

1 SB310
2 210994-3
3 By Senator Marsh
4 RFD: Tourism
5 First Read: 09-MAR-21

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to gaming; to provide legislative intent;
12 to provide definitions; to further provide for the powers and
13 duties of the Alabama Gaming Commission; to create an advisory
14 board to the commission; to provide for the powers and duties
15 of the advisory board; to provide for the personnel of the
16 commission; to provide for the executive director and deputy
17 director of the commission; to create an enforcement division
18 within the commission; to provide for representation of the
19 commission by the Attorney General; to further provide for the
20 licensure of gaming facilities to operate certain games; to
21 provide for the licensure of management contract service
22 providers; to provide for the assessment of civil penalties by
23 the commission; to provide for criminal penalties for certain
24 violations; to provide for appeal of commission decisions; to
25 provide rulemaking authority; to provide for certain reporting
26 requirements by the commission; to provide for the
27 distribution of funds in the Gaming Trust Fund; and in

1 connection therewith would have as its purpose or effect the
2 requirement of a new or increased expenditure of local funds
3 within the meaning of Amendment 621 of the Constitution of
4 Alabama of 1901, as amended by Amendment 890, now appearing as
5 Section 111.05 of the Official ReCompilation of the
6 Constitution of Alabama of 1901.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. Legislative findings and intent.

9 The Legislature finds and declares the following:

10 (1) The purpose of this act is to further implement
11 the constitutional amendment proposed in SB319 of the 2021
12 Regular Session, upon adoption of the amendment by the voters
13 of this state providing for the establishment of the Alabama
14 Gaming Commission to supervise the conduct of the Alabama
15 Education Lottery, bingo, charitable bingo and raffles, sports
16 wagering, and casino-style games in this state.

17 (2) It is necessary to establish effective and
18 transparent regulation of gaming facilities by the commission
19 to protect consumers and to promote integrity within the
20 gaming industry in this state.

21 Section 2. Definitions.

22 For the purposes of this act, the following words
23 shall have the following meanings:

24 (1) ADDITIONAL SITE. A single site operated by the
25 Poarch Band of Creek Indians offering casino-style games and
26 sports wagering located in Jackson or DeKalb County.

1 (2) AUTHORIZED INTERNET SPORTS WAGERING PLATFORMS.

2 An operator of an Internet-based platform who has been issued
3 a management service license by the commission to, and has
4 elected to, offer wagers pursuant to the terms of the license.

5 (3) BINGO. The game commonly or traditionally known
6 as bingo and defined by the following characteristics, when
7 players provide something of value to play and receive
8 something of value for winning:

9 a. Each player uses one or more cards with spaces
10 arranged in five columns and five rows, with an alphanumeric
11 or similar designation assigned to each space.

12 b. Alphanumeric or similar designations are randomly
13 drawn and announced one by one.

14 c. In order to play, each player must pay attention
15 to the value announced; if one of the values matches a value
16 on one or more of the player's cards, the player must
17 physically act by marking his or her card accordingly.

18 d. A player can fail to pay proper attention or to
19 properly mark his or her card, and thereby miss an opportunity
20 to be declared winner.

21 e. A player must recognize that the player's card
22 has a predetermined pattern of matching values, and in turn
23 announce to the other players and the announcer that this is
24 the case before any other player does so.

25 f. The game of bingo contemplates a group activity
26 in which multiple players compete against each other to be the

1 first to properly mark a card with the predetermined winning
2 pattern and announce that fact.

3 g. The game of bingo is played with actual physical
4 cards made of cardboard, paper, or some functionally similar
5 material that is flat and is preprinted with the grid and the
6 designations referenced in this subdivision. The game of bingo
7 may not be played with an electronic, computer, or other
8 technologic aid.

9 The term does not include electronic bingo.

10 The term does not apply to any game operated on
11 Poarch Band of Creek Indians trust lands and at covered
12 locations.

13 (4) CASINO-STYLE GAME. Any casino game, activity, or
14 device approved by the commission that is accessed for play by
15 physical presence at the location site of the game, activity,
16 or device, including, but not limited to: Slot machines; a
17 video lottery; video lottery terminals; electronic
18 representations of pari-mutuel wagering games, including, but
19 not limited to, historical horse racing machines, historical
20 sporting event machines, machines of any kind that are based
21 on historic events, and other technological aids and
22 electronic facsimiles of these games; banking or banked card
23 games, including, but not limited to, poker, baccarat, chemin
24 de fer, and blackjack; all dice games; roulette; all table
25 games and electronic representations of such games; all
26 electronic sweepstakes games, terminals, or devices; and any
27 electronic gaming device used to play these games. The term

1 includes electronic bingo. The term does not include the
2 Alabama Education Lottery or pari-mutuel wagering on simulcast
3 and live racing events.

4 (5) CHARITABLE BINGO AND RAFFLES. Bingo, as defined
5 in subdivision (2), conducted by or for the benefit of a bona
6 fide religious, educational, youth, service, senior citizens',
7 fraternal, veterans', or other eleemosynary organization that
8 operates without profit to its members and that either has
9 been in existence continuously as such an organization for a
10 period of three years or is exempt from taxation by virtue of
11 having been classified as a tax exempt nonprofit organization
12 by the Internal Revenue Service, United States Government. The
13 term includes charitable raffles and draw downs. The term does
14 not include electronic bingo.

15 (6) COMMISSION. The Alabama Gaming Commission
16 created by the proposed constitutional amendment in SB 319 of
17 the 2021 Regular Session and further provided for in this act.

18 (7) CORPORATION. The Alabama Education Lottery
19 Corporation.

20 (8) COVERED LOCATION. The existing Greene County
21 location, the existing Houston County location, the Jefferson
22 County location, the existing Macon County location, the
23 existing Mobile County location, and a location in Dekalb
24 County or Jackson County owned by the Poarch Band of Creek
25 Indians.

26 (9) COVERED OPERATOR. The owner of a casino license
27 won through a competitive bid process or the wholly owned

1 subsidiary of the owner of such a license. A covered operator
2 must operate the casino at a covered location.

3 (10) DIRECTOR. The Executive Director of the Alabama
4 Gaming Commission.

5 (11) ELECTRONIC BINGO. Any game approved by the
6 commission and referred to as bingo if played with an
7 electronic, computer, or other technologic aid.

8 (12) EXISTING GREENE COUNTY LOCATION. The operator
9 of the currently existing location in Greene County, Alabama,
10 which is commonly known as Greenetrack, and any contiguous
11 land that is later added to the existing location.

12 (13) EXISTING HOUSTON COUNTY LOCATION. The
13 currently existing location in Houston County, Alabama, which
14 is commonly known as the Crossing at Big Creek, and any
15 contiguous land that is later added to the existing location.

16 (14) EXISTING JEFFERSON COUNTY LOCATION. The
17 currently existing location in Jefferson County, Alabama,
18 which is commonly known as the Birmingham Race Course, and any
19 contiguous land that is later added to the existing location.

20 (15) EXISTING MACON COUNTY LOCATION. The currently
21 existing location in Macon County, Alabama, which is commonly
22 known as VictoryLand, and any contiguous land that is later
23 added to the existing location.

24 (16) EXISTING MOBILE COUNTY LOCATION. The currently
25 existing location in Mobile County, Alabama, which is commonly
26 known as the Mobile Greyhound Racing facility, and any
27 contiguous land that is later added to the existing location.

1 (17) HISTORICAL HORSE RACING. A form of horse racing
2 that creates pari-mutuel pools from wagers placed on
3 previously conducted horse races.

4 (18) INSTANT TICKET. A lottery game in which a
5 player manipulates a ticket to determine if the player has
6 won.

7 (19) MANAGEMENT SERVICES PROVIDER. A party that
8 holds a license issued by the commission pursuant to Section
9 25 to operate sports wagering in person at a covered location
10 or through any authorized Internet sports wagering platform on
11 behalf of a covered operator with a sports wagering operator
12 license as authorized by the commission.

13 (20) NET GAMING REVENUE. The total amount of money
14 or value in any form received by a covered operator with
15 respect to the playing of a casino-style game less the total
16 money or value in any form paid as prizes or winnings as a
17 result of the play, free play, or promotional play.

18 (21) NET GAMING REVENUE FOR SPORTS WAGERING. The
19 total amount of money or value in any form received by a
20 covered operator or management services provider with respect
21 to sports wagering, excluding free bets and promotional
22 credits, less federal excise taxes and the total money or
23 value in any form paid as prizes or winnings, including the
24 cash equivalent of any merchandise or thing of value awarded
25 as a prize.

1 (22) POARCH BAND OF CREEK INDIANS. The federally
2 recognized Indian tribe within the State of Alabama known as
3 the Poarch Band of Creek Indians.

4 (23) SPORTING EVENT. Any amateur sport or athletic
5 event, professional sport or athletic event, any collegiate
6 sport or athletic event, motor race event, electronic sports
7 event, competitive video game event, or any other event
8 authorized by the commission under this act. The term does not
9 include any amateur youth sport or athletic event.

10 (24) SPORTS WAGERING. The acceptance of wagers on
11 sporting events or portions of sporting events, the individual
12 performance statistics of athletes in a sporting event, or a
13 combination of any of the same by any system or method of
14 wagering authorized in general law. The term may include
15 single-game bets, teaser bets, parlays, over-under, moneyline,
16 pools, exchange wagering, in-game wagering, in-play bets,
17 proposition bets, straight bets, and any other bet authorized
18 by the commission. The term does not include wagers on fantasy
19 sports contests authorized under Chapter 19F of Title 8, Code
20 of Alabama 1975.

21 (25) VIDEO LOTTERY or VIDEO LOTTERY TERMINAL. Any
22 electronic interactive game, machine, or device equipped with
23 a video screen and buttons, keys, a keyboard, touchscreen or
24 other input method allowing input by an individual player and
25 into which the player inserts coins, tokens, currency, or
26 other representation of value, including, but not limited to,
27 an electronic card, ticket, or other thing on which value is

1 electronically recorded, as consideration in order for play of
2 a game to be available, and through which, as a result of play
3 of a game to be available, and through which, as a result of
4 the play of the game, the player may receive free games,
5 credits, redeemable for cash or a noncash prize, or some other
6 thing of value, whether received directly from the device or
7 otherwise, determined wholly or predominantly by chance. The
8 term does not include electronic bingo.

9 Section 3. Alabama Gaming Commission created.

10 The Alabama Gaming Commission is created as a state
11 agency to supervise the conduct of the Alabama Education
12 Lottery, bingo, charitable bingo and raffles, sports wagering,
13 and casino-style games in the state pursuant to the
14 Constitution of Alabama of 1901, this act, and existing law.
15 The commission shall be located in Montgomery County.

16 Section 4. Commission members.

17 (a) The commission shall consist of seven members,
18 appointed as follows:

19 (1) Two by the Governor.

20 (2) One by the Speaker of the House of
21 Representatives.

22 (3) One by the Minority Leader of the House of
23 Representatives.

24 (4) One by the President Pro Tempore of the Senate.

25 (5) One by the Minority Leader of the Senate.

26 (6) One by the Lieutenant Governor.

1 (b) All members shall be appointed with the advice
2 and consent of the Senate at the first regular or special
3 session of the Legislature held after the appointment;
4 provided, however, that this subsection does not affect the
5 right or authority of an appointee to act pending confirmation
6 or rejection. Initial appointments shall be made within 60
7 days after ratification of the amendment proposed in SB319 of
8 the 2021 Regular Session, creating the commission and shall
9 serve until confirmed or rejected by the Senate. The
10 appointing authorities of the commission shall coordinate
11 their appointments to assure the commission membership is
12 inclusive and reflects the racial, gender, geographic,
13 urban/rural, and economic diversity of the state.

14 (c) Members of the commission shall satisfy all of
15 the following qualifications:

16 (1) Shall be residents of the State of Alabama for
17 at least five years immediately preceding appointment, be
18 United States citizens, and be prominent persons in their
19 businesses or professions.

20 (2) Shall be at least 30 years of age.

21 (3) Shall have no felony convictions or convictions
22 for property offenses, fraud, or unlawful gambling, or
23 offenses involving moral turpitude.

24 (4) May not be the executive director of the
25 commission or an employee of the commission.

26 (5) May not be a member, employee, or vendor of the
27 Alabama Education Lottery Corporation, or an officer of a

1 political party or the occupant of an official position in a
2 political party, a public official, or actively engaged in the
3 business of, or have a pecuniary interest in, a covered
4 location, an operation owned by the Poarch Band of Creek
5 Indians, or a lottery retailer or lottery vendor.

6 (6) May not be a supplier of devices or equipment
7 used in the play of casino-style games.

8 (d) (1) The initial term of office for each member
9 shall be as follows:

10 a. One member appointed by the Governor and the
11 member appointed by the President Pro Tempore of the Senate
12 shall serve an initial term of four years.

13 b. One member appointed by the Governor and the
14 member appointed by the Speaker of the House of
15 Representatives shall serve an initial term of three years.

16 c. The member appointed by the Lieutenant Governor
17 and the members appointed by the Minority Leaders of the House
18 of Representatives and the Senate shall serve an initial term
19 of two years.

20 (2) Members may serve two complete terms and any
21 portion of an initial term of less than four years or any
22 portion of an unexpired term to which appointed. Any vacancy
23 occurring on the commission shall be filled for the unexpired
24 term by the appointing authority as described in this section,
25 or as otherwise provided by act of the Legislature. Each
26 member of the commission shall serve for the duration of the

1 member's term and until the member's successor is duly
2 appointed and confirmed by the Senate.

3 (e) Members of the commission shall be subject to
4 the Ethics Law, Section 36-25-1, et seq., Code of Alabama
5 1975.

6 (f) The commission shall be subject to the Alabama
7 Sunset Law, Chapter 20 of Title 40, Code of Alabama 1975, as
8 an enumerated agency as provided in Section 41-20-3, Code of
9 Alabama 1975, and shall have a termination date of October 1,
10 2025, and every four years thereafter, unless continued
11 pursuant to the Alabama Sunset Law.

12 (g) The commission may not take official action
13 until all members have been appointed. At its initial meeting,
14 the commission shall elect a chair from its membership.

15 (h) (1) The commission shall meet at least quarterly
16 and at other times as called by the chair or a majority of the
17 commission members.

18 (2) Members of the commission may participate in a
19 meeting of the commission in person, by means of telephone
20 conference, video conference, or other similar communications
21 equipment so that all individuals participating in the meeting
22 may hear each other at the same time. Participation by any
23 such means shall constitute presence in person at a meeting
24 for all purposes, including for purposes of establishing a
25 quorum, and the affirmative vote of a majority of the members
26 in attendance shall be necessary for any action of the
27 commission.

1 (3) Meetings of the commission shall be subject to
2 the Alabama Open Meetings Act.

3 (4) If any member is absent from two meetings of the
4 four quarterly meetings during any calendar year, the member
5 shall be deemed to have forfeited his or her position on the
6 commission, and a replacement shall be appointed by the
7 respective appointing authority as provided in this act.

8 (i) (1) A majority of members shall constitute a
9 quorum for the transaction of any business and for the
10 exercise of any power or function of the commission.

11 (2) Action may be taken and motions and resolutions
12 adopted by the commission at any meeting of the commission by
13 an affirmative vote of four commission members.

14 (j) No vacancy in the membership of the commission
15 shall impair the right of the members to exercise all the
16 powers and perform all the duties of the commission.

17 Section 5. Compensation of Members.

18 Members of the commission shall receive no
19 compensation for their services, but may be paid the per diem
20 and travel allowance as provided for state employees.

21 Section 6. Alabama Gaming Commission Advisory Board.

22 (a) There is created the Alabama Gaming Commission
23 Advisory Board, which shall provide information and make
24 recommendations to the Alabama Gaming Commission regarding the
25 implementation and administration of the Alabama Education
26 Lottery Corporation, charitable bingo and raffles, sports

1 wagering, and casino-style games in the state pursuant to the
2 Constitution of Alabama of 1901, this act, and existing law.

3 (b) The advisory board shall consist of the
4 following members:

5 (1) One member appointed by the Secretary of the
6 Alabama State Law Enforcement Agency, who is certified by the
7 Alabama Peace Officers' Standards and Training Commission and
8 experienced in law enforcement and criminal investigations
9 with a focus on financial crimes.

10 (2) One member appointed by the Attorney General,
11 who has extensive prosecutorial experience.

12 (3) One member appointed by the Governor, who is a
13 certified public accountant in this state with experience in
14 financial audits and forensic accounting.

15 (4) One member appointed by the Lieutenant Governor
16 who is a licensed attorney in this state and who has
17 significant experience in gaming law and regulatory compliance
18 law.

19 (5) One member appointed by the Speaker of the House
20 of Representatives, who is a sheriff or police chief with a
21 gaming facility operating within his or her jurisdiction.

22 (6) One member appointed by the President Pro
23 Tempore of the Senate, who has extensive experience in Indian
24 gaming laws and regulations.

25 (7) The Commissioner of the Alabama Department of
26 Revenue, or his or her designee.

1 (8) The Director of the Alabama Securities
2 Commission, or his or her designee.

3 (9) The Secretary of the Alabama State Law
4 Enforcement Agency, or his or her designee.

5 (10) The Director of the Alabama Tourism Department,
6 or his or her designee.

7 (11) The Attorney General, or his or her designee.

8 (c) (1) The appointed members of the advisory board
9 shall serve at the pleasure of the appointing authority.

10 (2) All appointing authorities shall coordinate
11 their appointments so that diversity of gender, race, and
12 geographical areas is reflective of the makeup of this state.

13 (d) (1) The advisory board shall meet as often as
14 necessary, but at least annually, to formulate recommendations
15 to the commission to regulate and administer the lottery and
16 gaming in this state, including identification of any further
17 statutory changes necessary to promote the operation and
18 regulation of the lottery and gaming in this state.

19 (2) Meetings of the advisory board shall be subject
20 to the Alabama Open Meetings Act.

21 (3) Members of the advisory board may participate in
22 a meeting of the advisory board in person, by means of
23 telephone conference, video conference, or other similar
24 communications equipment so that all individuals participating
25 in the meeting may hear each other at the same time.
26 Participation by any such means shall constitute presence in
27 person at a meeting for all purposes, including for purposes

1 of establishing a quorum, and the affirmative vote of a
2 majority of the members in attendance shall be necessary for
3 any action of the advisory board.

4 (e) The advisory board shall establish its own rules
5 and internal operating policies and procedures. Members of the
6 advisory board shall serve without compensation or
7 reimbursement of expenses. The advisory board may report to
8 the commission in writing at any time. The commission may also
9 allow members of the advisory board to attend regular meetings
10 of the commission and make presentations to the commission.

11 Section 7. Executive director and deputy director of
12 the commission.

13 (a) (1) The commission shall appoint an executive
14 director who shall direct the day-to-day operations and
15 management of the commission and shall be vested with all
16 powers and duties as specified by the commission and by law.
17 The executive director shall serve at the pleasure of the
18 commission.

19 (2) The executive director shall meet all of the
20 following qualifications:

21 a. Be an attorney licensed to practice law in this
22 state for at least five years and be a person of good moral
23 character.

24 b. Have no felony convictions or convictions for
25 property offenses, fraud, or unlawful gambling, or offenses
26 involving moral turpitude.

1 c. May not, after appointment, be a member,
2 employee, or vendor of the Alabama Lottery Corporation, or an
3 officer of a political party or the occupant of an official
4 position in a political party, a public official, or actively
5 engaged in the business of, or have a pecuniary interest in, a
6 covered location, an operation owned by the Poarch Band of
7 Creek Indians or a lottery retailer or lottery vendor.

8 d. May not be a supplier of devices or equipment
9 used in the play of casino-style games.

10 e. Any other qualifications adopted by the
11 commission by rule.

12 (3) The executive director shall devote his or her
13 entire time and attention to the duties required under this
14 act and the business of the commission and may not pursue any
15 other business or occupation or hold any other office of
16 profit.

17 (4) The executive director shall receive an annual
18 salary determined by the commission.

19 (b) (1) With the approval of the commission, the
20 executive director may appoint a deputy director who shall
21 perform any and all duties designated by the executive
22 director.

23 (2) The deputy director shall receive an annual
24 salary determined by the commission.

25 Section 8. Powers and duties of the executive
26 director.

1 The executive director of the commission shall
2 direct and supervise all administrative and technical
3 activities in accordance with this act and with the rules,
4 policies, and procedures adopted by the commission. It shall
5 be the duty of the executive director to do all of the
6 following:

7 (1) Sue and be sued on behalf of the commission.

8 (2) Acquire real property in accordance with
9 existing law and make improvements thereon on behalf of the
10 commission.

11 (3) Make, execute, and effectuate any and all
12 agreements or contracts, including contracts for the purchase
13 of goods and services as are necessary for the conduct of the
14 business of the commission.

15 (4) Employ and direct such personnel as deemed
16 necessary.

17 (5) Employ by contract and compensate persons and
18 firms as deemed necessary for the operation and administration
19 of the commission.

20 (6) Prepare a budget for the approval of the
21 commission.

22 (7) Report quarterly to the Governor, the
23 Legislature, and the commission a full and complete statement
24 of gaming revenues and expenses for the preceding quarter, and
25 report annually on consumer complaints received by the
26 corporation.

1 (8) Perform other duties as necessary to implement
2 and administer this act.

3 Section 9. Duties of the commission.

4 The commission shall adopt, amend, or repeal rules
5 in accordance with the Alabama Administrative Procedure Act,
6 and shall have all of the following powers and duties:

7 (1) To issue subpoenas and compel the production of
8 documents or items and the attendance of witnesses, to
9 administer oaths, to require testimony under oath, and to
10 enforce its orders.

11 (2) To appoint impartial hearing examiners who may
12 administer oaths and receive evidence and testimony under oath
13 and make recommendations to the commission.

14 (3) To demand access to and inspect, examine,
15 photocopy, and audit all papers, books, and records respecting
16 net gaming revenues and net gaming revenues for sports
17 wagering and any other matters necessary to carry out its
18 duties.

19 (4) To impose reasonable civil fines and penalties
20 on any individual or entity for violations of this act,
21 violations of general law enacted pursuant to this act, or
22 violations of rules adopted by the commission.

23 (5) To regulate the Alabama Education Lottery
24 Corporation in the operation and conduct of the Alabama
25 Education Lottery.

26 (6) To provide for the issuance of licenses for the
27 operation of casino-style games and sports wagering and to

1 provide for the renewal, modification, extension, suspension,
2 revocation, transfer, or forfeiture of a license.

3 (7) To regulate and supervise the conduct and
4 operation of casino-style games and sports wagering and
5 charitable bingo and raffles.

6 (8) To approve all casino-style games and Alabama
7 Education Lottery games.

8 (9) To adopt rules and procedures to address the
9 failure of a covered operator or management services provider
10 to timely remit applicable state tax on net gaming revenues,
11 net gaming revenues on sports wagering, license fees, and
12 fines and penalties assessed by the commission.

13 (10) To adopt rules related to the reasonable
14 operation level for each covered location.

15 (11) To adopt rules limiting access to casino-style
16 games and sports wagering by minors and other susceptible
17 individuals.

18 Section 10. Employees of the commission.

19 (a) (1) An employee or member of the commission may
20 not have a financial interest in any vendor doing business or
21 proposing to do business with the commission or a covered
22 operator or management services provider.

23 (2) An employee of the commission with
24 decision-making authority may not participate in any decision
25 involving a covered operator or management services provider
26 with whom the employee has a financial interest.

1 (b) An employee of the commission who leaves the
2 employment of the commission may not represent any vendor,
3 management services contract provider, or covered operator
4 before the commission for a period of two years following
5 termination of employment with the commission.

6 (c) An applicant for employment with the commission
7 shall submit to the executive director, on a form sworn to by
8 the applicant, his or her name, date of birth, Social Security
9 number, and two complete sets of fingerprints for completion
10 of a criminal history background check through the Alabama
11 State Law Enforcement Agency. Costs associated with conducting
12 a criminal history background check may be paid by the
13 commission.

14 (d) An individual who has been convicted of a
15 felony, a crime involving moral turpitude, or a crime
16 involving unlawful gambling may not be employed by the
17 commission.

18 (e) The commission shall bond commission employees
19 with access to commission funds in such an amount as provided
20 by the commission and may bond other employees as deemed
21 necessary.

22 (f) Employees of the commission shall not be state
23 Merit System employees, but shall be entitled to insurance,
24 retirement, and other state employees' benefits.

25 (g) Employees of the commission shall be subject to
26 the Ethics Laws, Sections 36-25-1, et seq., Code of Alabama
27 1975.

1 Section 11. Employee participation prohibition.

2 Any employee or member of the commission may not
3 play any casino-style game or sports wagering at a covered
4 location. Any employee of a covered operator may not play any
5 casino-style game or sports wagering at which he or she is
6 employed.

7 Section 12. Records of the commission.

8 (a) Except as provided in subsection (b), records of
9 the commission shall be public records for purposes of Section
10 36-12-40, Code of Alabama 1975.

11 (b) The commission may determine which information
12 and records relating to its operations are confidential and
13 not subject to public disclosure. The information includes
14 trade secrets; security measures, systems, or procedures;
15 security reports; employee personnel information unrelated to
16 compensation, duties, qualifications, or responsibilities; and
17 information obtained pursuant to investigations which is
18 otherwise confidential. Information deemed confidential
19 pursuant to this section shall be exempt from public
20 disclosure.

21 Section 13. Minority business participation.

22 It is the intent of the Legislature that the
23 commission encourage participation by minority businesses.
24 Accordingly, the commission shall adopt a plan that achieves
25 to the greatest extent possible a level of participation by
26 minority businesses taking into account the total number of
27 all covered operators. The commission may administer training

1 programs and other educational activities to enable eligible
2 minority businesses to compete for licenses on an equal basis.
3 The commission shall monitor the results of minority business
4 participation and shall report the results of minority
5 business participation to the Governor and the Legislature at
6 least on an annual basis.

7 Section 14. Enforcement division established;
8 assistance by the Alabama State Law Enforcement Agency and
9 sheriffs.

10 (a) The commission shall establish a Gaming
11 Enforcement Division to investigate violations of gaming laws
12 and enforce the general laws and rules of the commission.

13 (b) Any alleged violation of the conduct of any
14 gaming activity by a covered operator, management services
15 contract provider, lottery retailer, lottery vendor, or
16 employee or independent contractor of the entity shall be
17 referred to the division for investigation, enforcement, and
18 recommendation to the commission for necessary action relating
19 to a license issued by the commission or referral for
20 prosecution by the Attorney General or district attorney for
21 criminal violations, if necessary.

22 (c) In addition to the personnel referenced in
23 subsections (e) and (f), the executive director shall employ
24 personnel with a background in law enforcement and
25 investigations to serve in the division as necessary.

1 (d) The division shall provide reports of
2 investigative and enforcement activity to the commission as
3 often as the commission requires.

4 (e) (1) To assist the division in the performance of
5 its duties under this section, the commission may enter into
6 agreements with the Alabama State Law Enforcement Agency to
7 facilitate the assistance of agents in investigations and
8 enforcement activities under this section.

9 (2) The agents appointed under subdivision (1) shall
10 be certified by the Alabama Peace Officers' Standards and
11 Training Commission.

12 (3) The commission and the Secretary of the Alabama
13 State Law Enforcement Agency may execute memoranda of
14 understanding or other agreements to implement and administer
15 the requirements of this subsection.

16 (f) (1) The commission may enter into agreements with
17 the sheriff in each county where a covered operator is located
18 to assist the division in investigations and enforcement
19 activities under this section.

20 (2) A sheriff and the commission may execute
21 memoranda of understanding or other agreements to implement
22 and administer the requirements of this section.

23 (g) Agents and deputy sheriffs providing assistance
24 to the division under subsections (e) and (f) shall complete
25 annual training as determined by the commission and the
26 Secretary of the Alabama State Law Enforcement Agency, in

1 consultation with the Alabama Peace Officers' Standards and
2 Training Commission.

3 (h) For purposes of the Alabama Criminal Justice
4 Information Center (ACJIC) and the National Crime Information
5 Center (NCIC), personnel of the division shall be considered
6 an originating agency identifier for the purposes of criminal
7 background checks and access to criminal history data.

8 Section 15. Powers and duties of the enforcement
9 division.

10 (a) For the protection of the public and in the
11 public interest in accordance with the policy of this state,
12 the executive director, his or her personnel, or any person
13 operating under the authority of the gaming enforcement
14 division of the commission may do any of the following for
15 cause:

16 (1) Inspect and examine the premises of covered
17 locations or the premises of where gambling devices or
18 equipment is manufactured, sold, or distributed.

19 (2) Inspect and examine the premises of lottery
20 retailers.

21 (3) Inspect all equipment and supplies on the
22 premises of a covered location or lottery retailers.

23 (4) Summarily seize and remove from the premises of
24 a covered location or lottery retailer and impound any
25 equipment or supplies for the purpose of examination and
26 inspection.

1 (5) Demand access to and inspect, examine,
2 photocopy, and audit all papers, books, and records of
3 applicants for licensure, covered operators, management
4 services providers, and lottery retailers on their premises or
5 elsewhere as practicable, in the presence of the covered
6 operator or an agent relating to the proceeds generated by any
7 activities regulated by the commission and all other matters
8 affecting the enforcement of the policy or any of the
9 provisions of this act.

10 Section 16. Representation by the Attorney General.

11 The Attorney General shall represent the commission
12 and the executive director in any proceeding to which the
13 commission or the executive director is a party under this act
14 and shall also advise the commission and the executive
15 director in all other matters.

16 Section 17. Licenses required.

17 A covered operator or management services provider
18 may not engage in any activity in connection with casino-style
19 games, charitable bingo or raffles, or sports wagering in this
20 state for which a license is required by this act or rules of
21 the commission unless all necessary licenses have been
22 obtained in accordance with this act and rules of the
23 commission.

24 Section 18. Licenses for the operation of charitable
25 bingo and raffles.

26 (a) A person operating a charitable bingo and raffle
27 operation shall apply to the commission for a license

1 authorizing the person to conduct a charitable bingo or raffle
2 operation.

3 (b) The person shall pay a nominal fee for the
4 license as determined by the commission by rule.

5 (c) At the end of the original term of the license
6 to operate a charitable bingo or raffle operation, the license
7 may be serially renewed for a nominal fee established by the
8 commission by rule.

9 (d) The commission may adopt rules relating to the
10 conduct and operation of charitable bingo and raffles.

11 (e) A person operating a charitable bingo and raffle
12 operation shall comply with all rules adopted by the
13 commission.

14 Section 19. Licenses for casino-style games and
15 sports wagering.

16 (a) Casino-style games and sports wagering may only
17 be operated by a covered operator with a valid license issued
18 by the commission. The commission may adopt rules prescribing
19 the information a covered operator is required to submit to
20 the commission prior to the issuance of a license under this
21 section.

22 (b) (1) The commission, by rule, shall establish a
23 competitive bidding process for the award of licenses at
24 covered locations, considering market conditions, financial
25 fitness of the bidders, and other factors deemed relevant by
26 the commission. The commission shall set the minimum bid as
27 follows, but may increase the required minimum bid based on

1 market conditions and other factors deemed relevant by the
2 commission:

3 a. For the sites in Jefferson County and in DeKalb
4 or Jackson County, thirty-five million dollars (\$35,000,000).

5 b. For the site in Macon County, twenty million
6 dollars (\$20,000,000).

7 c. For the sites in Greene, Houston, and Mobile
8 Counties, five million dollars (\$5,000,000).

9 (2) The owners of the covered locations in Greene,
10 Houston, Jefferson, Macon, and Mobile Counties shall have the
11 right to make a final bid exceeding the highest bidder in the
12 competitive bidding process for their respective covered
13 locations.

14 (3) The Poarch Band of Creek Indians shall have a
15 right to make a final bid exceeding the highest bidder in the
16 competitive bidding process for the covered location in
17 Jackson or DeKalb County.

18 (c) Upon selection for the award of a license, each
19 covered operator shall pay the applicable license fee upon
20 receipt of an invoice from the commission and as provided by
21 rule of the commission to the Gaming Trust Fund. Once the
22 appropriate license fee is paid, the commission shall issue a
23 license to the covered operator to conduct and operate
24 casino-style games and sports wagering at the covered location
25 for a 10-year term.

26 (d) The commission shall extend the original license
27 term to 30 years upon request of a covered operator

1 demonstrating a completed capital investment in the covered
2 location that is 10 or more times greater than the initial
3 license fee.

4 Section 20. Renewal of licenses.

5 (a) Any license granted to a covered operator under
6 Section 19 may be serially renewed by the covered operator as
7 provided in this section.

8 (b) Renewal fees and license terms shall be set by
9 the commission one year prior to the expiration of the license
10 term as provided by rule of the commission. The commission
11 shall consider market conditions and other factors deemed
12 relevant by the commission in its determination of the renewal
13 fee.

14 (c) Upon its determination under subsection (b), the
15 commission shall provide notice to the covered operator of the
16 renewal fee and the new term of the license. The term may be
17 for a longer or shorter period than required for initial
18 licenses under Section 19. The commission shall specify in the
19 notice the time in which the covered operator has to apply for
20 renewal of the license.

21 Section 21. Suspension, revocation, and forfeiture
22 of licenses.

23 (a) A license issued to a covered operator under
24 Section 19 may be suspended or revoked for cause by the
25 commission or forfeited by a covered operator for any of the
26 following reasons pursuant to rules adopted by the commission:

1 (1) Failure to remit a license fee to the
2 commission.

3 (2) Failure to remit applicable state taxes on net
4 gaming revenues or net gaming revenues on sports wagering.

5 (3) Failure to pay any fines and penalties assessed
6 by the commission.

7 (4) Violation of laws or rules of the commission
8 relating to the activities of the covered operator.

9 (5) Failure to maintain the reasonable operation
10 level, as determined by the commission, at the covered
11 location for a period of 18 consecutive months.

12 (b) In the event a license is revoked or forfeited
13 as provided in subsection (a), the commission may award a
14 license at any covered location in the same county or similar
15 location in the same county to another operator pursuant to a
16 competitive process as provided by the commission.

17 (c) (1) The commission may establish a deadline in
18 which a licensee must open its business to the public. If a
19 licensee fails to open its facility by that deadline, the
20 license shall be deemed forfeited.

21 (2) A covered operator, or its wholly-owned or
22 majority-owned subsidiary, may not own a controlling interest
23 in more than two covered locations.

24 Section 22. Transfer of a license.

25 The transfer of a license issued to a covered
26 operator under Sections 19 and 20 may not be transferred

1 unless the commission has approved the transfer pursuant to
2 its rules.

3 If a license is transferred from a covered operator,
4 the covered operator may be required to pay to the commission
5 a prorated transfer fee based on 50 percent of the original
6 license fee and then reduced for each year it has operated
7 under the license.

8 Section 23. Floor plan submission requirement.

9 (a) Prior to commencing the operation of any
10 casino-style games or sports wagering at a covered location, a
11 covered operator shall submit to the commission for its
12 approval a detailed floor plan depicting the location of the
13 designated gaming area in which casino-style games or sports
14 wagering equipment will be located and its proposed
15 arrangement of the gaming equipment.

16 (b) Any floor plan submission that satisfies the
17 requirements of the rules adopted by the commission shall be
18 considered approved by the commission unless the covered
19 operator is notified in writing to the contrary within one
20 month of filing a detailed floor plan.

21 Section 24. Management service contracts.

22 (a) A covered operator may not enter into any
23 management service contract that would permit any person other
24 than the covered operator to act for the covered operator in
25 operating casino-style games, and sports wagering, unless the
26 management service contract satisfies all of the following:

1 (1) Is with a person licensed under Section 25 to
2 provide management services.

3 (2) Is in writing.

4 (3) The contract has been approved by the
5 commission.

6 (b) A covered operator shall submit any material
7 change in a management service contract previously approved by
8 the commission to the commission for its approval or rejection
9 before the material change may take effect.

10 (c) A management services contract may not be
11 assigned or transferred to a third party.

12 (d) The duties and responsibilities of a management
13 services provider under a management services contract may not
14 be assigned, delegated, subcontracted, or transferred to a
15 third party to perform without the prior approval of the
16 commission. Third parties must be licensed under this act
17 before providing service. The commission, by rule, may clarify
18 application of this subsection and provide exceptions to its
19 application.

20 Section 25. Management service license.

21 (a) The commission may issue a license to a person
22 providing management services under a management services
23 contract to a covered operator when the commission determines
24 that the person meets the requirements of this section and any
25 applicable rules of the commission.

26 (b) Each applicant for a management services license
27 shall be of good moral character, honesty, and integrity and

1 shall have the necessary experience and financial ability to
2 successfully carry out the functions of a management services
3 provider. The commission may adopt rules establishing
4 additional requirements for an authorized management services
5 provider. The commission may accept licensing by another
6 jurisdiction, specifically determined by the commission to
7 have similar licensing requirements, as evidence the applicant
8 meets authorized management services provider licensing
9 requirements.

10 (c) An applicant for a license to provide management
11 services to a covered operator shall demonstrate that the
12 management services that the applicant plans to offer to the
13 covered operator conform or will conform to standards
14 established by rules of the commission and applicable state
15 law. The commission may accept management services provider
16 approval by another jurisdiction, specifically determined by
17 the commission to have management services, as evidence the
18 applicant meets the standards established by the commission
19 and applicable state law.

20 (d) An applicant for a license to provide management
21 services to a covered operator shall do all of the following:

22 (1) Submit an application to the commission in the
23 form required by the commission including adequate information
24 to serve as a basis for a thorough background check.

25 (2) Submit fingerprints for transfer to the Alabama
26 State Law Enforcement Agency for a state and national criminal
27 background check through the Alabama Criminal Justice

1 Information Center (ACJIC) and the National Crime Information
2 Center (NCIC). The cost of the criminal background check shall
3 be paid by the applicant.

4 (3) Pay to the commission a nonrefundable
5 application and license fee for deposit into the Gaming Trust
6 Fund in the amount of one hundred thousand dollars (\$100,000),
7 which shall be in lieu of the first year's license fee
8 provided in subsection (f).

9 (e) A license to provide management services to a
10 covered operator authorizes the licensee to provide management
11 services to a covered operator at a covered location while the
12 license is active. The commission, by rule, may establish the
13 conditions which constitute an emergency under which the
14 commission may issue provisional licenses pending completion
15 of final action on an application.

16 (f) (1) A licensed provider of management services
17 shall pay to the commission an annual license fee in an amount
18 of one hundred thousand dollars (\$100,000), for deposit into
19 the Gaming Trust Fund, for an initial term beginning prior to
20 the date of the provider's first contract with a covered
21 operator and continuing through the end of the twelfth month
22 thereafter whenever the licensee has paid the renewal fee and
23 has continued to comply with all applicable statutory and
24 requirements in the rules of the commission.

25 (2) The commission may renew a license to provide
26 management services to a covered operator annually thereafter.
27 A covered operator may continue to use the management services

1 provided by the management services provider while that
2 provider was licensed, notwithstanding the expiration of the
3 provider's license, unless the commission finds the services
4 provided are not conforming to standards established by rule
5 of the commission and applicable state law.

6 Section 26. Civil penalties.

7 (a) The commission may assess a civil penalty, not
8 to exceed one hundred thousand dollars (\$100,000), on any
9 person who violates any provision of this act or a rule
10 adopted by the commission, whether or not the person is
11 licensed under this act.

12 (b) The assessment of a civil penalty may be
13 appealed by an aggrieved party as provided in Section 27.

14 Section 27. Hearing procedures.

15 (a) Except as otherwise provided by law, before the
16 commission takes any adverse action involving a licensee under
17 this act, including the assessment of a civil penalty under
18 Section 26, it shall give the persons against whom the action
19 is contemplated an opportunity for a hearing before the
20 commission or a hearing officer designated by the commission.

21 (b) The commission shall give notice of the hearing,
22 to be sent to the person by certified mail addressed to the
23 last known address of the person at least 30 days before the
24 hearing. The person may be represented at the hearing by legal
25 counsel.

26 (c) (1) If a person fails to comply with a subpoena
27 issued for purposes of this section, on petition of the

1 commission, the Circuit Court of the Fifteenth Judicial
2 Circuit may compel obedience to the subpoena.

3 (2) If after due notice the person against whom the
4 action is contemplated fails or refuses to appear or provide
5 the item or items for which a subpoena duces tecum was issued,
6 the commission or the commission's designated hearing officer
7 may hear and determine the matter.

8 (d) Any person aggrieved by a final order or
9 decision of the commission in a contested case may file a
10 petition for appeal in the Alabama Court of Civil Appeals.

11 Section 28. Criminal penalties for violations.

12 (a) (1) A person may not do any of the following:

13 a. Knowingly make a false statement on any
14 application for a license under this act or on an application
15 for renewal of a license issued under this act.

16 b. Operate, carry on, or expose for play a
17 casino-style game or sports wagering prior to obtaining a
18 license or after the person's license has expired and prior to
19 actual renewal of the license or before the rules for play of
20 the game are approved or modified and approved by the
21 commission.

22 (2) A violation under subdivision (1) shall be a
23 Class D felony.

24 (b) (1) For the purposes of this subsection, the
25 phrase "person who is connected with a covered operator"
26 includes, but is not limited to, a person licensed under this
27 act and an officer or employee of a licensee.

1 (2) A person may not do any of the following:

2 a. Offer, promise, or give anything of value or
3 benefit to a person who has an ownership or financial interest
4 in, is employed by, or has a service contract with, a covered
5 operator or to that person's spouse or any dependent child or
6 dependent parent, pursuant to an agreement or arrangement, in
7 fact or implied from the circumstances, with intent that the
8 promise or thing of value or benefit will influence the
9 actions of the person in order to affect or attempt to affect
10 the outcome of a casino-style game or sports wager, or to
11 influence official action of the commission.

12 b. Knowingly solicit or knowingly accept or receive
13 a promise of anything of value or benefit while the person is
14 connected with a covered operator, pursuant to an
15 understanding or arrangement in fact or implied from the
16 circumstances, with the intent that the promise or thing of
17 value or benefit will influence the actions of the person to
18 affect or attempt to affect the outcome of a casino-style game
19 or sports wager, or to influence official action of the
20 commission.

21 (3) A violation of subdivision (2) shall be a Class
22 C felony.

23 (4) For purposes of this subsection, "anything of
24 value" shall have the same meaning as "thing of value" as
25 defined in Section 36-25-1, Code of Alabama 1975.

26 Section 29. Audits and reports.

1 (a) To ensure the financial integrity of the
2 operation of gaming facilities in this state, the commission
3 shall do all of the following:

4 (1) Submit annual reports to the Governor and the
5 Legislature disclosing the total gaming revenues, operating
6 and administrative expenses of the commission, information
7 relating to the number of licenses issued, suspended, revoked,
8 or transferred during the reporting period. The annual report
9 shall additionally describe with specificity consumer
10 complaints received by the corporation, and describe the
11 organizational structure of the commission and summarize the
12 functions performed by each organizational division within the
13 commission.

14 (2) Adopt a system of internal audits and audits of
15 covered operators.

16 (3) Contract with a certified public accountant or
17 firm for an annual financial audit of the commission. The
18 certified public accountant or firm shall have no financial
19 interest in any vendor with whom the commission is under
20 contract. The certified public accountant or firm shall
21 present an audit report not later than four months after the
22 end of the fiscal year. The certified public accountant or
23 firm shall evaluate the internal auditing controls in effect
24 during the audit period. The cost of this annual financial
25 audit shall be an operating expense of the commission.

26 (b) The Department of Examiners of Public Accounts
27 may perform an audit or examination of the commission.

1 Section 30. Duties of covered operators regarding
2 casino-style games.

3 (a) A covered operator or management services
4 provider shall do all of the following:

5 (1) Promptly report to the commission any facts or
6 circumstances related to the operation of a covered location
7 which would constitute a violation of state or federal law.

8 (2) Conduct all casino-style game activities and
9 functions in a manner that does not pose a threat to the
10 public health, safety, or welfare of the citizens of this
11 state and that does not adversely affect the security or
12 integrity of the operation of those games in this state.

13 (3) Hold the commission and this state harmless from
14 and defend and pay for the defense of any and all claims that
15 may be asserted against a covered operator, the commission, or
16 the state or employees thereof, arising from the covered
17 operator's actions or omission while conducting casino-style
18 games.

19 (4) Assist the commission in regulating casino-style
20 game revenues.

21 (5) Maintain all records required by the commission.

22 (6) Upon request by the commission, provide the
23 commission access to all records and the physical premises
24 where the covered operator's casino-style game activities and
25 related activities occur, for the purpose of monitoring or
26 inspecting the covered operator's activities, the games,
27 gaming equipment, and security equipment.

1 (7) Keep current in all payments and obligations to
2 the commission.

3 (8) Acquire casino-style games and gaming equipment
4 by purchase, lease, or other assignment and provide a secure
5 location for the placement, operation, and play of those games
6 and gaming equipment.

7 (9) Prohibit a person from tampering with or
8 interfering with the operation of any casino-style game.

9 (10) Ensure that casino-style games are within the
10 sight and control of designated employees of the covered
11 location and under continuous observation by security
12 equipment in conformity with specifications and requirements
13 of the commission.

14 (11) Ensure that casino-style games are placed and
15 remain placed in the specific locations within designated
16 gaming areas at the covered location which have been approved
17 by the commission. Casino-style games at a covered location
18 may only be relocated in accordance with the rules of the
19 commission.

20 (12) Maintain at all times sufficient cash and
21 gaming tokens, chips, and electronic cards or other electronic
22 media.

23 (13) Install, post, and display conspicuously at
24 locations within or about the covered location, signs,
25 redemption information, and other promotional material as
26 required by the commission.

1 (14) Assume liability for stolen money from any
2 casino-style game.

3 Section 31. Compliance with federal laws.

4 The State of Alabama, in accordance with Section
5 1172 of Title 15 of the United States Code, does hereby
6 declare that any and all casino-style games, bingo equipment,
7 and lottery game equipment, materials, paraphernalia, and
8 supplies may be transported in interstate commerce into or out
9 of the state, including Poarch Band of Creek Indians trust
10 land, without violating that section, or any other applicable
11 federal law, if the equipment, materials, paraphernalia, and
12 supplies are used, to be used, or have been used in the
13 conduct of the Alabama Education Lottery, charitable bingo or
14 raffles, casino-style games, or pari-mutuel games at covered
15 locations or on Poarch Band of Creek Indians trust land.

16 Section 32. Game rules of play for casino-style
17 games.

18 (a) Each covered location shall have written rules
19 of play for each casino-style game it operates that are
20 approved by the commission before the game is offered to the
21 public. Rules of play proposed by a covered operator may be
22 approved, amended, or rejected by the commission.

23 (b) All casino-style games shall be conducted
24 according to the specific rules of play approved by the
25 commission. All wagers and pay-offs of winning wagers shall be
26 made according to those rules of play, which shall establish

1 any limitations necessary to assure the vitality of the game
2 operations.

3 (c) Each covered operator shall make available in
4 printed form to any patron, upon request of the patron, the
5 complete text of the rules of play of any casino-style game in
6 operation at its covered location, pay-offs of winning wagers,
7 and any other notice to the player required by the commission.

8 (d) Patrons are considered to have agreed that the
9 determination of whether the patron is a valid winner is
10 subject to the game play rules and, in the case of any
11 dispute, will be determined by the commission. The
12 determination by the commission shall be final and binding
13 upon all patrons and shall not be subject to further review or
14 appeal.

15 Section 33. Betting limits; operations, and services
16 for casino-style games.

17 (a) Notwithstanding any other provision of this act,
18 a covered operator, in the exercise of its business judgment,
19 may determine and establish with the approval of the
20 commission, all of the following relating to casino-style
21 games:

22 (1) Minimum and maximum wagers.

23 (2) Promotions subject to rules of the commission.

24 (3) Any hours of operation that fall below 24 hours
25 a day, seven days a week.

26 (4) Currency denominations accepted by any
27 mechanical or electronic bill acceptors.

1 (b) The commission may establish the following
2 parameters for any casino-style game of any kind which is
3 played at a covered location:

4 (1) Minimum and maximum payout percentages.

5 (2) Any probability limits of obtaining the maximum
6 payout for a particular play in conformance with industry
7 standards.

8 (3) Limitations on the types and amounts of
9 financial transactions which a covered location can enter into
10 with its patrons.

11 Section 34. Posting of betting limits for
12 casino-style games.

13 (a) A covered operator shall conspicuously post a
14 sign at each casino-style game indicating the permissible
15 minimum and maximum wagers pertaining at that table. The
16 posting of the minimum and maximum wagers only applies to
17 table games.

18 (b) A covered operator may not require any wager to
19 be greater than the stated minimum or less than the stated
20 maximum. However, any wager actually made by a patron and not
21 rejected by a covered operator prior to the commencement of
22 play shall be treated as a valid wager.

23 Section 35. Complimentary service, gift, cash, or
24 other item.

25 (a) A covered operator may not offer or provide any
26 complimentary service, gift, cash, or other item of value to
27 any person, except under any of the following conditions:

1 (1) The complimentary consists of room, food,
2 beverage, or entertainment expenses provided directly to the
3 patron and his or her guests by the covered operator or
4 indirectly to the patron and his or her guests on behalf of
5 the licensee by a third party.

6 (2) The complimentary consists of documented
7 transportation expenses provided directly to the patron and
8 his or her guests on behalf of a covered operator by a third
9 party, provided that the licensee complies with the rules
10 adopted by the commission.

11 (3) The complimentary consists of coins, tokens,
12 cash, or other complimentary items or services provided
13 through any complimentary distribution program, the terms of
14 which shall be filed with the commission upon implementation
15 of the program or maintained pursuant to commission rule. Any
16 change in the terms of a complimentary program shall be filed
17 with and approved by the commission upon implementation of the
18 change.

19 (b) (1) Notwithstanding subsection (a), a covered
20 operator may offer and provide complimentary cash or non-cash
21 gifts that are not otherwise included in that subsection to
22 any person; provided, however, any complimentary cash or
23 non-cash gifts in excess of an amount per trip to be set by
24 interpretive rule of the commission, are supported by
25 documentation regarding the reason the gift was provided to
26 the patron and his or her guests, including, where applicable,
27 a patron's player rating.

1 (2) The documentation required under subdivision (1)
2 shall be maintained by a covered operator in accordance with
3 commission rules. For purposes of this subsection, all gifts
4 presented to a patron and a patron's guests directly by the
5 covered operator or indirectly on behalf of the covered
6 operator by a third party within any five-day period shall be
7 considered to have been made during a single trip.

8 Section 36. Prohibition on participation by minors.

9 A person under the age of 21 years may not play any
10 casino-style game or engage in sports wagering, be employed to
11 operate any casino-style game or sports wagering, or be
12 present on the premises of a gaming facility where
13 casino-style games or sports wagering is conducted.

14 Section 37. Sports wagering.

15 (a) The commission shall adopt rules governing the
16 licensing, administration, and conduct of sports wagering,
17 which shall include all of the following:

18 (1) Qualifications and conditions of licenses issued
19 for the operation of sports wagering either in person or
20 through any authorized Internet sports wagering platform.

21 (2) The acceptance of wagers on a sporting event or
22 a series of sporting events and acceptable forms of payment
23 and advance deposit methods by patrons.

24 (3) The method of accounting to be used by sports
25 wagering operators, including the types of records that shall
26 be maintained by the operator.

1 (4) Protections for patrons placing wagers,
2 including requirements to ensure responsible gaming.

3 (b) A person may not engage in any activity in
4 connection with sports wagering in this state unless all
5 necessary licenses have been obtained from the commission in
6 accordance with this section.

7 (c) The commission may not grant a license until it
8 determines that each person who has control of the applicant
9 meets all qualifications for licensure. For purposes of this
10 subsection, "control of the applicant" means any owner of 10
11 percent or more of the applicant, its chief executive officer,
12 and any individual who has ultimate responsibility for the
13 applicant's operations in this state.

14 (d) (1) The commission shall issue a sports wagering
15 operator license to a covered operator as provided in this
16 section.

17 (2) The fee paid by the covered operator under
18 Sections 19 and 20 shall grant the operator the right to
19 conduct sports wagering, subject to all other qualifications
20 and conditions provided by the commission.

21 (3) A sports wagering operator license authorizes
22 the operation of sports wagering at a covered location through
23 up to three, individually branded, Internet sports wagering
24 platforms operated by management service providers, which may
25 include websites and associated mobile applications approved
26 by the commission.

1 (4) A sports wagering operator licensee may not
2 enter into any contract with a management services provider
3 that would permit any person other than the licensee to act as
4 the sports wagering operator licensee's agent in operating
5 sports wagering unless the contract with the management
6 services provider satisfies all of the following:

7 1. Is with a person licensed as a management
8 services provider.

9 2. Is in writing.

10 3. Has been approved by the commission.

11 (5) A licensed sports wagering operator shall submit
12 to the commission such documentation or information as the
13 commission may require demonstrating that the licensee
14 continues to meet the requirements of the law and rules of the
15 commission.

16 (e) (1) The holder of a license to operate sports
17 wagering may contract with up to three management service
18 providers to conduct their Internet sports wagering operation
19 and may contract with up to one management services provider
20 to conduct sports wagering at its covered location in
21 accordance with the rules of the commission. Each management
22 services provider shall obtain a license as a management
23 services provider prior to the execution of any contract, and
24 the license shall be issued pursuant to this section and any
25 rules adopted by the commission.

26 (2) Each applicant for a management services
27 provider license shall meet all requirements for licensure and

1 pay a nonrefundable license and application fee of one hundred
2 thousand dollars (\$100,000), which shall be deposited into the
3 Gaming Trust Fund. The commission may adopt rules establishing
4 additional requirements for a management services provider.
5 The commission shall accept licensing by another jurisdiction
6 that has similar licensing requirements, as evidence the
7 applicant meets management services provider licensing
8 requirements.

9 (3) Management services provider licenses shall be
10 renewed every five years to any licensee who continues to be
11 in compliance with all requirements and who pays the renewal
12 fee determined by the commission.

13 (f) The commission may enter into sports wagering
14 agreements with other states and jurisdictions to authorize
15 individuals who are physically located in a signatory
16 jurisdiction to participate in sports wagering conducted by
17 one or more operators licensed by the signatory states and
18 jurisdictions.

19 Section 38. Reports by covered operators.

20 A covered operator and management services provider
21 shall maintain daily records showing the gross receipts and
22 adjusted gross receipts of the covered location from
23 casino-style games and sports wagering and shall timely file
24 with the commission any additional reports required by rule
25 adopted by the commission.

1 Section 39. State Tax on Net Gaming Revenues and Net
2 Gaming Revenues on Sports Wagering and distribution of
3 proceeds.

4 (a) Within 20 days after the end of each calendar
5 month, a covered operator shall pay the commission a tax of 27
6 percent of the net gaming revenues associated with slot
7 machines and any type of electronic casino-style game, and a
8 tax of 35 percent on any remaining type of casino-style game,
9 including, but not limited to table games, for the covered
10 location for the immediately preceding calendar month, to be
11 distributed as follows:

12 (1) 95 percent to the Gaming Trust Fund.

13 (2) 3 percent to the county commission of the county
14 in which the covered operator is located.

15 (3) 2 percent to the governing body of the
16 municipality in which the covered operator is located,
17 including within its police jurisdiction. If the covered
18 operator is not located within the corporate limits or police
19 jurisdiction of a municipality, 2 percent of the proceeds
20 shall be remitted to the county commission of the county in
21 which the covered operator is located.

22 (b) (1) Within 20 days after the end of each calendar
23 month, the covered operator and a management services provider
24 shall pay the commission a tax of 20 percent of the net gaming
25 revenue for sports wagering for the location for the
26 immediately preceding calendar month. The commission shall
27 timely remit all of the proceeds for deposit as follows:

1 a. First to the repayment of the Alabama Trust Fund
2 under the People's Trust Act, Section 29-10-1, Code of Alabama
3 1975.

4 b. Upon completion of repayment of the Alabama Trust
5 Fund under the People's Trust Act, to be deposited into the
6 General Fund Budget Reserve Fund established in Section
7 29-13-3, Code of Alabama 1975, until the total balance in the
8 fund is at least one hundred million dollars (\$100,000,000).

9 c. Upon the completion of payments under
10 subdivisions (1) and (2), to be deposited as follows:

11 1. 75 percent to the state General Fund.

12 2. 25 percent to the Alabama Trust Fund.

13 (2) If the net gaming revenue for sports wagering
14 properly reflects a net loss for a covered operator for a
15 calendar month, an adjustment for the amount of any remaining
16 net loss shall be carried forward on the subsequent tax and
17 fee schedules until the loss is offset by the net gaming
18 revenue for sports wagering.

19 (c) The tax on net gaming revenue and net gaming
20 revenue on sports wagering shall be in lieu of all other state
21 or local taxes, license fees, or franchise fees levied with
22 respect to the conduct of any casino-style games or the
23 operation of any machines used to conduct casino-style games
24 or sport wagering. The license fee payable to the state shall
25 be in lieu of all other state or local license fees or
26 franchise fees levied with respect to a licensee providing
27 hotel services, dining, other facilities, or services

1 ancillary to its gaming activities, if the activities are
2 conducted in conjunction with this act at covered locations,
3 but such providers of hotel services, dining, other
4 facilities, or ancillary services must meet the environmental,
5 fire, health, and safety requirements of other similarly
6 situated license holders in the county and municipality in
7 which the facility is located. Notwithstanding the foregoing,
8 all covered locations are liable for all state and local
9 property taxes, lodging taxes, and sales and use taxes on
10 merchandise sold in gift shops or retail stores, food, and
11 beverages generally applicable at uniform rates to all
12 similarly situated businesses operating in the county and
13 municipality in which the covered location is located, and
14 except with respect to those taxes, fees, or expenses
15 expressly addressed in this act, all other state or local
16 taxes which are generally imposed by the state or a local
17 taxing entity if the taxes are generally applied at rates
18 uniformly applied within reasonable classifications among all
19 businesses operating in the county or municipality, or both.

20 Section 40. Gaming Trust Fund created; distribution
21 of gaming proceeds.

22 (a) The Gaming Trust Fund is hereby created within
23 the State Treasury.

24 (b) Proceeds in the fund shall be applied first to
25 the payment of the reasonable annual expenses of the
26 commission. The commission shall report annually in writing to

1 the Governor and the Legislature regarding its operational and
2 administrative expenses.

3 (c) (1) Remaining proceeds in the fund shall be
4 annually appropriated by and through an independent
5 supplemental appropriation bill, for capital and nonrecurring
6 expenses, as follows:

7 a. Proceeds from the tax on net gaming revenue
8 pursuant to Section 39(a) shall be appropriated as follows:

9 1. 65 percent for information technology
10 infrastructure. The first one billion dollars (\$1,000,000,000)
11 appropriated under this subparagraph shall be for the
12 statewide development and expansion of broadband.

13 2. 25 percent for the provision of health care
14 services, including rural health care services.

15 3. 10 percent for mental health services.

16 (2) When the amount distributed under subparagraph
17 (1)a.1. cumulatively reaches seven hundred fifty million
18 dollars (\$750,000) for the development and expansion of
19 broadband, the proceeds shall be appropriated as follows:

20 a. 25 percent for capital or other nonrecurring
21 expenses.

22 b. 25 percent for the provision of health care
23 services, including rural health care services in counties
24 with a population of less than 100,000.

25 c. 10 percent for information technology
26 infrastructure.

27 d. 15 percent for infrastructure.

1 e. 15 percent for mental health services.

2 f. 10 percent for grant programs awarded to
3 municipalities and counties for infrastructure improvements.

4 Section 41. County and municipal grant program.

5 (a) Proceeds distributed from the Gaming Trust Fund
6 for grant programs awarded to municipalities and counties or
7 infrastructure improvements shall be directed to the Alabama
8 Department of Economic and Community Affairs (ADECA), which
9 shall administer the grant program.

10 (b) To receive funds under this section, a county or
11 municipality shall file an application with ADECA describing
12 how the funds will be used to improve the infrastructure
13 within its jurisdiction and any other information ADECA may
14 require.

15 (c) The ADECA, by rule, shall adopt rules providing
16 for the award of funds to counties and municipalities under
17 this section.

18 Section 42. No provision of this act shall be deemed
19 to apply to, authorize state or commission regulation or
20 taxation of, or require state or commission approval of
21 electronic bingo conducted on land held in trust by the United
22 States for the Poarch Band of Creek Indians. Additionally, no
23 provision of this act shall be deemed to apply to, authorize
24 state or commission regulation or taxation of, or require
25 state or commission approval of casino-style gaming or sports
26 wagering on land held in trust by the United States for the
27 Poarch Band of Creek Indians, except to the extent that the

1 provision is expressly incorporated into a tribal-state gaming
2 compact entered into by the State of Alabama and the Poarch
3 Band of Creek Indians.

4 Section 43. Although this bill would have as its
5 purpose or effect the requirement of a new or increased
6 expenditure of local funds, the bill is excluded from further
7 requirements and application under Amendment 621, as amended
8 by Amendment 890, now appearing as Section 111.05 of the
9 Official Recompilation of the Constitution of Alabama of 1901,
10 as amended, because the bill defines a new crime or amends the
11 definition of an existing crime.

12 Section 44. This act shall take effect on the first
13 day of the third month following its passage and approval by
14 the Governor or its otherwise becoming law, contingent and
15 operative upon ratification of the constitutional amendment
16 proposed in Senate Bill 319 of the 2021 Regular Session
17 creating the Alabama Gaming Commission.

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Senate

Read for the first time and referred to the Senate committee on Tourism.....	09-MAR-21
Reported from Tourism as Favorable.....	18-MAR-21
Read for the third time and passed as amended	13-APR-21

Yeas 27
Nays 4

Patrick Harris,
Secretary.