HB418

202901-2

By Representatives Clouse, Poole, McCutcheon, Ledbetter, South, Lovvorn, Moore (P), Kitchens, Stringer, Reynolds, Brown (C), Isbell, Crawford, Ball, Whitt, Oliver, Marques, Drake, Wood (R), Gaston, Sorrells, Brown (K), Sullivan, Greer, Blackshear, Shiver, Stadthagen, Lipscomb, Wilcox, Wheeler, Rich, Easterbrook, Rowe, Meadows, Fincher, Pettus, Ellis, Robertson, Wood (D), Wadsworth, Simpson, Johnson, Faust, Whorton, Weaver, Lawrence, Gray, Sells, Hurst, Grimsley, Clarke, Jones (S), Drummond, Chestnut, Forte, McClammy, Hollis, Boyd, Howard, Morris, Hall, Jackson, Rogers, Bracy, Hatcher, Moore (M), Alexander, Givan, Daniels, England and Coleman (Constitutional Amendment)

RFD: Economic Development and Tourism

First Read: 10-MAR-20
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; to create the Lottery Trust Fund; 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
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 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, and one-quarter of one percent of the net amount shall be set apart and used to fund programs that aid compulsive gambling, without any further appropriation required by law, and the balance of the proceeds remaining thereafter shall be deposited and held in a special, separate account in the State Treasury hereby created and designated the Lottery Trust Fund until such time as the proceeds are appropriated each fiscal year for the following purposes:

"(1) Fifty percent to the Department of Early Childhood Education to be used for the First Class Pre-K Program.

"(2) Fifty percent to be used for scholarship awards distributed after the payment of other gift aid, such as grants, scholarships, etc., as established and prescribed by the Legislature in general law.

"(c) The lottery games authorized by this part shall be limited to the sale of paper tickets for instant lottery
games and paper or electronic tickets for non-instant lottery games for which numbers are drawn to determine a winner. This authorization includes reciprocal agreements with other states and jurisdictions outside of Alabama for the operation and promotion of lottery activities. Tickets for non-instant lottery games for which numbers are drawn to determine a winner or instant ticket lottery games may be sold at retail outlets as provided by general law or rule, including through an automated, player self-service vending machine. Specifically excluded from this authorization is any form of video lottery or the use of video lottery terminal or any mobile, Internet-based, monitor-based interactive game, or any simulated casino-style game, including slot machines, video poker, roulette, blackjack, or any variant of prohibited games.

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

"(e) "Video lottery" or "video lottery terminal" excluded by this part means 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, for the
posibility of receiving free games, credits redeemable for
cash or noncash prizes, or some other thing of value, whether
received directly from the device or otherwise, determined by
chance.

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

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

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

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

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

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
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, including instant tickets and multi-state lottery games; to provide for the distribution of lottery proceeds for the support of the Department of Early Childhood Education and for scholarship awards; to create the Lottery Trust Fund; 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 ( )."