

HB448 INTRODUCED



1 HB448
2 9J5T3PB-1
3 By Representative Ensler (Constitutional Amendment)
4 RFD: Economic Development and Tourism
5 First Read: 12-Feb-26

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4 SYNOPSIS:

5 Under Section 65 of the Constitution of Alabama
6 of 2022, lotteries and gift enterprises are prohibited.

7 This bill would propose an amendment to the
8 Constitution of Alabama of 2022 to authorize the
9 Legislature to establish an official state lottery under
10 the supervision and control of a public lottery
11 corporation. The lottery would be allowed to consist of
12 draw-based and instant games, would be limited to paper,
13 plastic, or cardboard lottery tickets, would prohibit
14 video lottery terminals, and would include in-state and
15 multi-state lottery games.

16 This bill would also require the Governor to
17 negotiate a compact with the Poarch Band of Creek
18 Indians as contemplated under the federal Indian Gaming
19 Regulatory Act.

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22 A BILL

23 TO BE ENTITLED

24 AN ACT

25
26 Relating to lotteries and gift enterprises; to propose
27 an amendment to the Constitution of Alabama of 2022, to repeal
28 and reenact Section 65 of the Constitution of Alabama of 2022,



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and to add Sections 65.01 and 65.02 to the Constitution of Alabama of 2022, to establish an official State Lottery; to establish a public corporation to administer the lottery; to provide for the distribution of lottery revenues through independent supplemental appropriations; and to require the Governor to negotiate a compact with the Poarch Band of Creek Indians under certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following amendment to the Constitution of Alabama of 2022, is proposed:

PROPOSED AMENDMENT

Part 1. Section 65 of the Constitution of Alabama of 2022, is repealed and in lieu thereof the following language shall be adopted as Section 65, Section 65.01, and Section 65.02 of the Constitution of Alabama of 2022:

Section 65

(a) Except as expressly provided in this constitution, the Legislature shall have no power to authorize any form of gambling activity for any purpose and shall pass laws to prohibit any unlawful gambling activity and unlawful gambling-related activity.

(b) This section, Section 65.01, and Section 65.02 of the constitution shall be further implemented by act of the Legislature enacted during the 2026 Regular Session. It is the intent of the Legislature that any such legislative act be read in pari materia with these constitutional provisions.

Section 65.01

(a) The Legislature, by general law, may provide for



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the establishment and regulation of an official State Lottery as follows:

(1) The lottery may consist of draw-based and instant win lottery games.

(2) The lottery may use only tickets made of cardboard, paper, plastic, or some functionally similar material unless otherwise required to participate in a multi-jurisdiction lottery.

(3) The lottery may not use video lottery terminals.

(4) The lottery may participate in a multi-jurisdiction lottery.

(b) The State Lottery shall be operated and regulated on behalf of the state by a public corporation as an instrumentality of the state. The Legislature may provide by law for the establishment, operation, and governance of the corporation, including appointments to the governing body of the corporation by officers of the Legislature, in a manner without regard to Article III of this Constitution.

(c) The Legislature may provide for some portion of the proceeds from the lottery to be used to pay the operating expenses of the lottery, including all prizes, without any appropriation required by law. The Legislature shall use funds within the Education Trust Fund to pay for the initial start-up operating expenses of the state lottery and the public corporation described in this section, provided the public corporation shall pay back to the Education Trust Fund the start-up expenses of the lottery and of the corporation from the initial revenues of the lottery.



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(d) There is established in the State Treasury the Alabama Lottery Trust Fund. Net proceeds generated from the lottery shall be deposited at least annually into the fund and shall be separately appropriated by the Legislature through an annual independent supplemental appropriation bill.

Section 65.02

(a) The Governor shall negotiate and may execute a Tribal-State gaming compact with the Poarch Band of Creek Indians, as contemplated under the Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq., which shall authorize any and all activities allowable under that act, including Class III games in any form; provided, the Governor may only grant authority for activity to be conducted in person and on lands held in trust by the United States for the benefit of the Poarch Band of Creek Indians prior to February 6, 2024.

(b) Following execution of the compact, the Governor shall file the compact with the Secretary of State and the commission. The Secretary of State shall forward an executed copy of the compact to the Secretary of the Interior for review and approval in accordance with, and to the extent required by, federal law.

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



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113 jurisdiction of federal court.

114 (d) It is the intent of this section to only regulate
115 the terms of a Tribal-State gaming compact for activities
116 conducted on trust lands. Nothing in this section shall be
117 deemed to prohibit the Poarch Band of Creek Indians, or a
118 wholly owned subsidiary thereof, from conducting any
119 commercial activity off trust lands as a private commercial
120 actor, subject to this constitution and general law.

121 Upon ratification of this constitutional amendment, the
122 Code Commissioner shall number and place this amendment as
123 appropriate in the constitution omitting this instructional
124 paragraph and may make the following nonsubstantive revisions:
125 change capitalization, hierarchy, spelling, and punctuation
126 for purposes of style and uniformity; correct manifest
127 grammatical, clerical, and typographical errors; revise
128 internal or external citations and cross-references; harmonize
129 language; and translate effective dates.

130 END OF PROPOSED AMENDMENT

131 Section 2. An election upon the proposed amendment
132 shall be held in accordance with Sections 284 and 285 of the
133 Constitution of Alabama of 2022, and the election laws of this
134 state. The appropriate election official shall assign a ballot
135 number for the proposed constitutional amendment on the
136 election ballot and shall set forth the following description
137 of the substance or subject matter of the proposed
138 constitutional amendment:

139 "Proposing an amendment to the Constitution of Alabama
140 of 2022, to: (1) establish an official Alabama State Lottery;



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141 (2) provide for the distribution of all lottery revenues; and
142 (3) require the Governor to negotiate a compact with the
143 Poarch Band of Creek Indians pursuant to the federal Indian
144 Gaming Regulatory Act.

145 Proposed by Act ____."

146 This description shall be followed by the following
147 language:

148 "Yes() No()."

149 Section 3. The proposed amendment shall become valid as
150 a part of the Constitution of Alabama of 2022, when approved
151 by a majority of the qualified electors voting thereon.