

1 HB29
2 179136-1
3 By Representative Knight (Constitutional Amendment)
4 RFD: Economic Development and Tourism
5 First Read: 15-AUG-16

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8 SYNOPSIS: Under existing law, lotteries and gift
9 enterprises are prohibited by Section 65 of the
10 Constitution of Alabama of 1901.

11 This bill proposes an amendment to Section
12 65 of the Constitution of Alabama of 1901 to
13 establish an Alabama Lottery and the Alabama
14 Lottery Corporation; to provide that the game of
15 bingo authorized by Amendments 440, 600, 732, 743,
16 and 744, to the Constitution of Alabama of 1901, in
17 Mobile County, Jefferson County, Greene County,
18 Macon County, and the Town of White Hall may be
19 played in those jurisdictions on any electronic
20 machine that is authorized by the National Indian
21 Gaming Commission pursuant to the Indian Gaming
22 Regulatory Act, and which is operated by any Native
23 American tribe in Alabama; to levy a state gross
24 receipts tax and a local gross receipts tax on
25 revenue from the games in those jurisdictions; to
26 levy a tax on vendors of gaming equipment; and to
27 provide for the disposition of lottery proceeds and

1 state gaming tax proceeds; and to create the
2 Alabama Lottery Commission to implement, regulate,
3 and administer gaming and regulate and supervise
4 the Alabama Lottery and Alabama Lottery
5 Corporation.

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Proposing an amendment to Section 65 of the
12 Constitution of Alabama of 1901, to establish an Alabama
13 Lottery and the Alabama Lottery Corporation; to provide that
14 the game of bingo authorized by Amendments 440, 600, 732, 743,
15 and 744, to the Constitution of Alabama of 1901, in Mobile
16 County, Jefferson County, Greene County, Macon County, and the
17 Town of White Hall may be played in those jurisdictions on any
18 electronic machine authorized by the National Indian Gaming
19 Commission pursuant to the Indian Gaming Regulatory Act,
20 Chapter 29, Title 25 of the United States Code, 25 U.S.C.
21 §2701 et seq., and which is operated by any Native American
22 tribe in Alabama; to levy a state gross receipts tax and a
23 local gross receipts tax on the revenue; to levy a tax on
24 vendors of gaming equipment; and to provide for the
25 disposition of lottery proceeds and state gaming tax proceeds;
26 and to create the Alabama Lottery Commission to supervise the
27 Alabama Lottery and the Alabama Lottery Corporation.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. The following amendment to the
3 Constitution of Alabama of 1901, as amended, is proposed and
4 shall become valid as a part thereof when approved by a
5 majority of the qualified electors voting thereon and in
6 accordance with Sections 284, 285, and 287 of the Constitution
7 of Alabama of 1901, as amended:

8 PROPOSED AMENDMENT

9 "Section 65 of the Constitution of Alabama of 1901,
10 is amended to read as follows:

11 "Section 65.

12 "Part I.

13 "~~The~~ Except as provided in Part II and Part III, the
14 ~~legislature~~ Legislature shall have no power to authorize
15 lotteries or gift enterprises for any purposes, and shall pass
16 laws to prohibit the sale in this state of lottery or gift
17 enterprise tickets, or tickets in any scheme in the nature of
18 a lottery; and, except as provided in Part II and Part III,
19 all acts, or parts of acts heretofore passed by the
20 legislature of this state, authorizing a lottery or lotteries,
21 and all acts amendatory thereof, or supplemental thereto, are
22 hereby avoided.

23 "Part II.

24 "Section 1. Establishment of an Alabama Lottery.

25 "(a) The Legislature, by general law, shall provide
26 for the establishment, administration, operation, and
27 regulation of an Alabama Lottery consistent with this part.

1 "(b) The proceeds from the Alabama Lottery shall be
2 applied first to the payment of the expenses of administering
3 and operating the Alabama Lottery, including, without
4 limitation, the payment of all prizes, without any further
5 appropriation required by law, and the balance of the proceeds
6 remaining after the payments shall be deposited, as provided
7 by general law, and held in a special, separate account in the
8 State Treasury created and designated the "Lottery Trust Fund"
9 until the time the proceeds are appropriated by the
10 Legislature.

11 "(c) The administration of the Alabama Lottery shall
12 be vested in a corporation hereby created and designated the
13 Alabama Lottery Corporation. The duties, powers, authority,
14 and composition of the Alabama Lottery Corporation shall be
15 enumerated in one or more general laws enacted by the
16 Legislature subsequent to and supplemental to this amendment.

17 "(d) The Alabama Lottery Corporation may enter into
18 reciprocal agreements with other jurisdictions for the
19 operation and promotion of lottery games that are permitted by
20 the commission to be operated, utilized, or conducted.

21 "(e) The Alabama Lottery Corporation may conduct,
22 employ, include, or utilize only those lotteries approved by
23 the commission.

24 "Section 2. Notwithstanding the provisions of
25 Section 65 of this Constitution, for the purposes of
26 Amendments 440, 600, 732, 743, and 744, the game of bingo
27 authorized by those amendments in Mobile County, Jefferson

1 County, Greene County, Macon County, and the Town of White
2 Hall may be played on any electronic machine that is
3 authorized by the National Indian Gaming Commission pursuant
4 to the Indian Gaming Regulatory Act, and which is operated by
5 any Native American tribe in Alabama.

6 "Section 3. (a) (1) A state gross receipts tax of
7 _____ is levied on the revenue of each facility authorized to
8 use electronic machines under Section 2. To the extent a
9 facility using the electronic machines owns and does not lease
10 gaming equipment that produces revenue, an additional state
11 gross receipts tax of _____ on the revenue from the owned gaming
12 equipment is levied on the equipment.

13 "(2) The state gross receipts tax on revenue for
14 each calendar month shall be paid by each facility to the
15 Department of Revenue on or before the twentieth day of the
16 next succeeding calendar month.

17 "(3) A local gross receipts tax of one percent is
18 levied on the revenue of a facility authorized to use
19 electronic machines under Section 2.

20 "(4) The local gross receipts tax on gaming gross
21 revenue for each calendar month shall be paid to the county
22 where the facility is licensed and the Town of Whitehall on or
23 before the twentieth day of the next succeeding calendar
24 month. Each county shall retain one-half of the amount and
25 shall apportion the remaining half among the municipalities in
26 the county on the basis of the ratio of the population of the
27 municipality to the population of all the municipalities in

1 the county and pay the amounts apportioned to the
2 municipalities forthwith.

3 "(5) A state gaming vendor tax is hereby levied on
4 game vendors conducting business in the area listed in Section
5 1 in an amount equal to ___ of the revenues collected by the
6 game vendor from leases or other revenue sharing arrangements
7 with a facility in those jurisdictions.

8 "(6) A game vendor shall pay the state game vendor
9 tax for each calendar month to the Department of Revenue on or
10 before the twentieth day of the next succeeding calendar
11 month.

12 "(7) The state gross receipts tax on revenue, the
13 local gross receipts tax on revenue, and the state game vendor
14 tax shall be in lieu of all other state or local taxes or
15 license fees levied with respect to the facility.

16 "(8) The proceeds derived from the state gross
17 receipts tax on gaming gross revenues and the covered game
18 vendor tax shall be deposited in ___.

19 " Section 4. For the exclusive purpose of enacting
20 general laws to implement this amendment, the Legislature
21 shall meet in Extraordinary Session within 30 days after the
22 effective date of this amendment on a day determined jointly
23 by the Speaker of the House and the President Pro Tempore of
24 the Senate. The Legislature may meet for no more than 12
25 legislative days and no other items of legislation may be
26 considered during the Extraordinary Session except by a vote
27 of two-thirds of each house."

1 Section 2. An election upon the proposed amendment
2 shall be held in accordance with Sections 284 and 285 of the
3 Constitution of Alabama of 1901, now appearing as Sections 284
4 and 285 of the Official Recompilation of the Constitution of
5 Alabama of 1901, as amended, and the election laws of this
6 state on September 15, 2015.

7 Section 3. The appropriate election official shall
8 assign a ballot number for the proposed constitutional
9 amendment on the election ballot and shall set forth the
10 following description of the substance or subject matter of
11 the proposed constitutional amendment:

12 "Proposing an amendment to Section 65 of the
13 Constitution of Alabama of 1901, to establish an Alabama
14 Lottery and the Alabama Lottery Corporation; to regulate and
15 administer the Alabama Lottery; to provide that the game of
16 bingo authorized by Amendments 440, 600, 732, 743, and 744, to
17 the Constitution of Alabama of 1901, in Mobile County,
18 Jefferson County, Greene County, Macon County, and the Town of
19 White Hall may be played on any electronic machine that is
20 authorized by the National Indian Gaming Commission pursuant
21 to the Indian Gaming Regulatory Act, and which is operated by
22 any Native American tribe in Alabama; to provide for the
23 allocation of lottery proceeds and state gaming tax proceeds;
24 and to authorize the Legislature to pass general laws to
25 implement the amendment.

26 "Proposed by Act _____."

1 This description shall be followed by the following
2 language:
3 "Yes () No ()."