

HB449 INTRODUCED



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



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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

HB449 INTRODUCED



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

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

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

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

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

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

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55 A BILL
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TO BE ENTITLED



57

AN ACT

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59 Relating to lottery activities; to add Chapter 30 to
60 Title 41, Code of Alabama 1975, to implement the constitutional
61 amendment proposed in House Bill xxx of the 2026 Regular
62 Session, to create the Alabama Lottery to be administered by the
63 Alabama Lottery Corporation and to provide for the creation and
64 operation of the corporation; to provide for the governance of
65 the corporation by a board of directors and provide for the
66 appointment and duties of the board; to provide for the
67 appointment of a president of the corporation and provide for
68 the powers and duties thereof; to establish the Alabama Lottery
69 Trust Fund and provide for the distribution of funds therein
70 through an independent supplemental appropriation bill; to
71 establish certain advertising restrictions related to the
72 lottery; to amend Sections 13A-12-20, 13A-12-21, 13A-12-22,
73 13A-12-23, 13A-12-24, 13A-12-25, 13A-12-26, 13A-12-27,
74 13A-12-28, and 13A-12-30, Code of Alabama 1975, to update and
75 increase criminal penalties for various unlawful gambling
76 activities and provide heightened criminal penalties for
77 subsequent violations; to add Section 13A-12-32 to the Code of
78 Alabama 1975, to provide a procedure to establish criminal
79 liability for certain owners and operators where certain
80 unlawful gambling activities occur; to repeal Division 3 of
81 Article 2 of Chapter 12 of Title 13A, Code of Alabama 1975,
82 relating to transportation of lottery paraphernalia; to make
83 nonsubstantive technical revisions to update the existing code
84 language to current style; and to provide for the repeal of the

HB449 INTRODUCED



85 act under certain specified conditions.

86 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

89 Chapter 30. Alabama Lottery Corporation.

90 §41-30-1. Accountability of the Alabama Lottery
91 Corporation.

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

100 §41-30-2. Definitions.

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

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

105 (2) CORPORATION. The Alabama Lottery Corporation.

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

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

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

HB449 INTRODUCED



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

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

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

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

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

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

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



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

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

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

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

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

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

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



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

a. One member appointed by the Governor.

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

c. One member appointed by the Speaker of the House of

Representatives.

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

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

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

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

(2) All appointments shall be subject to confirmation by

the Senate.

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

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

(c) The initial appointees of the board shall serve

HB449 INTRODUCED



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

HB449 INTRODUCED



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

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

229 §41-30-5. Inspection of records.

230 All records of the corporation shall be deemed public
231 records and subject to public inspection pursuant to the Article
232 3 of Chapter 12 of Title 36, unless any of the following apply:

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

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

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

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

247 §41-30-6. Appointment of president of the Alabama Lottery
248 Corporation.

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

252 (2) The Governor may approve or disapprove the



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

HB449 INTRODUCED



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

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

286 a. The types of lottery games that may be conducted.

287 b. The sale price of tickets.

288 c. The number and amount of prizes.

289 d. The methods that shall be used in selling tickets for
290 lottery games.

291 e. The methods and location of selecting or validating
292 winning tickets.

293 f. The manner of payment of prizes.

294 g. The frequency of games and drawings.

295 h. Any other matters necessary to carry out this act and
296 necessary for the efficient and effective operation of the
297 lottery.

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

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

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

308 (9) Conduct and administer lottery games to result in

HB449 INTRODUCED



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

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

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

324 (12) Establish a system of continuous internal audits.

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

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

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

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

335 (17) Adopt a corporate seal and a symbol.

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

HB449 INTRODUCED



337 marks and enforce its rights with respect thereto.

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

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

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

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

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

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

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

354 §41-30-8. Duties and obligations of the president.

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

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

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

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

HB449 INTRODUCED



365 (4) Enter into contracts with lottery retailers.

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

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

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

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

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

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

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

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

HB449 INTRODUCED



393 rule adopted under this chapter.

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

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

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

409 (16) Supervise ticket validation and lottery drawings.

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

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

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

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

HB449 INTRODUCED



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

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

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

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

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

438 (b) The procurement of any supplies or services by the
439 corporation shall be solely governed by rules pursuant to the
440 Alabama Administrative Procedure Act. The rules adopted shall be
441 consistent with any applicable requirements of the Constitution
442 of Alabama of 2022, and shall be established in accordance with
443 the underlying purposes and policies of promoting responsible
444 and efficient use of public funds dedicated and appropriated to
445 agencies for their use, and promoting fairness, competition,
446 transparency, integrity, and value in the procurement process.
447 In no case may a rule be adopted in conflict with the laws of
448



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

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

463 §41-30-10. Intelligence sharing and restricted use
464 agreements.

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

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

HB449 INTRODUCED



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

479 §41-30-11. Lottery advertising restrictions.

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

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

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

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

495 §41-30-12. Criminal background checks.

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

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

504 (c) The corporation shall reimburse the Alabama State



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

507 §41-30-13. Claiming a prize.

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

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

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

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



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

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

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

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

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

HB449 INTRODUCED



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

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

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

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

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

583 (1) Any member of the board.

584 (2) Any officer or employee of the corporation.

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

588 §41-30-14. Withholding of lottery prizes of persons who

HB449 INTRODUCED



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

HB449 INTRODUCED



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

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

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

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

644 (b) The corporation shall be self-sustaining and



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

650 §41-30-17. Selection and maintenance of statewide network
651 of lottery retailers.

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

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

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

669 §41-30-18. Selection of lottery retailers.

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

HB449 INTRODUCED



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

675 (1) Financial responsibility.

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

678 (3) Character, integrity, and reputation.

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

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

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

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

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

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

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

HB449 INTRODUCED



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

HB449 INTRODUCED



729 receivership.

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

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

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

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

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

747 §41-30-20. Treatment of lottery proceeds by lottery
748 retailers; insolvency.

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

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



(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

HB449 INTRODUCED



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

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

791 (1) For a first offense, a fine of not less than two
792 hundred dollars (\$200) nor more than one thousand dollars
793 (\$1000).

794 (2) For a subsequent offense, a fine of not less than
795 five hundred dollars (\$500) nor more than two thousand dollars
796 (\$2,000). In addition, the corporation may suspend, revoke, or
797 take other disciplinary action against the lottery retailer
798 license of the lottery retailer.

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

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

803 §41-30-22. Sale to minors prohibited.

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

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

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



813 license.

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

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

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

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

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

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

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



(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.

HB449 INTRODUCED



869 §41-30-25. Theft of lottery prize by deception or fraud.

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

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

875 §41-30-26. Prohibited actions for current and former
876 board members and officers of the corporation.

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

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

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

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

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

HB449 INTRODUCED



897 §41-30-27. Skimming of lottery proceeds.

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

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

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

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

913 (3) If the offense involves ten thousand dollars
914 (\$10,000) or more, the individual shall be guilty of a Class B
915 felony and shall serve a period of incarceration of not less than 10
916 years nor more than 25 years without benefit of probation,
917 parole, or suspension of sentence.

918 §41-30-28. Compliance with federal laws.

919 The State of Alabama, in accordance with 15 U.S.C. §
920 1172, hereby declares that any and all lottery equipment, and
921 the materials, paraphernalia, and supplies thereof, may be
922 transported in interstate commerce into or out of the state
923 without violating that section, or any other applicable federal
924 law, if the equipment, materials, paraphernalia, and supplies

HB449 INTRODUCED



925 are used in accordance with this chapter.

926 §41-30-29. Lottery tickets.

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

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

934 §41-30-30. Financial integrity of lottery.

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

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

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

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

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

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

HB449 INTRODUCED



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

955 §41-30-31. Distribution of lottery funds.

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

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

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

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

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

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

975 Section 2. Sections 13A-12-20, 13A-12-21, 13A-12-22,
976 13A-12-23, 13A-12-24, 13A-12-25, 13A-12-26, 13A-12-27,
977 13A-12-28, and 13A-12-30, Code of Alabama 1975, are amended to
978 read as follows:

979 "§13A-12-20

980 The following definitions apply to this article:



981 (1) ADVANCE GAMBLING ACTIVITY. ~~A person "advances gambling~~
982 ~~activity" if he engages in e~~Conduct that materially aids any
983 form of gambling activity. ~~Conduct of this nature includes,~~
984 including, but is not limited to, conductany of the following:

985 a. Conduct directed toward the creation or establishment
986 of the particular game, contest, scheme, device or activity
987 involved.

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

990 c. Conduct directed toward the solicitation or inducement
991 of persons to participate therein.

992 d. Conduct directed toward the actual conduct of the
993 playing phases thereof.

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

997 f. Any situation where a person has substantial
998 proprietary control or other authoritative control over premises
999 being used with his or her knowledge for purposes of gambling
1000 activity, ~~he and the person~~ permits that activity to occur or
1001 continue or makes no effort to prevent its occurrence or
1002 continuation.

1003 (2) BOOKMAKING. ~~Advancing gambling activity by~~
1004 ~~unlawfully~~Unlawfully accepting bets from members of the public
1005 as a business, rather than in a casual or personal fashion, upon
1006 the outcome of future contingent events.

1007 (3) COIN-OPERATED AMUSEMENT MACHINE. Every game or device
1008 (i) whose operation requires the payment of or insertion of a



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



1037 terminals, video poker machines, and electronic bingo machines.

1038 The term does not include a coin-operated amusement machine.

1039 ~~(3) CONTEST OF CHANCE. Any contest, game, gaming scheme or~~
1040 ~~gaming device in which the outcome depends in a material degree~~
1041 ~~upon an element of chance, notwithstanding that skill of the~~
1042 ~~contestants may also be a factor therein.~~

1043 ~~(4) (5) GAMBLING ACTIVITY. A person engages in gambling if~~
1044 ~~he stakes or risks something~~ Staking or risking a thing of value
1045 upon the outcome of a ~~contest game~~ of chance or a future
1046 contingent event not under his or her control or influence, upon
1047 an agreement or understanding that he or she or someone else
1048 will receive ~~something~~ a thing of value in the event of a
1049 certain outcome. ~~Gambling~~ The term does not include ~~bona~~ any of
1050 the following:

1051 a. Bona fide business transactions valid under the law of
1052 contracts, including, but not limited to, contracts for the
1053 purchase or sale at a future date of securities or commodities,
1054 ~~and agreements.~~

1055 b. Agreements to compensate for loss caused by the
1056 happening of chance, including, but not limited to, contracts of
1057 indemnity or guaranty and life, health, or accident insurance.

1058 c. Traditional raffles used with paper tickets or
1059 traditional paper bingo when conducted for bona fide fundraising
1060 purposes in a noncommercial manner.

1061 ~~(5) (6) GAMBLING DEVICE. Any device, machine,~~
1062 ~~paraphernalia, or equipment that is normally used or usable in~~
1063 ~~the playing phases of any gambling activity, whether that~~
1064 ~~activity consists of gambling between persons or gambling by a~~



1065 person involving the playing of a machine. However, The term
1066 does not include lottery tickets, traditional paper raffle
1067 tickets, traditional paper bingo, or coin-operated amusement
1068 machines~~policy slips and other items used in the playing phases~~
1069 ~~of lottery and policy schemes are not gambling devices within~~
1070 ~~this definition.~~

1071 (7) GAME OF CHANCE. Any contest, game, gambling scheme, or
1072 gambling device in which the outcome depends in a material
1073 degree upon an element of chance, notwithstanding that skill of
1074 the contestants may also be a factor.

1075 (8) INSTANT WIN TICKET. A lottery game in which a player
1076 scratches or otherwise removes anything overlaying words or
1077 symbols to determine whether the player has won, as indicated by
1078 the symbols and words that are displayed.

1079 (6)(9) LOTTERY or POLICYLOTTERY GAME. A game of chance
1080 that generally involves the selling of numbered or other
1081 identifiable lottery tickets or instant win tickets and the
1082 drawing or revealing of winning numbers at random for the award
1083 of a prize.~~An unlawful gambling scheme in which:~~

1084 a. ~~The players pay or agree to pay something of value for~~
1085 ~~chances, represented and differentiated by numbers or by~~
1086 ~~combinations of numbers or by some other medium, one or more of~~
1087 ~~which chances are to be designated by the winning ones; and~~

1088 b. ~~The winning chances are to be determined by a drawing~~
1089 ~~or by some other fortuitous method; and~~

1090 c. ~~The holders of the winning chances are to receive~~
1091 ~~something of value.~~

1092 (10) LOTTERY TICKET. Any tangible evidence of proof of



1093 participation in, or a right, privilege, or possibility of
1094 becoming a winner in, a lottery game.

1095 (11) OPERATOR. Any person in control of, or having
1096 responsibility for, the daily operation of a business
1097 establishment or other premises. The term does not include a
1098 store clerk or other employee of the establishment who is under
1099 the control or supervision of another person.

1100 (12) OWNER. Any of the following:

1101 a. Any person who owns a business establishment or other
1102 premises.

1103 b. Any mortgagor, lessor, or other person with the right
1104 to possession of a business establishment or other premises.

1105 c. Any person whose name appears on a lease, alcohol
1106 retail license, or other legal document associated with a
1107 business establishment or other premises.

1108 (7)(13) PARI-MUTUEL, MUTUEL, or THE NUMBERS GAME. A form
1109 of lottery or other gambling activity in which the winning
1110 chances or plays are not determined upon the basis of a drawing
1111 or other act on the part of persons conducting or connected with
1112 the scheme, but are determined upon the basis of the outcome of
1113 a future contingent event or events otherwise unrelated to the
1114 particular scheme.

1115 (8)(14) PLAYER. A person who engages in any form of
1116 gambling activity solely as a contestant or bettor, without
1117 receiving or becoming entitled to receive any profit therefrom
1118 other than personal gambling winnings, and without otherwise
1119 rendering any material assistance to the establishment, conduct,
1120 or operation of the particular gambling activity.

HB449 INTRODUCED



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

HB449 INTRODUCED



1149 (a) A person commits the crime of ~~simple unlawful~~ gambling
1150 if ~~he—the person~~ knowingly ~~advances—participates in~~ or profits
1151 from unlawful gambling activity as a player.

1152 (b) It is a defense to a prosecution under this section
1153 that ~~a person charged with being a player—the defendant~~ was
1154 engaged in a social game in a private place. The burden of
1155 injecting the issue is on the defendant, but this does not shift
1156 the burden of proof.

1157 (c) (1) Simple gambling is a ~~Class C~~Class A misdemeanor.
1158 (2) Simple gambling is a Class D felony if the person has
1159 a prior conviction under this article."

1160 "§13A-12-22

1161 (a) A person commits the crime of promoting gambling
1162 activity if ~~he—the person~~ knowingly advances or profits from
1163 unlawful gambling activity otherwise than as a player.

1164 (b) (1) Promoting gambling is a ~~Class A misdemeanor~~Class C
1165 felony.

1166 (2) Promoting gambling is a Class B felony if the person
1167 has a prior conviction under this article."

1168 "§13A-12-23

1169 (a) A person commits the crime of conspiracy to promote
1170 unlawful gambling activity if ~~he—the person~~ conspires to advance
1171 or profit from gambling activity otherwise than as a player.

1172 (b) "Conspire" means to engage in activity constituting a
1173 criminal conspiracy as defined in Section 13A-4-3.

1174 (c) (1) Conspiracy to promote unlawful gambling activity
1175 is a ~~Class A misdemeanor~~Class C felony.

1176 (2) Conspiracy to promote unlawful gambling activities is



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, or article of a kind commonly used in the operation or promotion
1183 of any of the following:

1184 (1) ~~Of a kind commonly used in the operation or promotion~~
1185 ~~of a~~A bookmaking scheme or enterprise, and constituting,
1186 reflecting, or representing more than ~~five~~10 bets, or more than
1187 ~~\$500.00~~one thousand dollars (\$1,000); or.

1188 (2) ~~Of a kind commonly used in the operation, promotion or~~
1189 ~~playing of a~~An unlawful lottery or mutuel scheme or enterprise, and constituting, reflecting, or representing more than ~~five~~10
1190 plays or chances therein.

1191 (3) An unlawful electronic game of chance.

1192 (b) (1) Possession of gambling records in the first degree
1193 is a ~~Class A misdemeanor~~Class C felony.

1194 (2) Possession of gambling records in the first degree is
1195 a Class B felony if the person has a prior conviction under this
1196 article."

1197 "§13A-12-25

1198 (a) A person commits the crime of possession of gambling
1199 records in the second degree if, with knowledge of the contents
1200 thereof, ~~he~~the person possesses any writing, paper, instrument, or article of a kind commonly used in the operation or promotion
1201 of either of the following:



1205 (1) ~~Of a kind commonly and peculiarly used in the~~
1206 ~~operation or promotion of a~~ A bookmaking scheme or enterprise,
1207 ~~or.~~

1208 (2) ~~Of a kind commonly and peculiarly used in the~~
1209 ~~operation, promotion or playing of a~~ A lottery or mutuel scheme
1210 or enterprise.

1211 (b) (1) Possession of gambling records in the second
1212 degree is a Class A misdemeanor.

1213 (2) Possession of gambling records in the second degree
1214 is a Class C felony if the person has a prior conviction under
1215 this article."

1216 "§13A-12-26

1217 A person does not commit the crime of possession of
1218 gambling records ~~in either degree~~ pursuant to Section 13A-12-24
1219 or Section 13A-12-25 if the writing, paper, instrument, or
1220 article possessed by the defendant is neither used nor intended
1221 to be used in the operation or promotion of a bookmaking scheme
1222 or enterprise, or in the operation, promotion, or playing of a
1223 lottery or mutuel scheme or enterprise. The burden of injecting
1224 the issue is on the defendant, but this does not shift the
1225 burden of proof."

1226 "§13A-12-27

1227 (a) A person commits the crime of possession of a gambling
1228 device if, with knowledge of the character thereof, ~~he or she~~
1229 the person manufactures, sells, transports, places, or
1230 possesses, or conducts or negotiates any transaction affecting
1231 or designed to affect ownership, custody, or use of either of
1232 the following:

HB449 INTRODUCED



1233 (1) A slot machine, unless exempted pursuant to subsection

1234 (c) ~~or~~.

1235 (2) Any other gambling device, with the intention that it
1236 be used ~~in the advancement of~~ to advance unlawful gambling
1237 activity.

1238 (b) (1) Possession of a gambling device is a ~~Class A~~
1239 ~~misdemeanor~~Class C felony.

1240 (2) Possession of a gambling device is a Class B felony if
1241 the person has a prior conviction under this article.

1242 (c) The crime of possession of a gambling device does not
1243 apply to a slot machine manufactured before 1960, with the
1244 intention that the slot machine be used only for the personal
1245 and private use of the owner or for public display as a
1246 historical artifact in a manner that the slot machine is not
1247 accessible to the public."

1248 "§13A-12-28

1249 (a) Proof of possession of any gambling device, ~~as defined~~
1250 ~~by subdivision (5) of Section 13A-12-20~~ or any gambling record
1251 specified in Sections 13A-12-24 and 13A-12-25 is prima facie
1252 evidence of possession thereof with knowledge of its character
1253 or contents.

1254 (b) In any prosecution under this article in which it is
1255 necessary to prove the occurrence of a sporting event, either of
1256 the following shall be admissible in evidence and shall
1257 constitute prima facie proof of the occurrence of the event:

1258 (1) ~~a~~A published report of its occurrence in any daily
1259 newspaper, magazine, or other periodically printed publication
1260 of general circulation, ~~or~~.



1261 (2) ~~evidence~~ Evidence that a description of some aspect
1262 of the event was written, printed, or otherwise noted at the
1263 place in which a violation of this chapter is alleged to have
1264 been committed, ~~shall be admissible in evidence and shall~~
1265 ~~constitute prima facie proof of the occurrence of the event.~~"

1266 "§13A-12-30

1267 (a) Any gambling device or gambling record possessed or
1268 used in violation of this article ~~is~~ shall be forfeited to the
1269 state as illegal contraband, and shall by court order be
1270 destroyed or otherwise disposed of as the court directs, without
1271 the necessity of any secondary civil forfeiture action. On
1272 conviction of the underlying violation of this article, the
1273 defendant shall be required to pay all costs associated with the
1274 seizure, storage, and disposition of the contraband.

1275 (b) Any vehicle possessed or used in violation of this
1276 article ~~may be forfeited to the state and disposed of by court~~
1277 ~~order as authorized by law~~ shall be subject to forfeiture
1278 pursuant to the procedures set forth in Section 20-2-93.

1279 (c) Money used as bets or stakes in gambling activity in
1280 violation of this article ~~is forfeited to the state and by court~~
1281 ~~order shall be transmitted to the General Fund of the state~~
1282 shall be subject to forfeiture pursuant to the procedures set
1283 forth in Section 20-2-93.

1284 (d) All property that is seized and not required to be
1285 destroyed may be sold. The proceeds from the sale shall be used
1286 first for payment of all proper expenses of the proceedings for
1287 forfeiture and sale, storage expenses, advertising costs, and
1288 court costs. All remaining proceeds and any money forfeited



1289 shall be awarded and distributed by the court to the seizing
1290 agencies or prosecuting authorities that participated in the
1291 investigation, seizure, and litigation."

1292 Section 3. Section 13A-12-32 is added to Article 2 of
1293 Chapter 12 of Title 13A, Code of Alabama 1975, to read as
1294 follows:

1295 §13A-12-32

1296 The owner or operator of a business establishment or
1297 other premises may be held criminally liable for a violation of
1298 this division if a violation of this division occurs on the
1299 premises of the business establishment or other premises of the
1300 owner or operator thereof and either of the following apply:

1301 (1) The owner or operator had actual knowledge of the
1302 violation and allowed or consented to the violation.

1303 (2) The owner or operator was deemed to have constructive
1304 knowledge of the violation and failed to reasonably cause the
1305 violation to cease within the amount of time provided by written
1306 notice of the violation. The owner or operator of a business
1307 establishment or other premises shall be deemed to have
1308 constructive knowledge of a violation upon any law enforcement
1309 agency or prosecutorial entity providing written notice of the
1310 violation and a reasonable opportunity to cure the violation.

1311 The notice may be provided in person or by certified mail.

1312 Section 4. Division 3, comprised of Sections 13A-12-70
1313 through 13A-12-76, of Article 2 of Chapter 12 of Title 13A, Code
1314 of Alabama 1975, relating to the transportation of lottery
1315 paraphernalia, is repealed.

1316 Section 5. In the event the proposed constitutional

HB449 INTRODUCED



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.