

HB151 INTRODUCED



1 HB151
2 69RI31Z-1
3 By Representatives Blackshear, Whitt (Constitutional
4 Amendment)
5 RFD: Economic Development and Tourism
6 First Read: 08-Feb-24



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SYNOPSIS:

Under Section 65 of the Constitution of Alabama of 2022, lotteries and gift enterprises are prohibited. Also, several local provisions of the constitution purport to authorize certain forms of bingo within various counties and municipalities within the state and authorize the regulation of such activity by local sheriffs.

This bill would propose an amendment to the Constitution of Alabama of 2022, to authorize five limited forms of gaming activities: An official state lottery administered by a public lottery corporation, casino-style games conducted only in person at up to seven locally approved licensed gaming establishments, limited sports wagering, traditional raffles, and traditional paper bingo. All other forms of gaming in the state would be prohibited.

The proposed amendment would create the Alabama Gaming Commission to regulate, tax, and license all lawful gaming activity conducted in accordance with general law and would create a law enforcement division within the commission which would police all gaming activities and gaming-related activities across the entire state.

The proposed amendment would prohibit any local



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29 amendment to the Constitution of Alabama of 2022 not
30 applicable to the entire state which relates to
31 lotteries, gift enterprises, casino-style games, sports
32 wagering, gift raffles, or bingo.

33 The proposed amendment would also authorize the
34 Governor to execute a compact with the Poarch Band of
35 Creek Indians to regulate gaming activities on tribal
36 lands.

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A BILL

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TO BE ENTITLED

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AN ACT

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43 Proposing an amendment to the Constitution of Alabama
44 of 2022, relating to lotteries, gift enterprises, and gaming
45 activities; to repeal and reenact Section 65 of the
46 Constitution of Alabama of 2022, to authorize certain limited
47 forms of gaming activities; to add a new Section 65.01 to the
48 Constitution of Alabama of 2022, to establish a gaming
49 commission to regulate and license authorized gaming
50 activities, authorize the Legislature to provide for the
51 membership, powers, and duties of the commission, and
52 establish a law enforcement division within the commission to
53 enforce gaming laws and eradicate unlawful gaming activity and
54 unlawful gaming-related activity; to add Section 65.02 to the
55 Constitution of Alabama of 2022, to authorize the Legislature
56 to establish and regulate an official state lottery; to add



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57 Section 65.03 to the Constitution of Alabama of 2022, to
58 prohibit certain local amendments to the Constitution of
59 Alabama of 2022, which relate to lotteries, gift enterprises,
60 casino-style games, sports wagering, raffles, or bingo; to add
61 Section 65.04 to the Constitution of Alabama of 2022, to
62 authorize the Governor to enter into a compact with the Poarch
63 Band of Creek Indians for the operation of Class III games on
64 tribal lands; and to repeal Sections 8-7.00, 20-7.00, 28-7.00,
65 32-7.00, 35-7.00, 37-7.00, 42-7.00, 43A-2.00, 43A-2.01,
66 44-7.00, 45-7.00, 49-7.00, 51-7.00, 52-7.00, 57-7.00, 64-7.00,
67 and 64A-2.01 of the Constitution of Alabama of 2022, relating
68 to bingo.

69 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

PROPOSED AMENDMENT

73 Part 1. Section 65 of the Constitution of Alabama of
74 2022 is repealed and in lieu thereof the following language
75 shall be adopted as Section 65:

76 Section 65

77 (a) Except as expressly provided in this constitution,
78 the Legislature shall have no power to authorize any form of
79 gaming activity for any purpose and shall pass laws to
80 prohibit and effectively eradicate any unlawful gaming
81 activity and unlawful gaming-related activity.

82 (b) The Legislature, by general law, may authorize and
83 provide for the following gaming activities:

84 (1) An official state lottery, administered by a public



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85 corporation established by general law, using only tickets
86 made of cardboard, paper, plastic, or some functionally
87 similar material unless otherwise required to participate in a
88 multi-jurisdiction lottery.

89 (2) Casino-style games played only in person on the
90 premises of a licensed gaming establishment.

91 (3) Sports wagering conducted only on events that have
92 not yet occurred or are already underway.

93 (4) Traditional raffles only if registered with the
94 commission.

95 (5) Traditional bingo, using only cardboard, paper,
96 plastic, or some functionally similar material.

97 (c) The Legislature may authorize a form of gaming
98 activity not included in subsection (b) or increase or
99 decrease the rate of taxation on a gaming activity provided by
100 general law only upon the receipt of a favorable report from
101 the commission recommending such action to the Legislature and
102 the passage of a general bill by a vote of three-fifths of all
103 members elected to each house of the Legislature taken by yeas
104 and nays and entered upon the journals thereof.

105 (d) The commission shall issue licenses for no more
106 than seven gaming establishments, including the license
107 contemplated by Section 65.04, where casino-style games may be
108 played. The commission's issuance of licenses for the gaming
109 establishments shall be subject to procedures and requirements
110 established by general law, including a local approval
111 requirement.

112 (e) Any person that establishes to the satisfaction of



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113 the commission that it conducted gaming activities pursuant to
114 the authority of general law or a local provision of the
115 Constitution of Alabama of 2022, prior to the ratification of
116 this amendment may continue to operate until January 1, 2027,
117 so long as the person does all of the following:

118 (1) Provides the names and addresses of its principal
119 owners and investors, business records, and other information
120 required by the commission.

121 (2) Provides a sworn statement of its willingness to
122 accept the reasonable regulation of the commission and the
123 State of Alabama.

124 (3) Pays any applicable state taxes as provided by
125 general law.

126 (4) Provides a description of the gaming activities
127 employed in its operation, the methods of delivery of such
128 gaming activities, the number of machines or devices used to
129 conduct such gaming activities, and other information required
130 by the commission.

131 Part 2. Sections 65.01, 65.02, 65.03, and 65.04 are
132 added to the Constitution of Alabama of 2022, to read as
133 follows:

134 Section 65.01

135 (a) There is established a commission within the
136 executive branch of government to protect consumers from
137 unscrupulous gaming practices, to ensure the integrity of
138 licensed gaming operators, to quickly stop unlawful gaming and
139 unlawful gaming-related activities, to mitigate the effects of
140 problem gaming, to preserve the aesthetic character of the



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141 State of Alabama, and to produce revenues that improve the
142 quality of life of residents of the state, all pursuant to
143 general law.

144 (b) The Legislature, by general law, may provide for
145 the membership, powers, and duties of the commission and shall
146 establish a law enforcement division within the commission to
147 police the conduct of all gaming activities within the state
148 and to effectively eradicate any unlawful gaming activity or
149 unlawful gaming-related activity in this state.

150 Section 65.02

151 The Legislature, by general law, may provide for the
152 establishment and regulation of an official state lottery that
153 shall be operated and regulated on behalf of the state by a
154 public corporation as an instrumentality of the state under
155 the supervision of the commission. The Legislature may provide
156 for some portion of the proceeds from the lottery to be used
157 to pay the operating expenses of the lottery, including all
158 prizes, without any appropriation required by law. Net
159 proceeds from the lottery shall be deposited at least annually
160 into the State Treasury and shall be separately appropriated
161 by the Legislature.

162 Section 65.03

163 Beginning on the ratification date of this amendment,
164 any future amendment to this constitution applicable to less
165 than the entire state relating to gaming, including lotteries,
166 gift enterprises, casino-style games, sports wagering,
167 raffles, and bingo, may not take effect and shall be void.

168 Section 65.04



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169 (a) The Governor shall negotiate and may execute a
170 Tribal-State compact with the Poarch Band of Creek Indians for
171 the operation and regulation of Class III games and sports
172 wagering on lands held in trust by the United States for the
173 benefit of the Poarch Band of Creek Indians, as provided under
174 the Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq.

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

181 (c) In return for the consideration established in the
182 compact contemplated by subsection (a), and for a term as
183 negotiated, the Poarch Band of Creek Indians shall be granted
184 a license, on terms and conditions provided for by general
185 law, to conduct and operate casino-style games at an
186 additional site outside of those lands held in trust.

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

195 Part 3. The following local provisions of the
196 Constitution of Alabama of 2022, which purport to authorize or



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197 otherwise relate to bingo or charitable bingo or a lottery or
198 gift enterprise, are repealed: Sections 8-7.00, 20-7.00,
199 28-7.00, 32-7.00, 35-7.00, 37-7.00, 42-7.00, 43A-2.00,
200 43A-2.01, 44-7.00, 45-7.00, 49-7.00, 51-7.00, 52-7.00,
201 57-7.00, 64-7.00, and 64A-2.01.

202 Upon ratification of this constitutional amendment, the
203 Code Commissioner shall number and place this amendment as
204 appropriate in the constitution omitting this instructional
205 paragraph and may make the following nonsubstantive revisions:
206 change capitalization, hierarchy, spelling, and punctuation
207 for purposes of style and uniformity; correct manifest
208 grammatical, clerical, and typographical errors; revise
209 internal or external citations and cross-references; and
210 translate effective dates.

END OF PROPOSED AMENDMENT

211 Section 2. An election upon the proposed amendment
212 shall be held in accordance with Sections 284 and 285 of the
213 Constitution of Alabama of 2022, and the election laws of this
214 state. The appropriate election official shall assign a ballot
215 number for the proposed constitutional amendment on the
216 election ballot and shall set forth the following description
217 of the substance or subject matter of the proposed
218 constitutional amendment:

219 "Proposing an amendment to the Constitution of Alabama
220 of 2022, to (1) authorize five limited forms of gaming
221 activity: an official state lottery administered by a public
222 lottery corporation, casino-style games played only in person
223 at up to seven locally approved licensed gaming
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225 establishments, limited sports wagering, traditional raffles,
226 and traditional paper bingo; (2) establish an Alabama Gaming
227 Commission to regulate licensed gaming, stop unlawful gaming
228 and unlawful gaming-related activity, reduce the effects of
229 problem gaming, preserve the State's aesthetic character, and
230 produce revenues that improve residents' quality of life; (3)
231 provide a two-year period for phasing out certain activities
232 currently conducted pursuant to local provisions of the
233 Constitution of Alabama of 2022 relating to bingo; and (4)
234 authorize the Governor to execute a compact with the Poarch
235 Band of Creek Indians to regulate gaming activities on tribal
236 land.

237 Proposed by Act ____."

238 This description shall be followed by the following
239 language:

240 "Yes () No ()."

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

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