

1 SB11  
2 179073-7  
3 By Senators McClendon, Dial, Smitherman and Singleton  
4 (Constitutional Amendment)  
5 RFD: Tourism and Marketing  
6 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 establish the Alabama  
15 Education Legacy Fund; to provide for distributions  
16 from the Alabama Education Legacy Fund for the  
17 costs associated with the Alabama Lottery, Pre-K  
18 program, career technical scholarships, public  
19 schools, and to the State General Fund; to provide  
20 for a bonding authority to issue bonds for Medicaid  
21 purposes; to authorize and regulate certain  
22 electronic lotteries by the entities currently  
23 licensed to conduct pari-mutuel wagering at the  
24 four existing racetracks in Mobile County, Macon  
25 County, the City of Birmingham in Jefferson County,  
26 and Greene County; to levy a state gross receipts  
27 tax and a local gross receipts tax on gaming

1 revenue of the racetracks; to levy a tax on vendors  
2 of electronic lottery equipment; to provide for the  
3 disposition of state gaming tax proceeds to the  
4 State General Fund for Medicaid purposes; to create  
5 the Alabama Lottery Commission to implement,  
6 regulate, and administer electronic lotteries and  
7 regulate and supervise the Alabama Lottery and  
8 Alabama Lottery Corporation; to authorize and  
9 instruct the Governor to negotiate a compact for  
10 gaming with the Poarch Band of Creek Indians; to  
11 require the Legislature to pass general laws to  
12 implement the amendment; and to require that the  
13 amendment may not be construed to allow casino  
14 games conducted by live human dealers.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT  
19

20 Proposing an amendment to Section 65 of the  
21 Constitution of Alabama of 1901, to establish an Alabama  
22 Lottery statewide and the Alabama Lottery Corporation; to  
23 establish the Alabama Education Legacy Fund; to provide for a  
24 bonding authority to issue bonds for Medicaid purposes; to  
25 authorize and regulate an electronic lottery by the entities  
26 currently licensed to conduct pari-mutuel wagering at the four  
27 existing racetracks in Mobile County, Macon County, the City

1 of Birmingham in Jefferson County, and Greene County, where  
2 pari-mutuel wagering is currently legal; to levy a state gross  
3 receipts tax and a local gross receipts tax on gaming revenue  
4 of the racetracks; to levy a tax on vendors of electronic  
5 lottery equipment; to provide for the disposition of lottery  
6 proceeds and state gaming tax proceeds; to create the Alabama  
7 Lottery Commission to implement, regulate, and administer  
8 gaming and regulate and supervise the Alabama Lottery and the  
9 Alabama Lottery Corporation; to authorize and instruct the  
10 Governor to negotiate a compact for gaming with the Poarch  
11 Band of Creek Indians; to require the Legislature to pass  
12 general laws to implement the amendment; and to require that  
13 the amendment may not be construed to allow casino games  
14 conducted by live human dealers.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. The following amendment to the  
17 Constitution of Alabama of 1901, as amended, is proposed and  
18 shall become valid as a part thereof when approved by a  
19 majority of the qualified electors voting thereon and in  
20 accordance with Sections 284, 285, and 287 of the Constitution  
21 of Alabama of 1901, as amended:

22 PROPOSED AMENDMENT

23 "Section 65.

24 "Part I.

25 "Except as provided in Part II and Part III, the ~~The~~  
26 ~~legislature~~ Legislature shall have no power to authorize  
27 lotteries or gift enterprises for any purposes, and shall pass

1 laws to prohibit the sale in this state of lottery or gift  
2 enterprise tickets, or tickets in any scheme in the nature of  
3 a lottery; and, except as provided in Part II and Part III,  
4 all acts, or parts of acts heretofore passed by the  
5 ~~legislature of this state,~~ Legislature authorizing a lottery  
6 or lotteries, and all acts amendatory thereof, or supplemental  
7 thereto, are hereby avoided.

8 "Part II.

9 "Section 1. Declarations. The Legislature finds that  
10 lotteries have been enacted in many states and the revenues  
11 generated from those lotteries have contributed to the benefit  
12 of those states. Many Alabamians already participate in other  
13 state lotteries. The majority of Alabamians support the  
14 establishment of a lottery. Therefore, the purposes of the  
15 proposed amendment are fivefold:

16 "(1) To establish and provide for a fair and honest  
17 lottery statewide to generate revenue for public education  
18 purposes and the General Fund.

19 "(2) To authorize and regulate an electronic lottery  
20 by the existing racetracks for which gaming is already legal  
21 in Alabama.

22 "(3) To authorize a bonding authority to issue bonds  
23 for Medicaid purposes.

24 "(4) To levy taxes on a electronic lottery at those  
25 racetracks to generate revenue for the benefit of the General  
26 Fund for Medicaid purposes.

1           "(5) To authorize the Governor to negotiate a  
2 compact for gaming with the Poarch Band of Creek Indians.

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 and  
7 an electronic lottery consistent with Part III.

8           "(b) There is hereby created the Alabama Education  
9 Legacy Fund which shall be funded and administered in  
10 accordance with the provisions of this amendment.

11           "(c) The annual proceeds from the Alabama Lottery  
12 shall be deposited into the Alabama Education Legacy Fund and  
13 applied in the following priority order: (1) first to the  
14 payment of the expenses of administering and operating the  
15 Alabama Lottery by the Alabama Lottery Corporation and Alabama  
16 Lottery Commission not to exceed fifteen percent of sales,  
17 unless otherwise decreased by general law passed by the  
18 Legislature; provided however, the payment of all prizes shall  
19 be without limitation and without any further appropriation  
20 required by law; (2) the amount needed for payment of the  
21 amounts due with respect to the bonds authorized by Section 3  
22 of this part; (3) ten million dollars (\$10,000,000) to the  
23 Department of Early Childhood Education for its Pre-K program;  
24 (4) fifteen million dollars (\$15,000,000) to the Board of  
25 Trustees of the Alabama Community College System for career  
26 technical scholarships; (5) seventy-five million dollars  
27 (\$75,000,000) to public schools, of which one-third shall be

1 allocated for public higher education and two-thirds shall be  
2 allocated for public K-12 schools; and (6) any remaining funds  
3 shall be applied to the credit of the General Fund.

4 "(1) Public schools shall be interpreted to include  
5 the Alabama School of Math and Science, the Alabama School of  
6 Fine Arts, the portion of the Alabama Institute for Deaf and  
7 Blind providing appropriate Elementary/Secondary instruction,  
8 and may include the Department of Youth Services School  
9 District.

10 "(2) The allocation of proceeds from the Alabama  
11 Education Legacy Fund provided in this subsection shall not be  
12 used to supplant other Education Trust Fund appropriations.

13 "(3) Allocations from the Alabama Education Legacy  
14 Fund set forth in this subsection shall be appropriated in the  
15 annual Education Trust Fund Appropriations Act as a separate  
16 line item appropriation. Any amounts appropriated and  
17 unexpended at the end of each fiscal year shall be transferred  
18 to the credit of the state General Fund.

19 "(d) The administration of the Alabama Lottery shall  
20 be vested in a corporation hereby created and designated the  
21 Alabama Lottery Corporation. The duties, powers, authority,  
22 and composition of the Alabama Lottery Corporation shall be  
23 enumerated in one or more general laws enacted by the  
24 Legislature subsequent to and supplemental to this amendment.

25 "(e) The Alabama Lottery Corporation may enter into  
26 reciprocal agreements with other jurisdictions for the

1 operation and promotion of lottery games that are permitted by  
2 the commission to be operated, utilized, or conducted.

3 "(f) The Alabama Lottery Corporation may conduct,  
4 employ, include, or utilize only those lotteries approved by  
5 the commission. Except as otherwise provided in this  
6 amendment, the corporation may not operate, use, or employ,  
7 and the commission, directly or indirectly, may not authorize  
8 the operation, use, or employment of, any electronic lottery  
9 by any entity other than a racetrack.

10 "(g) The Alabama Lottery Corporation may hire  
11 non-state employees.

12 "Section 3. Bond Authority

13 "The Legislature shall enact appropriate legislation  
14 creating an authority to issue revenue bonds from which the  
15 source of payment of the bonds shall be the proceeds from the  
16 statewide Alabama lottery. The principal amount of authority  
17 obligations shall be in an amount to net eighty-five million  
18 dollars (\$85,000,000) after all expenses associated with the  
19 issuance of the bonds. The proceeds from the bond issuance  
20 shall be distributed to the Alabama Medicaid Agency. Bonds  
21 issued by the authority shall be solely and exclusively an  
22 obligation of the authority and shall not create an obligation  
23 or debt of the state. Bonds issued pursuant to this amendment  
24 shall be issued for a maturity of 10 years. The Legislature  
25 may further enact legislation implementing this section.

26 "Part III.



1           "Section 1. Definitions. As used in this amendment,  
2 the following words and phrases shall have the following  
3 meanings:

4           "(1) COMMISSION. The Alabama Lottery Commission  
5 created by this part.

6           "(2) ELECTRONIC LOTTERY. Any game to be played  
7 utilizing one or more electronic computers and one or more  
8 computer terminal devices, equipped with an electronic display  
9 device and with keys, buttons, a keyboard or other equipment  
10 allowing input or action by an individual player, into which  
11 the player inserts coins, currency, vouchers, cards, or tokens  
12 as consideration in order for play to be available, and  
13 through which terminal device the player may receive free  
14 games, coins, cash, tokens, or credits that can be redeemed  
15 for cash, annuitized payment over time, a non-cash prize, or  
16 nothing, as may be determined wholly or predominately by  
17 chance.

18           "(3) ELECTRONIC LOTTERY TERMINAL. An electronic  
19 device that is used for the purpose of playing an electronic  
20 lottery.

21           "(4) ELECTRONIC LOTTERY TERMINAL VENDOR. Any person  
22 who manufactures, distributes, supplies, vends, or leases an  
23 electronic lottery terminal or equipment necessary to conduct  
24 an electronic lottery by a racetrack.

25           "(5) GAMING GROSS REVENUE. The total amount of money  
26 or value in any form received by a racetrack with respect to  
27 the playing of any form of electronic lottery, less the total

1 money or value in any form paid as prizes or winnings to the  
2 players of the electronic lottery and free play or promotional  
3 credits, but before deduction of any expenses incurred in  
4 operating the establishment, including, but not limited to,  
5 depreciation or leasing costs of physical facilities and  
6 equipment, wages and other employment costs, utilities,  
7 interest, and taxes. Gaming gross revenue may not be included  
8 in a pari-mutuel pool for the purpose of determining any tax  
9 levied on pari-mutuel wagering or for any other purpose.

10 "(6) RACETRACK. A corporation, limited liability  
11 company, or other business entity authorized by a local racing  
12 commission pursuant to law to operate and conduct pari-mutuel  
13 wagering on live or simulcast races upon the ratification of  
14 the amendment adding this section, in Mobile County, Macon  
15 County, the City of Birmingham in Jefferson County, or Greene  
16 County.

17 "Section 2. Limitation on Electronic Lottery  
18 Terminals in Alabama.

19 "(a) Upon ratification of this amendment, electronic  
20 lotteries utilizing electronic lottery terminals may be  
21 operated or conducted only by a racetrack and only at a single  
22 location approved by the commission in the county in which the  
23 racetrack is licensed to operate and conduct pari-mutuel  
24 wagering.

25 "(b) The operation of electronic lotteries by a  
26 racetrack is not subject to or prohibited, limited, or  
27 impaired by:

1           "(1) Any otherwise applicable provisions of Article  
2 8, commencing with Section 8-1-150, of Chapter 1 of Title 8  
3 of, or Article 2, commencing with Section 13A-12-20, of  
4 Chapter 12 of Title 13A of, the Code of Alabama 1975.

5           "(2) Any other statute whenever enacted that is  
6 inconsistent with this amendment.

7           "(3) Any judicial order, decision, or opinion issued  
8 prior to the operative date of this amendment that would  
9 otherwise have the effect of prohibiting, limiting, or  
10 impairing the operation of electronic lotteries. This  
11 amendment may not be construed to allow casino games conducted  
12 by live human dealers.

13           "(c) Nothing herein shall be deemed to impair,  
14 impede, or restrict the operation of charitable bingo  
15 conducted pursuant to any validly enacted constitutional  
16 amendment authorizing such activity.

17           "Section 3. Compliance with Federal Law.

18           "The State of Alabama, acting by and through the  
19 adoption of this amendment, and in accordance with 15 U.S.C.  
20 §1172, does hereby declare that any and all lottery equipment,  
21 materials, paraphernalia, and supplies and any and all  
22 electronic lottery terminals, equipment, materials,  
23 paraphernalia, and supplies may be transported in interstate  
24 commerce into or out of the state without violating that  
25 section, or any other applicable federal law, if the  
26 electronic lottery terminals, equipment, materials,  
27 paraphernalia, and supplies are used, to be used, or have been

1 used in the operation and furtherance of the Alabama Lottery,  
2 or if the electronic lottery terminals and equipment,  
3 paraphernalia, materials, and supplies are used, to be used,  
4 or have been used, in the operation of electronic lotteries by  
5 racetracks.

6 "Section 4. State Gross Receipts Tax and Use of the  
7 Proceeds Thereof; Local Gross Receipts Tax.

8 "(a) (1) A state gross receipts tax of twenty-two  
9 percent (22%) is levied on the gaming gross revenue of each  
10 racetrack. The Legislature may increase this rate by general  
11 law; provided however, this rate shall not exceed forty  
12 percent (40%). To the extent a racetrack owns and does not  
13 lease electronic lottery terminals and equipment that produces  
14 gaming gross revenue, an additional state gross receipts tax  
15 of one percent of the gaming gross revenue from the owned  
16 electronic lottery terminals and equipment is levied on the  
17 equipment.

18 "(2) The state gross receipts tax on gaming gross  
19 revenue for each calendar month shall be paid by each  
20 racetrack to the Department of Revenue on or before the 20th  
21 day of the next succeeding calendar month.

22 "(3) A local gross receipts tax of one percent is  
23 levied on the gaming gross revenue of each racetrack.

24 "(4) Except as otherwise provided in subdivision  
25 (5), the local gross receipts tax on gaming gross revenue for  
26 each calendar month shall be paid to the county in which the  
27 racetrack is licensed on or before the 20th day of the next

1 succeeding calendar month. The county shall retain one-half of  
2 the amount and shall apportion the remaining half among the  
3 municipalities in the county on the basis of the ratio of the  
4 population of the municipality to the population of all the  
5 municipalities in the county and immediately pay the amounts  
6 apportioned to the municipalities.

7 "(5) The local gross receipts tax on gaming gross  
8 revenue of a racetrack operating in a Class 1 or Class 2  
9 municipality for each calendar month shall be paid to the  
10 Class 1 or Class 2 municipality on or before the 20th day of  
11 the next succeeding calendar month. The municipality shall  
12 retain one-half of the revenue, shall pay one-quarter of the  
13 revenue to the county in which the municipality is principally  
14 located, and shall apportion the remaining one-quarter of the  
15 revenue to the municipalities in the county other than the  
16 Class 1 or Class 2 municipality on the basis of the ratio of  
17 the population of the municipality to the population of all  
18 municipalities in the county other than the Class 1 or Class 2  
19 municipality.

20 "(6) A state electronic lottery terminal vendor tax  
21 is levied on electronic lottery terminal vendors conducting  
22 business in the state in an amount equal to four percent of  
23 the gross revenues collected by the electronic lottery  
24 terminal vendor from leases or other revenue sharing  
25 arrangements with a racetrack.

26 "(7) A electronic lottery terminal vendor shall pay  
27 the state electronic lottery terminal vendor tax for each

1 calendar month to the Department of Revenue on or before the  
2 20th day of the next succeeding calendar month.

3 "(8) The state gross receipts tax on gaming gross  
4 revenue, the local gross receipts tax on gaming gross revenue,  
5 and the state electronic lottery terminal vendor tax shall be  
6 in lieu of all other state or local taxes or license fees  
7 levied with respect to the operation of electronic lotteries  
8 by a racetrack. Notwithstanding the foregoing, a racetrack is  
9 liable for all income taxes, franchise taxes, property taxes,  
10 lodging taxes, and sales and use taxes on merchandise, food,  
11 and beverage generally applicable at uniform rates to all  
12 businesses operating in the county in which the racetrack is  
13 licensed.

14 "(9) The proceeds derived from the state gross  
15 receipts tax on gaming gross revenues and the electronic  
16 lottery terminal vendor tax shall be deposited in the state  
17 General Fund for Medicaid purposes.

18 "Section 5. Alabama Lottery Commission; creation;  
19 powers.

20 "(a) There is hereby created the Alabama Lottery  
21 Commission. The commission shall regulate and supervise the  
22 operation of the Alabama Lottery and the Alabama Lottery  
23 Corporation and shall implement, regulate, administer,  
24 supervise, and enforce all laws and rules related to the  
25 operation and conduct of electronic lotteries by racetracks.  
26 The commission shall cooperate with the Attorney General and

1 local district attorneys in enforcing all laws related to  
2 illegal gambling.

3 "(b) The Alabama Lottery Commission shall consist of  
4 five members. The members of the commission shall be appointed  
5 as follows:

6 "(1) One by the Governor.

7 "(2) One by the Speaker of the House of  
8 Representatives.

9 "(3) One by the President Pro Tempore of the Senate.

10 "(4) One by the Commissioner of Agriculture and  
11 Industries.

12 "(5) One by the Lieutenant Governor.

13 "(c) All members shall be appointed with the advice  
14 and consent of the Senate. The appointment of the initial  
15 members of the commission shall be made by those officials  
16 holding office on the effective date of this amendment without  
17 the advice and consent of the Senate and shall be made within  
18 60 days of the effective date of this amendment. The  
19 appointing authorities shall coordinate their appointments to  
20 assure the commission membership is inclusive and reflects the  
21 racial, gender, geographic, urban, rural, and economic  
22 diversity of the state.

23 "(1) Members of the commission shall be residents of  
24 the State of Alabama, United States citizens, and prominent  
25 persons in their businesses or profession. Members may not  
26 have been convicted of a felony, and may not be the executive  
27 director of or another employee of the commission, an officer

1 of or occupy an official position in any political party, an  
2 elected official, or actively engaged in the business of, or  
3 have a pecuniary interest in, a racetrack.

4 "(2) Members shall serve a term of four years and  
5 may serve two complete terms and any portion of an initial  
6 term of less than four years or any portion of an unexpired  
7 term to which appointed. Any vacancy occurring on the  
8 commission shall be filled for the unexpired term by the  
9 appointing authority as described in this section or as  
10 otherwise provided by act of the Legislature. The initial term  
11 of office upon the effective date of this amendment shall be  
12 two years for the member appointed by the Commissioner of  
13 Agriculture and Industries, three years for the member  
14 appointed by the Speaker of the House of Representatives, four  
15 years for the member appointed by the President Pro Tempore of  
16 the Senate, three years for the member appointed by the  
17 Lieutenant Governor, and four years for the member appointed  
18 by the Governor. Each member of the commission shall serve for  
19 the duration of his or her term and until his or her successor  
20 is duly appointed and confirmed by the Senate.

21 "(d) The commission and its members and employees  
22 shall be subject to the Ethics Law, Section 36-25-1, et seq.,  
23 Code of Alabama 1975; the Open Records Act, Section 36-12-40,  
24 Code of Alabama 1975; the Open Meetings Act, Section 36-25A-1  
25 et seq., Code of Alabama 1975; and the Administrative  
26 Procedure Act, Section 41-22-1, et seq., Code of Alabama 1975.



1           "(e) In addition to other enforcement powers granted  
2 by general law, the commission shall have full power and  
3 authority to issue subpoenas and compel the attendance of  
4 witnesses at any place within this state, to administer oaths,  
5 and to require testimony under oath. Upon failure of a person,  
6 without lawful excuse, to obey a subpoena and upon reasonable  
7 notice to all persons affected, the commission may apply for  
8 relief to the Circuit Court of Montgomery County, Alabama, or  
9 the circuit court in which the person subpoenaed resides. Any  
10 process or notice may be served in the manner provided for  
11 service of process and notices in civil actions. The  
12 commission may pay the transportation and other expenses of  
13 witnesses as the commission deems reasonable and proper. Any  
14 person making a false oath in any matter before the commission  
15 shall be guilty of perjury. The commission may appoint hearing  
16 examiners who may administer oaths and receive evidence and  
17 testimony under oath.

18           "(f) The commission shall regulate and supervise the  
19 conduct and operation of the Alabama Lottery and the Alabama  
20 Lottery Corporation. In addition to the powers granted in this  
21 section, additional powers, procedures, and operations of the  
22 commission with respect to regulation and supervision of the  
23 Alabama Lottery and the Alabama Lottery Corporation shall be  
24 enumerated in one or more general laws enacted by the  
25 Legislature subsequent to and supplemental to Part II to  
26 further its purposes and provide for its implementation.

1           "(g) The commission shall regulate and supervise the  
2 conduct and operation of electronic lotteries by racetracks.  
3 In addition to the powers granted herein, additional powers,  
4 procedures, and operations of the commission with respect to  
5 regulation and supervision of electronic lotteries at  
6 racetracks shall be enumerated in one or more general laws  
7 enacted by the Legislature subsequent to and supplemental to  
8 this Part to further its purposes and provide for its  
9 implementation, subject to the following provisions:

10           "(1) Upon ratification of the amendment adding this  
11 part, a racetrack may operate electronic lotteries. If a  
12 racetrack operates electronic lotteries under this  
13 subdivision, the provisions related to the state gross  
14 receipts tax on gaming gross revenues, the local gross  
15 receipts tax on gaming gross revenue, and the electronic  
16 lottery terminal vendor tax are immediately applicable.

17           "(2) Until such time as the commission is fully  
18 established, a local racing commission having jurisdiction of  
19 a racetrack, in addition to the powers that it has under  
20 existing law, shall have the same power to supervise the  
21 operation of electronic lotteries as it has to regulate and  
22 supervise racing activities and pari-mutuel wagering thereon,  
23 with modification of the powers, not inconsistent with this  
24 amendment, as is necessary or appropriate to adopt them for  
25 the purposes of supervising the operating of electronic  
26 lotteries.

1           "(3) Nothing in this subsection prohibits, limits,  
2           or alters the authority of any local racing commission with  
3           respect to the continued regulation and supervision of racing  
4           and pari-mutuel wagering at a racetrack.

5           "(4) Once the commission is fully established, the  
6           commission shall assume the regulation and supervision of the  
7           conduct and operation of electronic lotteries by racetracks  
8           and shall issue an initial electronic lottery license to each  
9           racetrack to operate and conduct electronic lotteries for a  
10          period of 20 years. Thereafter, the license shall renew  
11          automatically for a period of five years subject to and in  
12          accordance with one or more general laws enacted by the  
13          Legislature supplemental to and subsequent to this part to  
14          further its purposes and provide for its implementation, and  
15          subject to and in accordance with rules adopted by the  
16          commission. The general laws enacted to implement this part  
17          shall provide a basis on which the commission may refuse to  
18          renew a license or when a license may be revoked or suspended.

19          "(5) No racetrack with an electronic lottery license  
20          shall contribute to or employ an elected official.

21          "(6) The number of electronic lottery terminals in  
22          operation by a racetrack and the percentage payout to a patron  
23          may not be restricted or limited by any general or local law,  
24          a local racing commission, or the commission.

25          "(7) A racetrack may not operate electronic  
26          lotteries without remitting to the state the applicable state  
27          gross receipts tax on gaming gross revenue.

1           "(8) A person under the age of 21 years may not play  
2 any electronic lottery, be employed to operate any electronic  
3 lottery equipment, be employed to operate any electronic  
4 lottery terminal, facilitate the playing of any electronic  
5 lottery, or serve any persons playing any electronic lottery  
6 or electronic lottery terminal. This subdivision does not  
7 prohibit persons under the age of 21 years from being allowed  
8 on the premises of a facility where electronic lotteries are  
9 being played in areas of the facility in which electronic  
10 lotteries are not being conducted.

11           "(h) The commission shall coordinate with local  
12 communities and the racetracks in developing educational  
13 programs and other social programs to enhance social and  
14 public awareness of gaming-related issues.

15           "Section 6. Special Session for Enabling  
16 Legislation.

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

26           "Section 7. Compact Negotiations.

1           "The Governor is authorized and instructed to  
2           negotiate in good faith a compact with the Poarch Band of  
3           Creek Indians for the conduct and operation of electronic  
4           lottery terminals at the three locations in Alabama where,  
5           upon ratification of this amendment, the Poarch Band of Creek  
6           Indians are conducting Class II bingo games. Any such compact  
7           shall then be submitted to the Legislature for ratification."

8           END OF PROPOSED AMENDMENT

9           Section 2. An election upon the proposed amendment  
10          shall be held in accordance with Sections 284 and 285 of the  
11          Constitution of Alabama of 1901, now appearing as Sections 284  
12          and 285 of the Official Recompilation of the Constitution of  
13          Alabama of 1901, as amended, and the election laws of this  
14          state on November 8, 2016.

15          Section 3. The appropriate election official shall  
16          assign a ballot number for the proposed constitutional  
17          amendment on the election ballot and shall set forth the  
18          following description of the substance or subject matter of  
19          the proposed constitutional amendment:

20                 "Proposing an amendment to the Constitution of  
21          Alabama of 1901, to establish an Alabama Lottery statewide and  
22          the Alabama Lottery Corporation; to establish the Alabama  
23          Education Legacy Fund; to allow a bonding authority to issue  
24          bonds for Medicaid purposes; to authorize and regulate  
25          electronic lotteries by the four existing racetracks in Mobile  
26          County, Macon County, the City of Birmingham in Jefferson  
27          County, or Greene County, where pari-mutuel wagering is

1 currently legal; to levy and allocate a state gross receipts  
2 tax on electronic lottery revenue of the racetracks; to levy  
3 and allocate a tax on vendors of electronic lottery equipment;  
4 to provide for the allocation of lottery proceeds; to create  
5 the Alabama Lottery Commission to implement, regulate, and  
6 administer gaming and regulate and supervise the Alabama  
7 Lottery Corporation; to authorize the Governor to negotiate a  
8 compact for gaming with the Poarch Band of Creek Indians; and  
9 to authorize the Legislature to pass general laws to implement  
10 the amendment.

11 "Proposed by Act \_\_\_\_\_."

12 This description shall be followed by the following  
13 language:

14 "Yes ( ) No ( )."