,
694 other facilities, or ancillary services must meet the
695 environmental, fire, health, and safety requirements of other
696 similarly situated license holders in the county and
697 municipality in which the facility is located.

698 (c) Notwithstanding the foregoing, all gaming
699 establishment licensees and sports wagering licensees are
700 liable for all state and local property taxes, lodging taxes,



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701 tobacco taxes, and sales and use taxes on merchandise sold in
702 gift shops or retail stores, and food and beverages. The taxes
703 are generally applicable at uniform rates to all similarly
704 situated businesses operating in the county and municipality
705 in which the gaming establishment is located, and except with
706 respect to those taxes, fees, or expenses expressly addressed
707 in this chapter, all other state or local taxes which are
708 generally imposed by the state or a local taxing entity if the
709 taxes are generally applied at rates uniformly applied within
710 reasonable classifications among all businesses operating in
711 the county or municipality, or both.

712 §41-30-153. Penalty.

713 Any licensee that fails to pay a tax levied under this
714 article within the time required, in addition to the amount
715 owed, shall pay a penalty of 10 percent of the principal
716 amount due, together with interest at the rate prescribed by
717 Section 40-1-44.

718 Article 5. Name, Image, Likeness.

719 §41-30-200. NIL Oversight Committee.

720 (a) There is created within the Alabama Gaming
721 Commission the NIL Oversight Committee.

722 (b) The committee shall be composed of the following
723 members:

724 (1) The Executive Director of the Alabama Gaming
725 Commission.

726 (2) The State Superintendent of Education.

727 (3) The Executive Director of the Alabama Association
728 of School Boards.



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729 (4) The Executive Director of the School
730 Superintendents of Alabama.

731 (5) The Executive Director of the Alabama High School
732 Athletic Association.

733 (c) Members of the committee shall be subject to the
734 state ethics code under Chapter 25 of Title 36.

735 §41-30-201. Committee meetings.

736 (a) The committee shall meet at least quarterly and at
737 other times as called by the chair or a majority of the
738 members. The State Superintendent of Education shall chair the
739 meetings of the committee.

740 (b) Meetings of the committee shall be subject to the
741 Alabama Open Meetings Act; provided, that members may
742 participate in a meeting in person, by means of telephone
743 conference, video conference, or other similar communications
744 equipment so that all individuals participating in the meeting
745 may hear each other at the same time. Participation by such
746 means shall constitute presence in person at a meeting for all
747 purposes, including for purposes of establishing a quorum, and
748 the affirmative vote of a majority of the members necessary
749 for any action of the committee.

750 (c) A majority of members shall constitute a quorum for
751 the transaction of any business and for the exercise of any
752 power or function of the committee.

753 (d) No vacancy in the membership of the committee shall
754 impair the right of the members to exercise all the powers and
755 perform all the duties of the committee.

756 §41-30-202. Compensation of members.



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757 Each member of the committee shall serve without
758 compensation, but shall be entitled to the same per diem and
759 travel allowances provided for state employees.

760 §41-30-203. Powers and duties of the committee.

761 The committee shall adopt, amend, or repeal rules in
762 accordance with the Alabama Administrative Procedure Act and
763 shall have all powers necessary and convenient to fulfilling
764 its duties with respect to providing regulatory oversight of
765 all name, image, and likeness compensation paid to
766 student-athletes in the state, including all of the following:

767 (1) To issue subpoenas and compel the production of
768 documents or items and the attendance of witnesses, to
769 administer oaths, to require testimony under oath, and to
770 enforce its orders.

771 (2) To appoint impartial hearing examiners who may
772 administer oaths and receive evidence and testimony under oath
773 and make recommendations to the committee.

774 (3) To demand access to or inspect, examine, photocopy,
775 and audit papers, books, records, equipment, supplies, and
776 premises necessary to carry out its duties.

777 (4) To impose reasonable civil penalties on any person
778 for violations of this article.

779 (5) To monitor and review NIL agreements to ensure
780 compliance with state law.

781 (6) To prevent fraudulent or exploitative NIL
782 agreements.

783 §41-30-204. Compensation for name, image, likeness.

784 (a) A student-athlete may earn compensation for the use



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785 of his or her name, image, or likeness. The compensation must
786 be commensurate with the market value of the authorized use of
787 the student-athlete's name, image, or likeness. The
788 compensation may not be provided in exchange, in whole or in
789 part, for a current or prospective student-athlete to attend,
790 participate, or perform at a particular public high school.

791 (b) A student-athlete who enters into a contract
792 providing compensation to the student-athlete for use of the
793 student-athlete's name, image, or likeness shall disclose the
794 contract to an official of the student-athlete's educational
795 institution, to be designated by the institution.

796 (c) A student-athlete shall not enter into a contract
797 providing compensation to the student-athlete for use of the
798 student-athlete's name, image, or likeness if a provision of
799 the contract is in conflict with the student-athlete's team
800 contract.

801 §41-30-205. Team contracts.

802 (a) A team contract shall not include any provision
803 which prevents or discourages a student-athlete from receiving
804 compensation for the use of his or her name, image, or
805 likeness when the student is not engaged in official
806 activities of the educational institution.

807 (b) A team contract may provide for a pooling
808 arrangement pursuant to this subsection. Students on the same
809 team or enrolled in the same educational institution may agree
810 that a certain percentage or amount of any compensation earned
811 for the use of their name, image, or likeness pursuant to this
812 article be contributed to the mandatory NIL Trust Fund as



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813 further provided in this article.

814 (c) A pool arrangement provision in a team contract may
815 not require a student-athlete to contribute an amount equal to
816 more than 75 percent of the compensation received for the use
817 of their name, image, or likeness pursuant to this article.

818 §41-30-206. State to hold portion of NIL compensation
819 in trust.

820 (a) Fifty percent of all compensation received by each
821 student-athlete for the use of their name, image, or likeness
822 pursuant to this article shall be remitted by the athletic
823 director of the public high school, or his or her designee, to
824 the Comptroller for deposit into the NIL Trust Fund.

825 (b) Monies deposited pursuant to this section shall be
826 held in the fund on the student-athlete's behalf and may only
827 be withdrawn under the following conditions:

828 (1) The student-athlete graduates from his or her high
829 school and enrolls in a two-year or four-year institution of
830 higher education.

831 (2) The student-athlete reaches 21 or more years of
832 age.

833 (c) Prior to any payment of monies under subsection
834 (b), the student-athlete shall attend a mandatory financial
835 literacy education and life skills workshop approved by the
836 NIL Oversight Committee. The workshop shall be for a minimum
837 of eight in-person hours. At a minimum, the workshop shall
838 include information concerning financial aid, debt management,
839 time management, and budget management for student-athletes.
840 The workshop may not include any marketing, advertising,



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841 referral, or solicitation by providers of financial products
842 or services.

843 §41-30-207. Alabama NIL Certification Program.

844 (a) The NIL Oversight Committee shall establish the
845 Alabama NIL Certification Program. The program shall be
846 offered annually to coaches, administrators, and
847 student-athletes.

848 (b) Student-athletes attending the program shall
849 receive all of the following training:

- 850 (1) Financial literacy training.
- 851 (2) Debt and budget management training.
- 852 (3) Time management training.
- 853 (4) NIL regulatory information.
- 854 (5) Drug awareness training.

855 (c) School administrators and coaches attending the
856 program shall receive all of the following training:

- 857 (1) NIL regulatory information.
- 858 (2) NIL ethical guidance.
- 859 (3) Player development strategies.

860 (d) Each year, any student-athlete desiring to receive
861 NIL compensation during an academic year shall be required to
862 attend the program. In addition, the student-athlete's coach
863 or an administrator from the student-athlete's public high
864 school shall be required to complete the program.

865 (e) The committee may assess a fee for attendance in
866 the program. Monies from the NIL Trust Fund may be used to
867 subsidize the costs of attending the program.

868 §41-30-208. NIL Trust Fund.



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869 (a) There is established in the State Treasury a
870 special fund called the NIL Trust Fund. The fund shall be
871 administered by the NIL Oversight Committee. Any monetary
872 interest that accrues in the fund shall be retained in the
873 fund from year to year and shall be subject only to this
874 article.

875 (b) The NIL Oversight Committee may use monies in the
876 fund only for the following purposes:

877 (1) For distribution to student-athletes as provided in
878 Section 41-30-206.

879 (2) For the creation and administration of the Alabama
880 NIL Certification Program.

881 (3) For the review of NIL compensation agreements.

882 (4) For the administration of this article.

883 §41-30-209. Prohibitions.

884 (a) A public high school shall not adopt or maintain
885 any policy, regulation, rule, standard, or other requirement
886 that prevents a student-athlete of the school from earning
887 compensation as a result of the use of the student's name,
888 image, or likeness.

889 (b) A state athletic association shall not prevent a
890 student-athlete from receiving compensation, or penalize a
891 student-athlete for earning compensation, as a result of the
892 student-athlete earning compensation for the use of his or her
893 name, image, or likeness.

894 (c) A state athletic association shall not prevent a
895 public high school from participating in an athletics
896 competition as a result of a student-athlete earning



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897 compensation for the use of such student's name, image, or
898 likeness.

899 Section 2. (a) For purposes of this section, the
900 following terms have the following meanings:

901 (1) NAME, IMAGE, OR LIKENESS. Any or all of those
902 elements that, together, are known as the right of publicity.

903 (2) EDUCATIONAL INSTITUTION. A high school, public
904 university, or college in this state, or an institution for
905 higher education as defined in Section 16-18A-2. The term does
906 not include any Alabama Community College System institutions.

907 (3) STUDENT-ATHLETE. An individual who plays a high
908 school or intercollegiate sport at an educational institution.

909 (b) Income received by a student-athlete at an
910 educational institution as compensation for the use of his or
911 her name, image, or likeness, to the extent the income is
912 included in the taxpayer's federal adjusted gross income, is
913 exempt from state income tax, if all of the following apply:

914 (1) The student-athlete is registered with the NIL
915 Oversight Committee.

916 (2) The NIL contract has been approved by the NIL
917 Oversight Committee as complying with all state rules.

918 (3) The compensation received by the student-athlete is
919 only while the student-athlete is an active student at an
920 educational institution in the state.

921 (c) The provisions of this section shall apply to tax
922 years beginning on or after January 1, 2025, through the tax
923 year ending December 31, 2027.

924 (d) A student-athlete's eligibility for the tax



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925 exemption under this article shall terminate upon the
926 student-athlete's completion of NCAA or amateur eligibility or
927 when the student-athlete declares for a professional draft.

928 Section 3. This act shall become effective on October
929 1, 2025.