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3 SENATE TOURISM & MARKETING COMMITTEE SUBSTITUTE TO SB319  
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8 SYNOPSIS: Under existing law, lotteries and gift  
9 enterprises are prohibited.

10 This bill would propose an amendment to  
11 Section 65 of the Constitution of Alabama of 1901,  
12 to establish an Alabama Lottery; the Alabama  
13 Lottery Corporation; the Alabama Lottery Commission  
14 to regulate and supervise the operation of the  
15 Alabama Lottery Corporation; and the Lottery Trust  
16 Fund; and require the Legislature to pass general  
17 laws to implement the amendment.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT  
22

23 Proposing an amendment to Section 65 of the  
24 Constitution of Alabama of 1901, to establish an Alabama  
25 Lottery; the Alabama Lottery Corporation to administer the  
26 lottery; the Alabama Lottery Commission to regulate and  
27 supervise the Alabama Lottery Corporation; and the Lottery

1 Trust Fund; and to require the Legislature to implement the  
2 amendment through enabling legislation.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. The following amendment to the  
5 Constitution of Alabama of 1901, as amended, is proposed and  
6 shall become valid as a part thereof when approved by a  
7 majority of the qualified electors voting thereon and in  
8 accordance with Sections 284, 285, and 287 of the Constitution  
9 of Alabama of 1901, now appearing as Sections 284, 285, and  
10 287 of the Official Recompilation of the Constitution of  
11 Alabama of 1901, as amended:

12 PROPOSED AMENDMENT

13 "Section 65.

14 "PART I.

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

25 "PART II.

26 "Section 1. For the purposes of this amendment, the  
27 following terms shall have the following meanings:

1           "(1) COMMISSION. The Alabama Lottery Commission.

2           "(2) CORPORATION. The Alabama Lottery Corporation.

3           "(3) EXECUTIVE DIRECTOR. The Executive Director of  
4 the Alabama Lottery Corporation.

5           "(4) RETAILER. Any person with whom the corporation  
6 has contracted to sell lottery tickets to the public.

7           "Section 2. Establishment of the Alabama Lottery;  
8 Alabama Lottery Corporation; and Alabama Lottery Commission.

9           "(a) There is hereby established the Alabama Lottery  
10 which shall be administered by an independent, de jure  
11 municipal corporation and political subdivision of the State  
12 of Alabama which shall be a public body, corporate and  
13 politic, created and designated as the Alabama Lottery  
14 Corporation.

15           "(b) The affairs of the corporation shall be  
16 administered by an executive director who shall be appointed  
17 by the Alabama Lottery Commission which is hereby established  
18 as the governing board for the corporation.

19           "(c) The Legislature shall provide for the control,  
20 management, and operation of the Alabama Lottery and the  
21 composition, powers, and duties of the Alabama Lottery  
22 Corporation and the Alabama Lottery Commission in one or more  
23 general laws supplemental to this part.

24           "Section 3. Lottery Trust Fund.

25           "(a) The proceeds form the Alabama Lottery shall be  
26 applied first to the payment of the expenses of administering  
27 and operating the Alabama Lottery, including, without

1 limitation, the payment of all prizes, without any further  
2 appropriation are required by law, and the balance of the  
3 proceeds remaining after the payments shall be deposited and  
4 held in a special, separate account in the State Treasury  
5 hereby created and designated as the Lottery Trust fund until  
6 the time as the proceeds are disbursed as provide by general  
7 law.

8 "(b) The corporation shall be self-sustaining and  
9 self-funded and monies in the state General Fund or the  
10 Education Trust Fund shall not be used or obligated to pay the  
11 expenses of the corporation or prizes of the lottery, and no  
12 claim for the payment of an expense of the lottery or prizes  
13 of the lottery shall be made against any monies other than  
14 monies credited to the Lottery Trust Fund.

15 "(c) Monthly, no later than the last business day of  
16 the succeeding month, the corporation shall transfer to the  
17 Lottery Trust Fund the amount of net revenues which the  
18 corporation determines surplus to its needs.

19 "(d) Monies credited to the Lottery Trust Fund shall  
20 be invested in accordance with state investment practices and  
21 all earnings from the investment shall accrue to the fund.

22 "Section 4. Games Allowed; Games Not Allowed.

23 "(a) The corporation may allow lottery games of all  
24 types. Games may include, but are not limited to, new games,  
25 draw lotteries of various types, interstate lotteries such as  
26 Powerball and Mega Millions, instant winners such as  
27 scratch-offs, Keno, and iLottery, or any other lottery offered

1 in another state. The corporation shall make participation  
2 convenient by ensuring that purchases are available at retail  
3 outlets either by ticket purchase from an employee or from a  
4 kiosk or vending machine that does not require an employee to  
5 handle the transaction. The corporation may allow iLottery,  
6 mobile platforms, and computer purchases.

7 "(b) The corporation may not approve or operate  
8 video lottery terminals or any casino or similar gambling  
9 establishment and may not approve or operate any game played  
10 with playing cards, dice, dominos, slot machines, or roulette  
11 wheels. Any game using live dealers is strictly prohibited.

12 "Section 6. Effect on existing Law.

13 "(a) Nothing in this part affects, prohibits, or  
14 limits any activity that was legal at the time this part  
15 becomes effective including, without limitation, pari-mutuel  
16 betting and charity bingo, as provided for by specific laws.

17 "(b) The operation of a lottery or lottery game  
18 authorized by this part is not subject to or prohibited,  
19 limited, or impaired by otherwise applicable provisions of  
20 Article 8, commencing with Section 8-1-150, of Chapter 1 of  
21 Title 8, or Article 2, commencing with Section 13A-12-20, of  
22 Chapter 12 of Title 13A of the Code of Alabama 1975.

23 "Section 7. This part and any enabling legislation  
24 enacted by the Legislature with respect to this part  
25 supersedes and takes precedence over any other provision of  
26 law that may conflict or be inconsistent with this part or the  
27 legislation, and this part and the legislation shall operate

1 and be construed without regard to the conflict or  
2 inconsistency.

3 Section 2. An election upon the proposed amendment  
4 shall be held, in accordance with Sections 284 and 285 of the  
5 Constitution of Alabama of 1901, now appearing as Sections 284  
6 and 285 of the Official Recompilation of the Constitution of  
7 Alabama of 1901, as amended, and the general election laws of  
8 this state.

9 Section 3. The appropriate election official shall  
10 assign a ballot number for the proposed constitutional  
11 amendment on the election ballot and shall set forth the  
12 following description on the proposed constitutional  
13 amendment:

14 "Proposing an amendment to the Constitution of  
15 Alabama of 1901, to establish an Alabama Lottery; create an  
16 Alabama Lottery Corporation to administer the lottery;  
17 establish the Alabama Lottery Commission to regulate and  
18 supervise the Alabama Lottery Corporation and require the  
19 Legislature to implement the Alabama Lottery through  
20 appropriate general law."

21 This description shall be followed by the following  
22 language:

23 "Yes ( ) No ( )."