SB220

198522-3

By Senators Albritton and Marsh (Constitutional Amendment)

RFD: Tourism

First Read: 02-APR-19
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 statewide; 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.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

PROPOSED AMENDMENT

"Section 65.

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

"Part II.

"Section 1. Declarations. The Legislature finds that lotteries have been enacted in many states and the revenues generated from those lotteries have contributed to the benefit of those states. Many Alabamians already participate in other state lotteries. Therefore, the purpose of the proposed amendment is to establish and provide for a lottery statewide to generate revenue for the state.

"Section 2. Establishment of an Alabama Lottery.

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

"(b) Each fiscal year, the proceeds from the Alabama Lottery shall be applied first to the payment of the expenses of administering and operating the Alabama Lottery, including, without limitation, the payment of all prizes, without any further appropriation required by law, and the balance of the proceeds remaining after the payments shall be deposited in
the Alabama Trust Fund for the repayment of transfers made to the State General Fund in the fiscal years 2013, 2014 and 2015.

(c) Upon full repayment of the transfers mentioned in subsection (b), the balance of proceeds remaining after the payment of the expenses of administering and operating the Alabama Lottery in each fiscal year shall be distributed as follows:

"(1) one-half of the remaining proceeds shall be deposited into the State General Fund annually; and

"(2) one-half of the remaining proceeds shall be deposited into the General Fund Budget Reserve Fund created within the State Treasury by Senate Bill 126 in the 2019 Regular Session of the Legislature until the General Fund Budget Reserve Fund reaches 10% of the General Fund Appropriation for the current fiscal year. Once the General Fund Budget Reserve Fund reaches 10% of the General Fund Appropriation for the current fiscal year any remaining proceeds shall then be deposited into the Lottery Trust Fund created within the State Treasury until appropriated to facilitate transition from fiscal year appropriations made based on projected revenue to fiscal year appropriations based on the recurring revenues collected and credited to the State General Fund during the fiscal year immediately preceding the beginning of the regular session of the Legislature. Once the balance in the Lottery Trust Fund reaches 10% of the General
Fund Appropriation for the current fiscal year remaining proceeds shall be deposited into the Alabama Trust Fund.

"(d) The lottery games authorized by this part shall be limited to the sale of paper tickets for various intrastate and multistate or multisoevereign lottery games and instant tickets or electronic tickets for non-instant lottery games for which numbers are drawn to determine a winner, but specifically excluding any form of "video lottery" or use of "video lottery terminal" as defined or any mobile or Internet-based or monitor-based interactive game, or any simulated casino-style game, including video poker, video roulette, slot machines or video blackjack, or any variant of these prohibited games.

"(e) "Instant tickets" authorized by this part shall mean a lottery game in which a player manipulates a paper ticket to determine if the player has won.

"(f) "Video lottery" or "video lottery terminal" excluded by this part shall mean any electronic interactive game, machine, or device equipped with a video screen and buttons, keys, a keyboard, touchscreen or other input method allowing input by an individual player and into which the player inserts coins, tokens, currency, or other representation of value (including, but not limited to, an electronic card, ticket, or other thing on which value is electronically recorded) as consideration in order for play of a game, the player may receive free games, credits (redeemable for cash or noncash prize), or some other thing of value,
whether received directly from the device or otherwise, determined wholly or predominantly by chance.

"(g) The legislature shall enact legislation regulating the control, management, and operation of the lottery.

"(h) Nothing in this amendment affects, prohibits, or limits any activity which was legal at the time this amendment becomes effective."

"Part III.

"Nothing in this section affects, prohibits, or limits any activity that was occurring pursuant to a Constitutional Amendment prior to January 1, 2005, including, without limitation, pari-mutuel betting or charity bingo.

"Part III.

"Nothing in this section affects, prohibits, or limits any activity authorized pursuant to Amendment 386 of the Constitution of Alabama of 1901, as amended by Amendment 600 of the Constitution of Alabama of 1901, or any provision of Chapter 65 of Title 11, Code of Alabama 1975.

END OF PROPOSED AMENDMENT

Section 2. An election upon the proposed amendment shall be held in accordance with Sections 284 and 285 of the Constitution of Alabama of 1901, now appearing as Sections 284 and 285 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, and the election laws of this state on March 3, 2020.
Section 3. The appropriate election official shall assign a ballot number for the proposed constitutional amendment on the election ballot and shall set forth the following description of the substance or subject matter of the proposed constitutional amendment:

"Proposing an amendment to the Constitution of Alabama of 1901, to establish an Alabama Lottery; to provide for the sale of lottery tickets utilizing paper tickets or receipts, 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.

"Proposed by Act ________.

This description shall be followed by the following language:

"Yes ( ) No ( )."
Senate

Read for the first time and referred to the Senate committee on Tourism.............................. 02-APR-19

Read for the second time and placed on the calendar 1 amendment.................................. 23-APR-19

Read for the third time and passed as amended .... 25-APR-19

Yeas 21
Nays 12

Patrick Harris,
Secretary.