

HB449 INTRODUCED



1 HB449
2 I3JLVWW-1
3 By Representative Ensler
4 RFD: Economic Development and Tourism
5 First Read: 12-Feb-26



4 SYNOPSIS:

5 This bill would implement the constitutional
6 amendment proposed in House Bill xxx of the 2026 Regular
7 Session to authorize a state lottery by creating the
8 Alabama Lottery Corporation as a public corporation
9 tasked with operating and managing the lottery.

10 This bill would establish the Alabama Lottery
11 Trust Fund, which would be used by the Legislature each
12 year to provide supplemental appropriations for only the
13 following purposes: (i) to address problem gambling
14 additions and treatment; (ii) to establish a
15 postsecondary scholarship program for public two-year
16 community and technical colleges and four-year public
17 institutions of higher education; (iii) to provide
18 cost-of-living raises and other benefits for active
19 public education employees and bonuses for retired
20 education employees; (iv) to award grants to hospitals to
21 assist in their operation and prevent their closure; and
22 (v) to provide tax credits to eligible residents of the
23 state as determined by the Legislature.

24 This bill would establish the Alabama Lottery
25 Corporation Board of Directors to supervise the state
26 lottery and would provide for the appointment and duties
27 of the board.

28 This bill would provide that the lottery



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corporation would be under the day-to-day supervision of a chief executive officer who would be the president of the corporation, and would provide for his or her appointment and duties.

This bill would impose lottery advertising restrictions on the corporation to limit advertisements with a strong appeal to minors.

This bill would provide criminal penalties for sales of lottery tickets to minors, underage purchase of lottery tickets, making of counterfeit lottery tickets, skimming of lottery proceeds, and theft of a lottery prize by fraud.

This bill would require lottery tickets to be printed onto paper, plastic, or other tangible material, with exceptions.

This bill would amend various gambling-related offenses to increase the penalties and provide heightened criminal penalties for a second or subsequent conviction under the gambling laws of the state.

This bill would also provide a procedure for owners and operators of business establishments to be held criminally liable for allowing unlawful gambling activities to occur on the business premises.

A BILL

TO BE ENTITLED



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AN ACT

Relating to lottery activities; to add Chapter 30 to Title 41, Code of Alabama 1975, to implement the constitutional amendment proposed in House Bill xxx of the 2026 Regular Session, to create the Alabama Lottery to be administered by the Alabama Lottery Corporation and to provide for the creation and operation of the corporation; to provide for the governance of the corporation by a board of directors and provide for the appointment and duties of the board; to provide for the appointment of a president of the corporation and provide for the powers and duties thereof; to establish the Alabama Lottery Trust Fund and provide for the distribution of funds therein through an independent supplemental appropriation bill; to establish certain advertising restrictions related to the lottery; to amend Sections 13A-12-20, 13A-12-21, 13A-12-22, 13A-12-23, 13A-12-24, 13A-12-25, 13A-12-26, 13A-12-27, 13A-12-28, and 13A-12-30, Code of Alabama 1975, to update and increase criminal penalties for various unlawful gambling activities and provide heightened criminal penalties for subsequent violations; to add Section 13A-12-32 to the Code of Alabama 1975, to provide a procedure to establish criminal liability for certain owners and operators where certain unlawful gambling activities occur; to repeal Division 3 of Article 2 of Chapter 12 of Title 13A, Code of Alabama 1975, relating to transportation of lottery paraphernalia; to make nonsubstantive technical revisions to update the existing code language to current style; and to provide for the repeal of the



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act under certain specified conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

Chapter 30. Alabama Lottery Corporation.

§41-30-1. Accountability of the Alabama Lottery Corporation.

The Legislature recognizes that the operations of a state lottery are unique activities for state government and that a corporate structure will best enable the lottery to be managed in an entrepreneurial and business-like manner. It is the intent of the Legislature that the Alabama Lottery Corporation shall be accountable to the Governor, the Legislature, and the people of the State of Alabama through a system of audits, reports, and disclosures as required by this chapter.

§41-30-2. Definitions.

As used in this chapter, the following words have the following meanings:

(1) BOARD. The Alabama Lottery Corporation Board of Directors.

(2) CORPORATION. The Alabama Lottery Corporation.

(3) FISCAL YEAR. The fiscal year used by the State of Alabama government.

(4) INSTANT TICKET. A lottery game in which a player scratches or otherwise removes anything overlaying words or symbols to determine if the player has won, as indicated by the symbols and words that are displayed.

(5) LOTTERY or LOTTERY GAME. A game of chance that

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generally involves the drawing or revealing of numbers at random for a prize. The term includes, but is not limited to, a state lottery, instant win game, a multi-jurisdiction lottery, or other draw-based or instant win game that is approved and conducted through the Alabama Lottery Corporation. The term does not include video lottery terminals, electronic games of chance, sports wagering, bingo, electronic bingo, or any game similar to bingo, including pull-tabs, punch boards, tip jars, or instant bingo, whether or not played with an electronic, computer, or other technological aid. The term does not include any other form of gambling activity.

(6) LOTTERY RETAILER. Any person with whom the corporation has contracted to sell lottery tickets to the public.

(7) LOTTERY TICKET. Any tangible evidence of proof of participation in, or a right, privilege, or possibility of becoming a winner in, a lottery game.

(8) MAJOR PROCUREMENT. Any item, product, or service in the amount of one million dollars (\$1,000,000) or more, including, but not limited to, major advertising contracts, annuity contracts, prizes, products, and services unique to the state lottery.

(9) NET PROCEEDS. Gross lottery revenues, minus amounts paid as prizes and expenses, of the operation of the lottery.

(10) PERSON. Any individual, corporation, partnership, unincorporated association, or other legal entity.

(11) PRESIDENT. The president and chief executive officer of the Alabama Lottery Corporation.

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141 (12) SECURITY. The protection of information that would
142 provide an unfair advantage to any individual involved in the
143 operation of the lottery; the protection and preservation of the
144 integrity of lottery games and operations; and the measures
145 taken to prevent crimes against the corporation and its
146 retailers.

147 (13) VENDOR. Any person who has entered into a contract
148 with the corporation.

149 §41-30-3. Administration of the state lottery.

150 (a) There is created a state lottery. The lottery shall
151 be administered by a corporation to be known as the Alabama
152 Lottery Corporation. The corporation shall be managed in a
153 manner that enables the people of the State of Alabama to
154 benefit from its profits and to ensure the integrity of the
155 lottery.

156 (b) The existence of the corporation shall begin upon the
157 appointment of all seven members of the board.

158 (c) The corporation shall be domiciled in the State of
159 Alabama. The exclusive venue for any action or matter against
160 the corporation arising out of or in connection with the
161 issuance, nonissuance, delivery, or failure to deliver a lottery
162 ticket or payment or nonpayment of a lottery prize in the county
163 in which its corporate headquarters is located, and the circuit
164 court for that county shall have exclusive jurisdiction over the
165 action or matter. For purposes of the assessment of court costs
166 only, the corporation shall be a private corporation.

167 §41-30-4. Administration of the affairs of the Alabama
168 Lottery Corporation.

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169 (a)(1) The affairs of the corporation shall be
170 administered by the Alabama Lottery Corporation Board of
171 Directors. The board shall be composed of seven voting members
172 appointed as follows:

173 a. One member appointed by the Governor.

174 b. One member appointed by the President Pro Tempore of
175 the Senate.

176 c. One member appointed by the Speaker of the House of
177 Representatives.

178 d. One member appointed by Majority Leader of the Senate.

179 e. One member appointed by the Majority Leader of the
180 House of Representatives.

181 f. One member appointed by the Minority Leader of the
182 Senate.

183 g. One member appointed by the Minority Leader of the
184 House of Representatives.

185 (2) All appointments shall be subject to confirmation by
186 the Senate.

187 (3) In addition to the voting members, the Commissioner
188 of Revenue and the State Treasurer shall attend all meetings of
189 the board in a nonvoting, ex officio capacity.

190 (b) The voting members of the board shall be residents of
191 the State of Alabama and may not be serving as a public
192 official, as that term is defined in Section 36-25-1. The
193 Governor, when making appointments to the board, shall
194 coordinate the appointments so that diversity of gender, race,
195 and geographical area is reflective of the makeup of the state.

196 (c) The initial appointees of the board shall serve

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197 staggered terms as follows: (i) One term shall expire after one
198 year; (ii) one term shall expire after two years; (iii) one term
199 shall expire after three years; (iv) one term shall expire after
200 four years; and (v) one term shall expire after five years.
201 After the expiration of the initial terms, members of the board
202 shall serve for terms of five years.

203 (d) A member may serve beyond the end of his or her
204 respective term until a successor has been appointed and
205 confirmed by the Senate. No member may serve more than two
206 consecutive five-year terms. Members serve at the pleasure of
207 the Governor. The board shall elect a chair from among its
208 voting members. As near as practical, the board chair shall
209 serve a term of two years.

210 (e) Appointed members of the board shall be entitled to
211 per diem compensation paid by the corporation and shall be
212 reimbursed by the corporation for necessary travel and other
213 reasonable expenses incurred in the performance of their
214 official duties. Members of the board shall not have any direct
215 or indirect interest in an undertaking that puts their personal
216 interest in conflict with that of the corporation, including,
217 but not limited to, an interest in a major procurement contract
218 or a participating retailer.

219 (f) The board, upon the initial call of the Governor and
220 the chair thereafter, shall meet each month for the first 18
221 months following the effective date of this act and at such
222 other times as the chair may determine. Five voting members of
223 the board shall constitute a quorum. The board shall also meet
224 upon the call of five or more of the voting members of the

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board. The board shall keep accurate and complete records of all its meetings.

(g) Meetings of the board shall be subject to the Alabama Open Meetings Act.

§41-30-5. Inspection of records.

All records of the corporation shall be deemed public records and subject to public inspection pursuant to the Article 3 of Chapter 12 of Title 36, unless any of the following apply:

(1) The record relates to or was provided by a confidential source or informant and relates to lottery security, applicant, vendor, or retailer qualifications or conduct.

(2) The record involves a trade secret of the corporation or of a vendor.

(3) The record pertains to the internal security operations of the lottery or its lottery retailers or the record is of such a sensitive nature that its disclosure would endanger the security of the lottery or its lottery retailers, including, but not limited to, records containing security procedures, investigative techniques, or internal security information.

(4) The record is covered by another exemption under federal or state law.

§41-30-6. Appointment of president of the Alabama Lottery Corporation.

(a) (1) From time to time, the board may appoint an individual to serve as president of the corporation. The president shall serve at the pleasure of the board.

(2) The Governor may approve or disapprove the



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253 appointment within 30 days of notice of the appointment. If the
254 Governor does not disapprove the appointment as prescribed in
255 this subsection, the appointment shall be deemed approved.

256 (b) The president shall manage the daily affairs of the
257 corporation and shall have the powers and duties specified by
258 the board and this chapter and any rules adopted thereunder.

259 (c) The president may employ personnel as he or she deems
260 necessary. All personnel shall serve at the will and pleasure of
261 the president, unless otherwise specified by the president.

262 (d) Following his or her appointment and during his or
263 her entire employment by the board, the president shall reside
264 in this state.

265 §41-30-7. Duties of the board.

266 The board shall have the following powers and duties:

267 (1) Approve, disapprove, amend, or modify the budget
268 recommended by the president for the operation of the
269 corporation.

270 (2) Adopt rules as necessary to carry out and implement
271 the operations of the corporation, the conduct of lottery games
272 in general, and any other matters necessary or desirable for the
273 efficient and effective operation of the lottery or convenience
274 of the public.

275 (3) Establish the salary of the president.

276 (4) Acquire and hold, in its own name, real property and
277 improvements thereon by purchase, gift, lease, lease with the
278 option to purchase, or other lawful means, except eminent
279 domain, to carry out its duties; and transfer, sell, or convey
280 real property and any improvements thereon. Any obligations

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created in connection with the purchase or improvement of real property shall not create debts, obligations, or liabilities of the State of Alabama.

(5) Provide for the conduct of specific lottery games and operations, including, but not limited to, the following:

- a. The types of lottery games that may be conducted.
- b. The sale price of tickets.
- c. The number and amount of prizes.
- d. The methods that shall be used in selling tickets for lottery games.
- e. The methods and location of selecting or validating winning tickets.
- f. The manner of payment of prizes.
- g. The frequency of games and drawings.
- h. Any other matters necessary to carry out this act and necessary for the efficient and effective operation of the lottery.

(6) Conduct hearings upon receiving a complaint alleging a violation of this chapter or rules adopted by the corporation or as otherwise provided by this chapter.

(7) Periodically review the performance of the corporation and advise the president and make recommendations regarding operations of the corporation and identify potential statutory improvements to this chapter, the rules of the corporation, and the management of the corporation.

(8) Request from the corporation any information the board determines to be relevant to its duties.

(9) Conduct and administer lottery games to result in



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maximization of revenues to the State of Alabama. The corporation, its employees, and the members of the board shall provide for the efficient and effective operation of lottery games, ensure the integrity of the lottery, and maintain the dignity of the state and the general welfare of its residents.

(10) Supervise and administer the lottery in accordance with this chapter and the rules governing this chapter.

(11) Submit quarterly and annual reports to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the State Treasurer, the State Auditor, the Joint Legislative Committee on Performance Evaluation and Expenditure Review, the Director of Finance, and the Commissioner of Revenue containing financial information and projections which include, but are not limited to, disclosure of gross revenues, expenses, and net proceeds for the period.

(12) Establish a system of continuous internal audits.

(13) Maintain weekly or more frequent records of lottery transactions, including distribution of tickets to lottery retailers, revenues received, claims for prizes, prizes paid, and all other financial transactions of the corporation.

(14) Establish a code of ethics for officers and employees of the corporation to carry out the standards of conduct established by this chapter.

(15) Establish guidelines for the disposal of lottery property if the corporation is dissolved.

(16) Sue and be sued in its corporate name.

(17) Adopt a corporate seal and a symbol.

(18) Hold patents, copyrights, trademarks, and service



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marks and enforce its rights with respect thereto.

(19) Register to do business in the State of Alabama and appoint agents upon which process may be served.

(20) Enter into written agreements with one or more other states or sovereigns for the operation, marketing, and promotion of a joint lottery or joint-lottery games.

(21) Make, solicit, and request proposals and offers, and execute and effectuate any and all agreements or contracts, including, but not limited to:

a. Contracts that provide for the placement of commercial advertising on tickets.

b. Contracts for the purchase or lease of real property as are necessary for the operation and promotion of the lottery.

c. Contracts or agreements necessary for the implementation, operation, and promotion of the lottery and this chapter.

(22) Adopt bylaws and rules to administer this chapter.

§41-30-8. Duties and obligations of the president.

(a) The president, as chief executive officer of the corporation, shall do all of the following:

(1) Direct and supervise all administrative and technical activities in accordance with this chapter and the rules governing this chapter.

(2) Supervise and administer the operation of the corporation, the lottery, and its games.

(3) Employ, manage, and direct the personnel of the corporation and its facilities and services as necessary to implement this chapter.



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(4) Enter into contracts with lottery retailers.

(5) Make available for inspection by the board or any member of the board, upon request, all books, records, files, and other information and documents of his or her office.

(6) Advise and make recommendations to the board for the adoption of rules or other actions to improve the operation and administration of the lottery and the corporation.

(7) Enter into any contract pursuant to this chapter with any person for the promotion and operation of the lottery or for the performance of any of the functions as provided in this chapter or rule adopted under this chapter, unless the contract constitutes a major procurement. A major procurement shall require approval from the board.

(8) Attend meetings of the board or appoint a designee to attend on his or her behalf.

(9) Not later than 30 days before the beginning of the corporation's fiscal year, submit the proposed annual budget of the corporation and projected net proceeds to the board for review and approval.

(10) Subject to the approval of the board, amend or modify the budget at any time in any manner deemed necessary for the proper operation of the corporation.

(11) Require bond from employees of the corporation as he or she deems necessary; provided, the president shall require bond, in an amount determined by the board, from employees with access to corporate funds or lottery funds.

(12) For good cause, suspend, revoke, or refuse to renew any contract entered into in accordance with this chapter or

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rule adopted under this chapter.

(13) Upon specific or general approval of the board, conduct hearings and administer oaths to persons for the purpose of assuring the security or integrity of lottery operations, or to determine the qualifications or compliance by vendors and lottery retailers.

(14) Upon receiving specific or general approval of the board, enter into contracts with consultants and technical assistants as may be required to implement and administer this chapter.

(15) By agreement, secure information, goods, and services as necessary from any department, agency, or unit of the federal, state, or local government. To the extent allowed by federal or state law or rule, the president may compensate the department, agency, or unit of government for its information, goods, and services.

(16) Supervise ticket validation and lottery drawings.

(17) For just cause and subject to the terms of a vendor contract, inspect the facilities of any vendor in order to determine the integrity of the vendor's product and in order to determine whether the vendor is in compliance with its contract.

(18) Report any suspected violations of this chapter to the local district attorney or the Attorney General.

(19) Upon request, provide assistance to the local district attorney and the Attorney General during an investigation into a violation of this chapter.

(b) The president and the board shall conduct an ongoing examination of the operation and administration of lotteries in

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other states and countries, including reviewing available literature on the subject; federal laws and regulations which may affect the operation of the lottery; and the reaction of residents of this state to existing or proposed features of lottery games with a view toward implementing improvements that will tend to serve the purposes of this chapter.

(c) The president may also establish one or more market or equipment research centers for lottery products and may establish lottery player information centers.

(d) There shall be no liability on the part of, and no cause of action shall arise against, the corporation or its governing board, staff, agents, vendors, or employees, arising out of or in connection with their duties and obligations as provided for under this chapter.

§41-30-9. Procurement of goods and services.

(a) The corporation may purchase, lease, or lease-purchase any goods or services as necessary for implementing and administering this chapter.

(b) The procurement of any supplies or services by the corporation shall be solely governed by rules pursuant to the Alabama Administrative Procedure Act. The rules adopted shall be consistent with any applicable requirements of the Constitution of Alabama of 2022, and shall be established in accordance with the underlying purposes and policies of promoting responsible and efficient use of public funds dedicated and appropriated to agencies for their use, and promoting fairness, competition, transparency, integrity, and value in the procurement process. In no case may a rule be adopted in conflict with the laws of



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this state regarding the public disclosure of the use of public funds and the transparency of public expenditures, or that is otherwise in conflict with state law regarding public records and public access to those records.

(c) The corporation may make procurements necessary for the function of the lottery, including procurements for the design of lottery games, the distribution of lottery tickets to lottery retailers, the supply of goods and services, and advertising. In all procurement decisions, the corporation shall take into account the particularly sensitive nature of the state lottery and shall promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery and the objectives of raising net proceeds for the benefit of the state.

§41-30-10. Intelligence sharing and restricted use agreements.

(a) The corporation may enter into intelligence sharing, reciprocal use, or restricted use agreements with the federal government, law enforcement agencies, lottery regulation agencies, and gambling enforcement agencies of other jurisdictions that provide for and regulate the use of information provided and received pursuant to the agreement.

(b) Records, documents, and information in the possession of the corporation received pursuant to an intelligence sharing, reciprocal use, or restricted use agreement entered into by the corporation pursuant to subsection (a) shall be exempt from Article 3 of Chapter 12 of Title 36. The corporation may not release the record, document, or other information without the

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written permission of the person or agency providing the record or information to the corporation.

§41-30-11. Lottery advertising restrictions.

(a) The corporation may enter into one or more commercial advertising contracts with a person for the purpose of promoting the lottery and the sale of lottery tickets, subject to the requirements of this section.

(b) No commercial advertising conducted for the purpose of promoting the lottery or the sale of lottery tickets may have a strong appeal to individuals under 18 years of age.

(c) The board shall adopt rules to govern any advertising conducted pursuant to this chapter. At a minimum, the rules shall establish restrictions and requirements for advertising, including signage, and may include limiting the media or forums where advertising may occur.

(d) Notwithstanding the foregoing, the corporation may advertise as necessary to participate in a multi-jurisdiction lottery.

§41-30-12. Criminal background checks.

(a) The Alabama State Bureau of Investigations shall perform a criminal background check on potential vendors, including potential lottery retailers and potential employees of the corporation.

(b) The required criminal background check shall be conducted prior to the finalization of any contract with a potential vendor or prior to the employment of any potential employee.

(c) The corporation shall reimburse the Alabama State



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Bureau of Investigations for the actual costs of conducting the criminal background investigations.

§41-30-13. Claiming a prize.

(a) The proceeds of any lottery prize of six hundred dollars (\$600) or more shall be subject to state and federal income tax withholding laws, as applicable. To claim a lottery prize of six hundred dollars (\$600) or more, an individual holding a winning lottery ticket must provide to the corporation the individual's name, address, and any other information required by rule of the Department of Revenue. The Department of Revenue shall adopt rules governing the administration of this subsection.

(b) The corporation shall withhold any attachments, garnishments, or executions authorized and issued pursuant to law if timely served upon the process agent of the corporation.

(c) The board shall adopt policies and procedures to establish a system of verifying the validity of tickets or shares claimed to win prizes and to effect payment of those prizes, subject to the following conditions:

(1) No prize, portion of a prize, or right of a person to a prize shall be assignable. Any prize, or portion thereof, remaining unpaid at the death of a prizewinner shall be paid to the estate of the deceased prizewinner or to the trustee of a trust established by the deceased prizewinner if a copy of the trust document or instrument has been filed with the corporation, along with a notarized letter of direction from the deceased prizewinner, and no written notice of revocation has been received by the corporation prior to the deceased



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prizewinner's death. Following a deceased prizewinner's death and prior to any payment to a trustee, the corporation shall obtain from the trustee and each trust beneficiary a written agreement to indemnify and hold the corporation harmless with respect to any claims that may be asserted against the corporation arising from payment to or through the trust.

(2) No prize shall be paid arising from a claimed ticket that is stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received, unclaimed or not recorded by the corporation within the applicable deadline, lacking in captions that conform and agree with the play symbols as appropriate to the lottery game involved, or not in compliance with any additional specific rules and public or confidential validation and security tests of the corporation appropriate to the particular lottery game involved.

(3) No particular prize in any lottery game shall be paid more than once, and in the event of a determination by the corporation or a court that more than one claimant is entitled to a particular prize, the sole remedy of the claimants shall be to award to each of them an equal share in the prize.

(4) A holder of a winning ticket from an Alabama lottery game or from a multi-state or multi-jurisdiction lottery game shall claim a prize within the timeframe provided for by rule of the board. If a valid claim is not made for a prize within the applicable period, the prize shall constitute an unclaimed prize for purposes of this section.

(5) The corporation shall not disclose the identity of the person holding a winning lottery ticket where the prize



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amount is in excess of one million dollars (\$1,000,000) without that person's written permission.

(6) No prize shall be paid upon a lottery ticket purchased or sold in violation of this chapter or rule adopted thereunder. A lottery ticket purchased or sold in violation of this chapter or rule adopted thereunder shall constitute an unclaimed prize for purposes of this section.

(d) Unclaimed prize money shall not constitute net lottery proceeds. Unclaimed prize money shall be held in trust by the corporation and used as provided in this section. Annually, the corporation shall distribute a portion of unclaimed prize money, not to exceed two hundred thousand dollars (\$200,000) each year, to the State General Fund to the credit of the Department of Mental Health for the treatment of compulsive gambling disorder and educational programs related to the disorder. In addition, unclaimed prize money may be added to the pool from which future prizes are to be awarded or used for special prize promotions.

(e) The corporation is discharged of all liability upon payment of a prize.

(f) No ticket shall be purchased by and no prize shall be paid to any of the following persons:

(1) Any member of the board.

(2) Any officer or employee of the corporation.

(3) Any spouse, child, brother, sister, or parent residing as a member of the same household in the principal place of abode of any individual listed in this subsection.

§41-30-14. Withholding of lottery prizes of persons who

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589 have outstanding child support arrearages or debts owed to the
590 state.

591 (a) (1) The board shall coordinate with the Department of
592 Human Resources to adopt rules providing for the withholding of
593 lottery prizes of individuals who have outstanding child support
594 arrearages as reported to the corporation, beginning at prize
595 levels to be determined by the board. The rules may require any
596 agency reporting current child support arrearages to the
597 corporation to provide information relating to the arrearages in
598 a manner, format, or record approved by the corporation.

599 (2) The corporation shall not be liable for withholding a
600 lottery prize based upon child support arrearage information
601 provided to the corporation.

602 (b) (1) The corporation shall withhold any lottery prize
603 of an individual who has had a delinquent debt claim reported by
604 a state agency or a political subdivision of the state. The
605 Department of Revenue and the corporation shall cooperate to
606 implement this section.

607 (2) The corporation shall not be liable for withholding a
608 lottery prize based upon a delinquent debt claim provided to it
609 by the Department of Revenue.

610 (3) The board shall adopt rules to implement this
611 subsection.

612 §41-30-15. Monies received from the sale of lottery
613 tickets; creation of funds.

614 (a) All lottery proceeds received by the corporation,
615 including all monies from the sale of lottery tickets and all
616 other sources of revenue, shall be the property of the



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corporation. The corporation shall use monies in the fund to first pay for its reasonable operating expenses, second for the payment of prize money, and all remaining funds shall be transferred to the Alabama Lottery Trust Fund. The corporation shall endeavor to maximize the amount of revenues that may be generated for deposit into the Alabama Lottery Trust Fund.

(b) On or before the twentieth day of each month, the corporation shall transfer from its operating accounts to the Alabama Lottery Trust Fund the amount of all net proceeds. Upon deposit into the Alabama Lottery Trust Fund, any monies representing net proceeds shall become the unencumbered property of the State of Alabama and the corporation shall have no power to agree or undertake otherwise. The monies shall be invested by the State Treasurer in accordance with state investment practices.

§41-30-16. Funding of the corporation.

(a) The corporation may enter into contracts to incur debt in its own name and enter into financing agreements with the state, agencies, or instrumentalities of the state, or with any commercial bank or credit provider. Any contract or financing agreement entered into pursuant to this subsection must be approved by the Finance Director of the Department of Finance. Any obligations created in connection with any contracts or financing agreements entered into pursuant to this section shall solely and exclusively be obligations of the corporation and shall not create debts, obligations, or liabilities of the State of Alabama.

(b) The corporation shall be self-sustaining and

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self-funded. Monies in the State General Fund shall not be used or obligated to pay the prizes of the lottery, and no claim for the payment of an expense of the lottery or prizes of the lottery may be made against any monies other than monies credited to the operations accounts of the corporation.

§41-30-17. Selection and maintenance of statewide network of lottery retailers.

(a) The corporation shall develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of lottery tickets, while ensuring the integrity of the lottery operations, games, and activities.

(b) A lottery game may not be played except as authorized by general law and rules adopted by the board. A lottery game may not be operated through the use of a video lottery terminal or any other mechanical, electromechanical, or other electronic device or machine that performs all the functions of a lottery by itself when networked with other similar devices or machines; provided, this section shall not apply to the use of a lottery vending machine otherwise allowed at a licensed lottery retailer which meets any requirements established by the corporation.

(c) A lottery ticket may not be sold except by a licensed lottery retailer in accordance with general law and rules adopted by the board.

§41-30-18. Selection of lottery retailers.

(a) To govern the selection of lottery retailers, the board shall adopt rules to provide a list of objective criteria upon which the selection of lottery retailers shall be based.



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The criteria shall include, but not be limited to, the following with regard to the applicant:

(1) Financial responsibility.

(2) Location and security of place of business or activity.

(3) Character, integrity, and reputation.

(4) Whether the applicant is current in the filing of all applicable tax returns and the payment of all applicable taxes, interest, and penalties owed to the state or any political subdivision thereof, excluding items under formal appeal.

(b) No person shall be selected as a lottery retailer for the sale of lottery tickets if the person has done any of the following:

(1) Has been convicted of a criminal offense related to the security or integrity of the lottery in this state or any other jurisdiction.

(2) Has been convicted of any illegal gambling activity, false statements, false swearing, or perjury in this state or any other jurisdiction.

(3) Has been convicted of any felony in this state, unless more than five years have elapsed from the date of the individual's release from incarceration without a subsequent conviction of a crime described in this subsection.

(4) Has been found to have violated this chapter or any rule adopted under this chapter, unless either 10 or more years have passed since the violation, or the president and the board find the violation both minor and unintentional in nature.

(5) Is a vendor or an employee or agent of any vendor

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701 doing business with the corporation.

702 (6) Resides in the same household as an officer or board
703 member of the corporation.

704 (7) Has knowingly made a false statement of material fact
705 to the corporation.

706 (c) The board shall not consider the applicant's
707 political affiliation, political activities, or monetary
708 contributions to political organizations or candidates for any
709 public office.

710 §41-30-19. Cancellation, denial, revocation, suspension,
711 renewal rejection, or termination of contract with lottery
712 retailer.

713 (a) Any contract executed by the corporation with a
714 lottery retailer pursuant to this chapter shall specify the
715 reasons for which any contract may be canceled, denied, revoked,
716 suspended, renewal rejected, or terminated by the corporation,
717 including, but not limited to, the following:

718 (1) Violation of this chapter or a rule adopted
719 thereunder.

720 (2) Failure to accurately account for lottery tickets,
721 revenues, or prizes as required by this chapter and rules
722 adopted thereunder.

723 (3) Commission of any fraud, deceit, or
724 misrepresentation.

725 (4) Insufficient sale of tickets.

726 (5) Conduct prejudicial to public confidence in the
727 lottery.

728 (6) Filing for or being placed in bankruptcy or

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receivership.

(7) Any material change in any matter considered by the corporation in executing the contract with the lottery retailer.

(8) Failure to make available for inspection or copying any record upon request of the corporation.

(9) Failure to meet any of the objective criteria established by the board pursuant to this chapter.

(b)(1) Following a public hearing on the matter, if the president determines that the cancellation, denial, revocation, suspension, rejection of renewal, or termination of a lottery retailer contract is in the best interest of the lottery, the public welfare, or the State of Alabama, the president may cancel, deny, revoke, suspend, reject the renewal, or terminate the contract.

(2) Notwithstanding subdivision (1), the president may temporarily suspend any lottery retailer contract without prior notice, pending any investigation, prosecution, and public hearing.

§41-30-20. Treatment of lottery proceeds by lottery retailers; insolvency.

(a)(1) All proceeds from the sale of lottery tickets received by a lottery retailer shall be held in trust by the lottery retailer until paid to the corporation either directly or through the corporation's authorized collection representative.

(2) A lottery retailer shall have a fiduciary duty to preserve and account for lottery proceeds and shall be personally liable for the lottery proceeds.



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(3) Lottery proceeds shall include unsold instant tickets received by a lottery retailer, cash proceeds of the sale of any lottery products, the net amount of allowable sales commissions, and credit for lottery prizes to winners by lottery retailers.

(4) Sales proceeds and unused instant tickets shall be delivered to the corporation or its authorized collection representative upon demand.

(b)(1) The board shall require each lottery retailer to place all lottery proceeds due the corporation in a bank account in an institution insured by the Federal Deposit Insurance Corporation not later than the close of the next banking day after the date of collection by the lottery retailer until the date the proceeds are paid over to the corporation.

(2) Each lottery retailer shall establish a separate bank account for lottery proceeds. The lottery proceeds shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets.

(c) A lottery retailer shall receive seven percent of the sales of lottery tickets sold by the lottery retailer.

(d) Whenever any individual who receives proceeds from the sale of lottery tickets in the capacity of a lottery retailer becomes insolvent, or dies insolvent, the proceeds due the corporation from the individual or his or her estate shall have preference over all other debts or demands.

§41-30-21. Illegal lottery devices prohibited.

(a) A lottery retailer or agent, associate, employee, or representative of a lottery retailer may not allow any illegal lottery device to be on the licensed premises of the lottery



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retailer. For purposes of this section, an illegal lottery device is any machine or other device that sells lottery tickets or otherwise participates in a lottery not approved by the corporation.

(b) The corporation may assess a fine against a lottery retailer who violates this section, as follows:

(1) For a first offense, a fine of not less than two hundred dollars (\$200) nor more than one thousand dollars (\$1000).

(2) For a subsequent offense, a fine of not less than five hundred dollars (\$500) nor more than two thousand dollars (\$2,000). In addition, the corporation may suspend, revoke, or take other disciplinary action against the lottery retailer license of the lottery retailer.

(c) (1) Except as provided in subdivision (2), a person who violates this section is guilty of a Class A misdemeanor.

(2) On a second or subsequent violation of this section, a person is guilty of a Class C felony.

§41-30-22. Sale to minors prohibited.

(a) A lottery retailer or agent, associate, employee, or representative of a lottery retailer may not sell a lottery ticket to any individual unless the individual submits any one of the following forms of identification to establish that the individual is 18 years of age or older:

(1) A valid and current Alabama driver license containing a photograph of the individual presenting the driver license.

(2) A valid and current driver license of another state containing a photograph of the individual presenting the driver



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license.

(3) A valid and current nondriver identification card issued by the State of Alabama containing a photograph of the individual presenting the identification card.

(4) A valid and current passport or visa issued by the federal government or another country or nation which contains a permanently attached photograph of the individual presenting the passport or visa.

(5) A valid and current military or federal identification card issued by the federal government containing a photograph of the individual presenting the identification card.

(6) A valid and current tribal identification card issued by a federally recognized Indian tribe containing a photograph of the individual presenting the identification card.

(b)(1) Each form of identification listed in subsection (a) must on its face establish the age of the individual as 18 years of age or older and there must be no reason to doubt the authenticity or correctness of the identification.

(2) No form of identification shall be accepted as proof of age if it is expired, defaced, mutilated, or altered. If the form of identification used is a duplicate, the presenting individual shall submit additional identification which contains the name, date of birth, and photograph of the individual.

(3) An educational institution identification card, check-cashing identification card, or employee identification card shall not be considered as lawful identification for the purposes of this section.

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(c) The corporation shall assess a fine against any lottery retailer who sells a lottery ticket to an individual under 18 years of age in violation of this section, as follows:

(1) For a first offense, a fine of not less than two hundred dollars (\$200) nor more than one thousand dollars (\$1000).

(2) For a subsequent offense, a fine of not less than five hundred dollars (\$500) nor more than two thousand dollars (\$2,000). In addition, the corporation may suspend, revoke, or take other disciplinary action against the lottery retailer license of the lottery retailer.

(d) (1) Except as provided in subdivision (2), a person who violates this section is guilty of a Class A misdemeanor.

(2) On a second or subsequent violation of this section, a person is guilty of a Class A misdemeanor and shall serve a minimum of 48 hours in the county jail.

§41-30-23. Underage purchase of lottery ticket; penalty.

(a) It is unlawful for any individual under 18 years of age to purchase a lottery ticket.

(b) An individual who violates this section shall be guilty of a violation and fined not more than one hundred dollars (\$100) and shall be subject to the citation and arrest procedures of Section 11-45-9.1.

§41-30-24. Counterfeit lottery tickets prohibited.

(a) It shall be unlawful for any person, with intent to defraud, to falsely make, alter, forge, utter, pass, or counterfeit a lottery ticket.

(b) A violation of this section is a Class C felony.



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§41-30-25. Theft of lottery prize by deception or fraud.

(a) It shall be unlawful for any person to influence or attempt to influence the winning of a lottery prize through the use of coercion, fraud, or deception or by tampering with lottery equipment or materials.

(b) A violation of this section is a Class B felony.

§41-30-26. Prohibited actions for current and former board members and officers of the corporation.

(a) A current or former board member or officer of the corporation, or a corporation or other entity owned in whole or in part by a former board member or officer of the corporation, may not solicit, accept employment, or enter into a contract for compensation of any kind with a vendor of the corporation during the member's service with the corporation or within one year after termination of service with the corporation.

(b) The name of any individual who is a board member or an officer or employee of the corporation shall not appear upon any lottery ticket, lottery game, lottery form, or paper used in playing any lottery game.

(c) A board member or an officer or employee of the corporation who violates this section shall be removed from office or dismissed from employment.

(d) The prohibitions of subsection (a) and subsection (c) do not apply to ex officio members of the board.

(e) The State Ethics Commission shall administer and enforce this section. The procedures and penalties provided for in Chapter 25 of Title 36 shall apply to the administration and enforcement of this section.



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§41-30-27. Skimming of lottery proceeds.

(a) An individual may not knowingly exclude, or take any action in an attempt to exclude, anything or its value from the deposit, counting, collection, or computation of gross revenues or net proceeds from lottery activities. A person who violates this section commits the crime of skimming of lottery proceeds.

(b) An individual who commits the crime of skimming of lottery proceeds shall be punished as follows:

(1) If the offense involves less than one thousand dollars (\$1,000), the individual is guilty of a Class C felony.

(2) If the offense involves one thousand dollars (\$1,000) or more but less than ten thousand dollars (\$10,000), the individual shall be guilty of a Class B felony. The individual shall serve a minimum period of incarceration of not less than three years without benefit of probation, parole, or suspension of sentence.

(3) If the offense involves ten thousand dollars (\$10,000) or more, the individual shall be guilty of a Class B felony and shall serve a period of incarceration of not less 10 years nor more than 25 years without benefit of probation, parole, or suspension of sentence.

§41-30-28. Compliance with federal laws.

The State of Alabama, in accordance with 15 U.S.C. § 1172, hereby declares that any and all lottery equipment, and the materials, paraphernalia, and supplies thereof, may be transported in interstate commerce into or out of the state without violating that section, or any other applicable federal law, if the equipment, materials, paraphernalia, and supplies



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are used in accordance with this chapter.

§41-30-29. Lottery tickets.

(a) The board may adopt rules to provide for the form of lottery tickets sold pursuant to this chapter.

(b) Lottery tickets, including instant tickets, shall be printed onto paper, plastic, or other tangible material; provided, the form of any multi-jurisdiction lottery ticket shall be subject to any requirement to participate in any multi-jurisdiction draw-based lottery.

§41-30-30. Financial integrity of lottery.

(a) To ensure the financial integrity of the lottery, the corporation through its board shall do all of the following:

(1) Compile and submit quarterly and annual reports and financial statements.

(2) Contract with an independent auditor who is a certified public accountant or firm to conduct an annual financial audit of the books and records of the corporation. The cost of this annual financial audit shall be an operating expense of the corporation. The independent auditor shall have no financial interest in any vendor with whom the corporation is under contract.

(b) A contract for an independent auditor under this section shall be reviewed by and subject to the approval of the Examiner of Public Accounts to ensure that the independent auditor is qualified to perform the audit.

(c) The audit shall be completed by January 1 of each year.

(d) A contract for audit services may not exceed a period

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of five years and the same firm may not receive two consecutive audit contracts.

§41-30-31. Distribution of lottery funds.

On an annual basis, the Legislature shall appropriate the proceeds in the Alabama Lottery Trust Fund by and through an independent supplemental appropriation bill for only one or more of the following purposes:

(1) For the establishment and support of problem gambling and gambling addiction treatment centers and programs.

(2) For the establishment and provision of a last-dollar postsecondary scholarship program for in-state, public two-year community and technical colleges and in-state public four-year institutions of higher education.

(3) For cost-of-living raises and other benefits for state education employees and bonuses or other benefits to retirees of the Teachers' Retirement System.

(4) For the award of grants for the operation, maintenance, and improvement of existing health care facilities, with an emphasis on preventing the closure of hospitals in rural areas of the state.

(5) For the award of tax credits to eligible residents of the state as determined by the Legislature.

Section 2. Sections 13A-12-20, 13A-12-21, 13A-12-22, 13A-12-23, 13A-12-24, 13A-12-25, 13A-12-26, 13A-12-27, 13A-12-28, and 13A-12-30, Code of Alabama 1975, are amended to read as follows:

"§13A-12-20

The following definitions apply to this article:

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(1) ADVANCE GAMBLING ACTIVITY. ~~A person "advances gambling activity" if he engages in e~~Conduct that materially aids any form of gambling activity. ~~Conduct of this nature includes,~~

including, but ~~is~~ not limited to, ~~conduct~~any of the following:

a. Conduct directed toward the creation or establishment of the particular game, contest, scheme, device, or activity involved~~r~~.

b. Conduct directed toward the acquisition or maintenance of premises, paraphernalia, equipment, or apparatus therefor~~r~~.

c. Conduct directed toward the solicitation or inducement of persons to participate therein~~r~~.

d. Conduct directed toward the actual conduct of the playing phases thereof~~r~~.

e. Conduct directed toward the arrangement of any of its financial or recording phases or toward any other phase of its operation. ~~A person advances gambling activity if, having~~

f. Any situation where a person has substantial proprietary control or other authoritative control over premises being used with his or her knowledge for purposes of gambling activity, ~~he and the person~~ permits that activity to occur or continue or makes no effort to prevent its occurrence or continuation.

(2) BOOKMAKING. ~~Advancing gambling activity by unlawfully~~Unlawfully accepting bets from members of the public as a business, rather than in a casual or personal fashion, upon the outcome of future contingent events.

(3) COIN-OPERATED AMUSEMENT MACHINE. Every game or device
(i) whose operation requires the payment of or insertion of a

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1009 coin, bill, other money, token, ticket, or similar object; (ii)
1010 is designed and manufactured for bona fide amusement purposes;
1011 (iii) by application of some skill, entitles the player to
1012 replay the game or device at no additional cost if a single play
1013 can reach no more than 25 free replays or can be discharged of
1014 accumulated free replay, or rewards the player exclusively with
1015 merchandise limited to noncash merchandise, prizes, toys, gift
1016 certificates, or novelties, each of which has a wholesale value
1017 of not more than 10 dollars (\$10); and (iv) can be legally
1018 shipped interstate according to federal law.

1019 a. The term includes, but is not limited to, the
1020 following: Pinball machines, console machines, video games,
1021 crane machines, claw machines, pusher machines, bowling
1022 machines, novelty arcade games, foosball or table soccer
1023 machines, miniature racetrack or football machines, target or
1024 shooting gallery machines, basketball machines, shuffleboard
1025 games, kiddie ride games, skeeball machines, air hockey
1026 machines, roll down machines, coin-operated pool table or
1027 coin-operated billiard table, and every machine of any kind or
1028 character used by the public to provide music whose operation
1029 requires the payment of or the insertion of a coin, bill, other
1030 money, token, ticket, or similar object, including jukeboxes or
1031 other similar types of music machines.

1032 b. The term does not include slot machines, video poker
1033 games, electronic bingo, or any other machine that is not
1034 legally permitted to be operated in the state.

1035 (4) ELECTRONIC GAME OF CHANCE. Any game of chance,
1036 including, but not limited to, pachinko, video lottery

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terminals, video poker machines, and electronic bingo machines.

The term does not include a coin-operated amusement machine.

~~(3) CONTEST OF CHANCE. Any contest, game, gaming scheme or gaming device in which the outcome depends in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.~~

~~(4)~~ (5) GAMBLING ACTIVITY. ~~A person engages in gambling if he stakes or risks something~~ Staking or risking a thing of value upon the outcome of a ~~contest~~ game of chance or a future contingent event not under his or her control or influence, upon an agreement or understanding that he or she or someone else will receive ~~something~~ a thing of value in the event of a certain outcome. ~~Gambling~~ The term does not include ~~bona~~ any of the following:

a. Bona fide business transactions valid under the law of contracts, including, but not limited to, contracts for the purchase or sale at a future date of securities or commodities, ~~and agreements.~~

b. Agreements to compensate for loss caused by the happening of chance, including, but not limited to, contracts of indemnity or guaranty and life, health, or accident insurance.

c. Traditional raffles used with paper tickets or traditional paper bingo when conducted for bona fide fundraising purposes in a noncommercial manner.

~~(5)~~ (6) GAMBLING DEVICE. Any device, machine, paraphernalia, or equipment that is normally used or usable in the playing phases of any gambling activity, whether that activity consists of gambling between persons or gambling by a

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person involving the playing of a machine. ~~However, The term~~
~~does not include~~ lottery tickets, ~~traditional paper raffle~~
~~tickets, traditional paper bingo, or coin-operated amusement~~
~~machines~~~~policy slips and other items used in the playing phases~~
~~of lottery and policy schemes are not gambling devices within~~
~~this definition.~~

(7) GAME OF CHANCE. Any contest, game, gambling scheme, or
gambling device in which the outcome depends in a material
degree upon an element of chance, notwithstanding that skill of
the contestants may also be a factor.

(8) INSTANT WIN TICKET. A lottery game in which a player
scratches or otherwise removes anything overlaying words or
symbols to determine whether the player has won, as indicated by
the symbols and words that are displayed.

~~(6)-(9)~~ (9) LOTTERY or POLICY LOTTERY GAME. A game of chance
that generally involves the selling of numbered or other
identifiable lottery tickets or instant win tickets and the
drawing or revealing of winning numbers at random for the award
of a prize.~~An unlawful gambling scheme in which:~~

~~a. The players pay or agree to pay something of value for~~
~~chances, represented and differentiated by numbers or by~~
~~combinations of numbers or by some other medium, one or more of~~
~~which chances are to be designated by the winning ones; and~~

~~b. The winning chances are to be determined by a drawing~~
~~or by some other fortuitous method; and~~

~~c. The holders of the winning chances are to receive~~
~~something of value.~~

(10) LOTTERY TICKET. Any tangible evidence of proof of

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participation in, or a right, privilege, or possibility of becoming a winner in, a lottery game.

(11) OPERATOR. Any person in control of, or having responsibility for, the daily operation of a business establishment or other premises. The term does not include a store clerk or other employee of the establishment who is under the control or supervision of another person.

(12) OWNER. Any of the following:

a. Any person who owns a business establishment or other premises.

b. Any mortgagor, lessor, or other person with the right to possession of a business establishment or other premises.

c. Any person whose name appears on a lease, alcohol retail license, or other legal document associated with a business establishment or other premises.

~~(7)~~ (13) PARI-MUTUEL, MUTUEL, or THE NUMBERS GAME. A form of lottery or other gambling activity in which the winning chances or plays are not determined upon the basis of a drawing or other act on the part of persons conducting or connected with the scheme, but are determined upon the basis of the outcome of a future contingent event or events otherwise unrelated to the particular scheme.

~~(8)~~ (14) PLAYER. A person who engages in any form of gambling activity solely as a contestant or bettor, without receiving or becoming entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct, or operation of the particular gambling activity.

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1121 ~~(9)~~ (15) PROFIT FROM GAMBLING ACTIVITY. ~~A person "profits~~
1122 ~~from gambling activity" if he accepts or receives~~ Accepting or
1123 receiving money or other property pursuant to an agreement or
1124 understanding with any person ~~whereby he shares or is~~ to share
1125 in the proceeds of gambling activity.

1126 ~~(10)~~ (16) SLOT MACHINE. A gambling device that, as a result
1127 of the insertion of a coin or other object, operates, either
1128 completely automatically or with the aid of some physical act by
1129 the player, in such a manner that, depending upon elements of
1130 chance, it may eject something of value. A device so constructed
1131 or readily adaptable or convertible to such use is no less a
1132 slot machine because it is not in working order or because some
1133 mechanical act of manipulation or repair is required to
1134 accomplish its adaptation, conversion, or workability. Nor is it
1135 any less a slot machine because apart from its use or
1136 adaptability as such it may also sell or deliver something of
1137 value on a basis other than chance.

1138 ~~(11)~~ (17) ~~SOMETHING~~ THING OF VALUE. Any of the following:
1139 (i) money or property; (ii) any token, object, or article
1140 exchangeable for money or property; or (iii) any form of credit
1141 or promise directly or indirectly contemplating transfer of
1142 money or property or of any interest therein, ~~or involving~~
1143 ~~extension of a service entertainment or a privilege of playing~~
1144 ~~at a game or scheme without charge.~~ The term does not include a
1145 de minimis benefit when considering its value and the frequency
1146 with which it is provided.

1147 ~~(12)~~ (18) UNLAWFUL. Not specifically authorized by law."

1148 "§13A-12-21

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(a) A person commits the crime of ~~simple~~unlawful gambling if ~~he~~the person knowingly ~~advances~~participates in or profits from unlawful gambling activity as a player.

(b) It is a defense to a prosecution under this section that ~~a person charged with being a player~~the defendant was engaged in a social game in a private place. The burden of injecting the issue is on the defendant, but this does not shift the burden of proof.

(c) (1) Simple gambling is a ~~Class C~~Class A misdemeanor.

(2) Simple gambling is a Class D felony if the person has a prior conviction under this article."

"§13A-12-22

(a) A person commits the crime of promoting gambling activity if ~~he~~the person knowingly advances or profits from unlawful gambling activity otherwise than as a player.

(b) (1) Promoting gambling is a ~~Class A misdemeanor~~Class C felony.

(2) Promoting gambling is a Class B felony if the person has a prior conviction under this article."

"§13A-12-23

(a) A person commits the crime of conspiracy to promote unlawful gambling activity if ~~he~~the person conspires to advance or profit from gambling activity otherwise than as a player.

(b) "Conspire" means to engage in activity constituting a criminal conspiracy as defined in Section 13A-4-3.

(c) (1) Conspiracy to promote unlawful gambling activity is a ~~Class A misdemeanor~~Class C felony.

(2) Conspiracy to promote unlawful gambling activities is

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1177 a Class B felony if the person has a prior conviction under this
1178 article."

1179 "§13A-12-24

1180 (a) A person commits the crime of possession of gambling
1181 records in the first degree if, with knowledge of the contents
1182 thereof, ~~he~~ the person possesses any writing, paper, instrument,
1183 or article of a kind commonly used in the operation or promotion
1184 of any of the following:

1185 (1) ~~Of a kind commonly used in the operation or promotion~~
1186 ~~of a~~ A bookmaking scheme or enterprise, ~~and~~ constituting,
1187 reflecting, or representing more than ~~five~~ 10 bets, or more than
1188 ~~\$500.00~~ one thousand dollars (\$1,000); ~~or.~~

1189 (2) ~~Of a kind commonly used in the operation, promotion or~~
1190 ~~playing of a~~ An unlawful lottery or mutuel scheme or enterprise,
1191 ~~and~~ constituting, reflecting, or representing more than ~~five~~ 10
1192 plays or chances therein.

1193 (3) An unlawful electronic game of chance.

1194 (b) (1) Possession of gambling records in the first degree
1195 is a ~~Class A misdemeanor~~ Class C felony.

1196 (2) Possession of gambling records in the first degree is
1197 a Class B felony if the person has a prior conviction under this
1198 article."

1199 "§13A-12-25

1200 (a) A person commits the crime of possession of gambling
1201 records in the second degree if, with knowledge of the contents
1202 thereof, ~~he~~ the person possesses any writing, paper, instrument,
1203 or article of a kind commonly used in the operation or promotion
1204 of either of the following:

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(1) ~~Of a kind commonly and peculiarly used in the operation or promotion of a~~ A bookmaking scheme or enterprise, ~~or.~~

(2) ~~Of a kind commonly and peculiarly used in the operation, promotion or playing of a~~ A lottery or mutuel scheme or enterprise.

(b) (1) Possession of gambling records in the second degree is a Class A misdemeanor.

(2) Possession of gambling records in the second degree is a Class C felony if the person has a prior conviction under this article."

"§13A-12-26

A person does not commit the crime of possession of gambling records ~~in either degree~~ pursuant to Section 13A-12-24 or Section 13A-12-25 if the writing, paper, instrument, or article possessed by the defendant is neither used nor intended to be used in the operation or promotion of a bookmaking scheme or enterprise, or in the operation, promotion, or playing of a lottery or mutuel scheme or enterprise. The burden of injecting the issue is on the defendant, but this does not shift the burden of proof."

"§13A-12-27

(a) A person commits the crime of possession of a gambling device if, with knowledge of the character thereof, ~~he or she~~ the person manufactures, sells, transports, places, or possesses, or conducts or negotiates any transaction affecting or designed to affect ownership, custody, or use of either of the following:

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(1) A slot machine, unless exempted pursuant to subsection
(c) ~~;~~ ~~or~~.

(2) Any other gambling device, with the intention that it
be used ~~in the advancement of~~ to advance unlawful gambling
activity.

(b) (1) Possession of a gambling device is a ~~Class A~~
~~misdemeanor~~ Class C felony.

(2) Possession of a gambling device is a Class B felony if
the person has a prior conviction under this article.

(c) The crime of possession of a gambling device does not
apply to a slot machine manufactured before 1960, with the
intention that the slot machine be used only for the personal
and private use of the owner or for public display as a
historical artifact in a manner that the slot machine is not
accessible to the public."

"§13A-12-28

(a) Proof of possession of any gambling device, ~~as defined
by subdivision (5) of Section 13A-12-20~~ or any gambling record
specified in Sections 13A-12-24 and 13A-12-25 is prima facie
evidence of possession thereof with knowledge of its character
or contents.

(b) In any prosecution under this article in which it is
necessary to prove the occurrence of a sporting event, either of
the following shall be admissible in evidence and shall
constitute prima facie proof of the occurrence of the event:

(1) ~~a~~ A published report of its occurrence in any daily
newspaper, magazine, or other periodically printed publication
of general circulation, ~~;~~ ~~or~~.

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(2) ~~evidence~~ Evidence that a description of some aspect of the event was written, printed, or otherwise noted at the place in which a violation of this chapter is alleged to have been committed, ~~shall be admissible in evidence and shall constitute prima facie proof of the occurrence of the event.~~"

"§13A-12-30

(a) Any gambling device or gambling record possessed or used in violation of this article ~~is~~ shall be forfeited to the state as illegal contraband, and shall by court order be destroyed or otherwise disposed of as the court directs, without the necessity of any secondary civil forfeiture action. On conviction of the underlying violation of this article, the defendant shall be required to pay all costs associated with the seizure, storage, and disposition of the contraband.

(b) Any vehicle possessed or used in violation of this article ~~may be forfeited to the state and disposed of by court order as authorized by law~~ shall be subject to forfeiture pursuant to the procedures set forth in Section 20-2-93.

(c) Money used as bets or stakes in gambling activity in violation of this article ~~is forfeited to the state and by court order shall be transmitted to the General Fund of the state~~ shall be subject to forfeiture pursuant to the procedures set forth in Section 20-2-93.

(d) All property that is seized and not required to be destroyed may be sold. The proceeds from the sale shall be used first for payment of all proper expenses of the proceedings for forfeiture and sale, storage expenses, advertising costs, and court costs. All remaining proceeds and any money forfeited

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shall be awarded and distributed by the court to the seizing agencies or prosecuting authorities that participated in the investigation, seizure, and litigation."

Section 3. Section 13A-12-32 is added to Article 2 of Chapter 12 of Title 13A, Code of Alabama 1975, to read as follows:

§13A-12-32

The owner or operator of a business establishment or other premises may be held criminally liable for a violation of this division if a violation of this division occurs on the premises of the business establishment or other premises of the owner or operator thereof and either of the following apply:

(1) The owner or operator had actual knowledge of the violation and allowed or consented to the violation.

(2) The owner or operator was deemed to have constructive knowledge of the violation and failed to reasonably cause the violation to cease within the amount of time provided by written notice of the violation. The owner or operator of a business establishment or other premises shall be deemed to have constructive knowledge of a violation upon any law enforcement agency or prosecutorial entity providing written notice of the violation and a reasonable opportunity to cure the violation. The notice may be provided in person or by certified mail.

Section 4. Division 3, comprised of Sections 13A-12-70 through 13A-12-76, of Article 2 of Chapter 12 of Title 13A, Code of Alabama 1975, relating to the transportation of lottery paraphernalia, is repealed.

Section 5. In the event the proposed constitutional



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1317 amendment in House Bill xxx of the 2026 Regular Session is not
1318 ratified, this act shall be repealed.

1319 Section 6. This act shall become effective upon
1320 ratification of the amendment to the Constitution of Alabama of
1321 2022, proposed in House Bill xxx of the 2026 Regular Session.