

1 SB318
2 211095-5
3 By Senators Gudger and McClendon (Constitutional Amendment)
4 RFD: Tourism
5 First Read: 09-MAR-21

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

This bill proposes an amendment to Section 65 of the Constitution of Alabama of 1901 to establish an Alabama Lottery; to provide for the sale of lottery tickets, including instant tickets and multi-state lottery games; to provide for the distribution of lottery proceeds; and to require the Legislature to pass general laws to implement the amendment.

A BILL
TO BE ENTITLED
AN ACT

Proposing an amendment to Section 65 of the Constitution of Alabama of 1901, to establish an Alabama Lottery; to provide for the sale of lottery tickets including instant tickets and multi-state lottery games; to provide for

1 the distribution of lottery proceeds; and to require the
2 Legislature to pass general laws to implement the amendment.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

10 PROPOSED AMENDMENT

11 "Section 65.

12 "Part I.

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

22 "Part II.

23 "Section 1. Declarations. The Legislature finds that
24 lotteries have been enacted in many states and the revenues
25 generated from those lotteries have contributed to the benefit
26 of those states. Many Alabamians already participate in other
27 state lotteries. Therefore, the purpose of the proposed

1 amendment is to establish and provide for a lottery to
2 generate revenue for the state.

3 "Section 2. Establishment of an Alabama Lottery.

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

7 "(b) Each fiscal year, the proceeds from the Alabama
8 Lottery shall be applied first to the payment of the expenses
9 of administering and operating the Alabama Lottery, including,
10 without limitation, the payment of all prizes, and five
11 hundred thousand dollars (\$500,000) shall be set apart and
12 used to fund programs that aid compulsive gambling, without
13 any further appropriation required by law, and the balance of
14 the proceeds remaining after the payments shall be used to
15 fund a postsecondary scholarship program as established by
16 general law and to provide mental health resources in public
17 schools in this state.

18 "(c) The lottery games authorized by this part shall
19 be limited to the sale of paper tickets for instant lottery
20 games and paper or electronic tickets for non-instant lottery
21 games for which numbers are drawn to determine a winner. This
22 authorization includes reciprocal agreements with other states
23 and jurisdictions outside of Alabama for the operation and
24 promotion of lottery activities. Tickets may be sold at retail
25 outlets as provided by general law or rule including through
26 automated, player self-service vending machines. Specifically
27 excluded from this authorization is any form of video lottery

1 or the use of video lottery terminal or any mobile,
2 Internet-based, monitor-based interactive game, or any
3 simulated casino-style game, including slot machines, video
4 poker, roulette, blackjack, or any variant of prohibited
5 games.

6 "(d) "Instant ticket lottery games" means a lottery
7 game in which a player manipulates a paper ticket to determine
8 if the player has won.

9 "(e) "Video lottery" or "video lottery terminal"
10 excluded by this part means any electronic interactive game,
11 machine, or device equipped with a video screen and buttons,
12 keys, a keyboard, touchscreen, or other input method allowing
13 input by an individual player and into which the player
14 inserts coins, tokens, currency, or other representation of
15 value including, but not limited to, an electronic card,
16 ticket, or other thing on which value is electronically
17 recorded as consideration in order for play of a game, for the
18 possibility of receiving free games, credits redeemable for
19 cash or noncash prize, or some other thing of value, whether
20 received directly from the device or otherwise, determined by
21 chance.

22 "(f) The Legislature shall enact legislation
23 regulating the control, management, and operation of the
24 lottery, including the ability to participate in reciprocal
25 agreements with other states and jurisdictions outside of
26 Alabama for the operation and promotion of lottery activities.

1 "(g) Nothing in this part affects, prohibits, or
2 limits any of the following:

3 "(1) Activity which was legal at the time this part
4 becomes effective.

5 "(2) Activity that was occurring pursuant to a
6 constitutional amendment, general law, or local law prior to
7 January 1, 2005, including, without limitation, charity bingo
8 or pari-mutuel wagering on horse or dog racing, whether live
9 or simulcast.

10 "(3) Activity authorized pursuant to Amendment 386
11 of the Constitution of Alabama of 1901, as amended by
12 Amendment 600 to the Constitution of Alabama of 1901, or any
13 provision of Chapter 65 of Title 11 of the Code of Alabama
14 1975."

15 Section 2. An election upon the proposed amendment
16 shall be held in accordance with Sections 284 and 285 of the
17 Constitution of Alabama of 1901, now appearing as Sections 284
18 and 285 of the Official Recompilation of the Constitution of
19 Alabama of 1901, as amended, and the election laws of this
20 state at a special election on the second Tuesday in September
21 of 2021.

22 Section 3. The appropriate election official shall
23 assign a ballot number for the proposed constitutional
24 amendment on the election ballot and shall set forth the
25 following description of the substance or subject matter of
26 the proposed constitutional amendment:

1 "Proposing an amendment to the Constitution of
2 Alabama of 1901, to establish an Alabama Lottery; to provide
3 for the sale of lottery tickets, including instant tickets and
4 multi-state lottery games; to provide for the distribution of
5 lottery proceeds; to fund postsecondary scholarships and
6 mental health resources in public schools; and to require the
7 Legislature to pass general laws to implement the amendment.

8 "Proposed by Act _____."

9 This description shall be followed by the following
10 language:

11 "Yes () No ()."