HB405

217484-1

By Representative Rogers

RFD: Jefferson County Legislation

First Read: 24-FEB-22
A BILL

TO BE ENTITLED

AN ACT

Relating to Jefferson County; to permit wagering on the results of certain professional or collegiate sports or athletic events and other events authorized as sports wagering activities; to create the Jefferson County Sports Wagering Commission; to provide rulemaking authority to the commission; to allow the commission to issue licenses relating to sports wagering; to establish license requirements and prohibitions; to authorize licensing fees; to define the duties of an operator conducting sports wagering; to require the posting of betting limits; to authorize sports wagering agreements with other governments; to create the Jefferson County Sports Wagering Fund; to authorize the collection of license fees; to authorize the commission to collect an administrative allowance from gross sports wagering receipts; to authorize the commission to levy and collect a tax in the amount of 10
BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the Jefferson County Sports Wagering Act.

Section 2. As used in this act, the following words shall have the following meanings:

(1) ADJUSTED GROSS RECEIPTS. The gross receipts of a licensee of the commission to operate sports wagering in Jefferson County at a licensed gaming facility, less winnings paid to wagerers in the games.

(2) COLLEGIATE SPORT OR ATHLETIC EVENT. A sport or athletic event offered or sponsored by, or played in connection with, a public or private institution that offers educational services beyond the secondary level.

(3) COMMISSION. The Jefferson County Sports Wagering Commission.

(4) GAMING EQUIPMENT or SPORTS WAGERING EQUIPMENT. A mechanical, electronic, or other device, mechanism, or equipment, and related supplies used or consumed in the operation of sports wagering at a gaming facility, including, but not limited to, a kiosk installed to accept sports wagers.
(5) GAMING FACILITY. A designated area on the premises of a facility licensed to accept sports wagering.

(6) GROSS SPORTS WAGERING RECEIPTS. The total gross receipts received by a gaming facility from sports wagering.

(7) LICENSE. Any license applied for or issued by the commission under this act, including, but not limited to any of the following:

   a. Management services provider license. A license granted to an individual to provide management services under a contract to a gaming facility to operate sports wagering.

   b. Occupational license. A license granted to an individual to be employed at a gaming facility to operate sports wagering in a designated gaming area that has sports wagering or perform duties in furtherance of or associated with the operation of sports wagering at the gaming facility.

   c. Operator license. A license to operate sports wagering at a gaming facility.

   d. Supplier license. A license to supply a gaming facility with sports wagering equipment or services necessary for the operation of sports wagering.

(8) NATIONAL CRIMINAL HISTORY BACKGROUND CHECK SYSTEM. The criminal history record system maintained by the Federal Bureau of Investigation, based on fingerprint identification, or any other method of positive identification.

(9) OPERATOR. A gaming facility that is licensed to operate sports wagering activities.
(10) PROFESSIONAL SPORT OR ATHLETIC EVENT. An event during which two or more individuals participate in a sports event and receive compensation in excess of actual expenses for their participation in the event.

(11) SPORTS EVENT or SPORTING EVENT. Any professional sports or athletic event, any collegiate sports or athletic event, any motor race event, or any other special event authorized by the commission under this act.

(12) SPORTS POOL. The business of accepting wagers on any sports event by any system or method of wagering.

(13) SPORTS WAGERING. The business of accepting wagers on sporting events and other events, the individual performance statistics of athletes in a sporting event or other events, or a combination of any of the same by any system or method of wagering approved by the commission, including, but not limited to, mobile applications and other digital platforms that utilize communications technology to accept wagers originating within Jefferson County. The term includes, but is not limited to, exchange wagering, parlays, over-under, moneyline, pools, and straight bets. The term does not include any of the following:

a. Pari-mutuel betting on the outcome of horse or dog races.

b. Lottery games.

c. Racetrack video lottery.

d. Limited video lottery.

e. Racetrack table games.
f. Video lottery and table games.

g. Daily Fantasy Sports.

(14) SPORTS WAGERING ACCOUNT. A financial record established by a licensed gaming facility for an individual patron in which the patron may deposit and withdraw funds for wagering and other authorized purchases, and to which the gaming facility may credit winnings or other amounts due to that patron or authorized by that patron.

(15) SPORTS WAGERING AGREEMENT. A written agreement between the commission and one or more other governments, whereby individuals who are physically located in a signatory jurisdiction may participate in sports wagering, conducted by one or more operators licensed by the signatory governments.

(16) SPORTS WAGERING FUND. The Jefferson County Sports Wagering Fund.

(17) SPORTS WAGERING LICENSE. Authorization granted under this act by the commission to a gaming facility to permit the gaming facility to operate sports wagering in one or more designated areas or in one or more buildings owned by the gaming facility on the grounds where the facility is located, or through any other authorized platform developed by the gaming facility.

(18) SUPPLIER. An individual who requires a supplier license to provide an operator with goods or services to be used in connection with the operation of sports wagering.

(19) TAX. The levy on the adjusted gross sports wagering receipts from the operation of sports wagering.
(20) WAGER. A sum of money or thing of value risked on an uncertain occurrence.

Section 3. (a) There is created the Jefferson County Sports Wagering Commission which shall regulate and supervise the operation and conduct of sports wagering in Jefferson County, and implement, regulate, administer, and supervise all laws and rules related to the operation and conduct of sports wagering in the county.

(b)(1) The commission shall consist of all of the following:

a. Two members appointed by the Jefferson County Commission.

b. Two members appointed by the Jefferson County House of Representatives Delegation whose districts lie entirely within Jefferson County.

c. Two members appointed by the Jefferson County Senate Delegation whose districts lie entirely within Jefferson County.

d. One member appointed by the members of the Jefferson County Delegation whose districts are not entirely within Jefferson County.

(2) The appointment of the initial members of the commission shall be made within 60 days of the ratification of the proposed constitutional amendment in House Bill ___ of the 2022 Regular Session. The appointing authorities shall coordinate their appointments to assure the commission membership is inclusive and reflects the racial, gender,
geographic, urban, rural, and economic diversity of the county.

(3) Each member of the commission shall be a resident of Jefferson County and the State of Alabama, a United States citizen, a prominent person in his or her business or profession, not have been convicted of a felony, and not have been employed by the gaming industry for a period of at least five years prior to his or her appointment or following his or her service. An elected state or local official may not be a member of the commission.

(4) Initial members shall serve for an initial term as follows: Two members shall serve for an initial term of two years; two members shall serve for an initial term of three years; and three members shall serve for an initial term of four years. Thereafter, each member shall serve for terms of five years, but no more than two full terms. Any vacancy occurring on the commission shall be filled for the unexpired term by the original appointing authority. Each member of the commission shall serve for the duration of his or her term and until his or her successor is appointed and qualified; however, if a successor is not appointed within 120 days after the expiration of the term of a member, a vacancy shall be deemed to exist.

(c) A licensee or an applicant for a license may not make a campaign contribution to any public official authorized to make an appointment to the commission.
(d) The commission shall adopt rules pursuant to the Administrative Procedure Act providing for all of the following:

(1) Establishing standards and procedures for sports wagering, which shall provide for the conduct and implementation of sports wagering within licensed facilities, including any new sports wagering or variations or composites of approved sports wagering, if the commission determines that the new sports wagering or any variations or composites or other approved sports wagering is suitable for use after a test or experimental period under terms and conditions the commission may deem appropriate.

(2) Establishing standards and rules to govern the conduct of sports wagering and the system of wagering, including the manner in which wagers are received; payouts are remitted; and point spreads, lines, and odds are determined. The commission may also establish standards and rules to govern the conduct of sports wagering and the system of wagering as a form of interactive gaming authorized by the state.

(3) Establishing the method for calculating gross sports wagering revenue and standards for the daily counting and recording of cash and cash equivalents received in the conduct of sports wagering, including ensuring that internal controls are followed and how financial books and records are maintained and audits are conducted. The commission shall
consult with the Alabama Department of Revenue in adopting
rules under this subdivision.

(4) Establishing notice requirements pertaining to
minimum and maximum wagers on sports wagering.

(5) Establishing compulsive and problem gambling
standards pertaining to sports wagering consistent with this
act.

(6) Establishing standards prohibiting persons under
21 years of age from participating in sports wagering.

(7) Requiring each licensee, as appropriate, to do
all of the following:

   a. Provide written information about sports wagering
      rules, payouts, winning wagers, and other information as the
      commission may require.

   b. Designate one or more locations within the
      licensed facility of the license holder to conduct sports
      wagering.

   c. Ensure that no person under 21 years of age
      participates in sports wagering.

Section 4. (a) In addition to the duties set forth
in Section 3, the commission may regulate sports pools and the
conduct of sports wagering under this act.

   (b) The commission shall examine the rules
implemented in other states where sports wagering is conducted
and, as far as practicable, shall adopt a similar regulatory
framework by rule.
(c)(1) The commission may adopt any rules necessary for the successful implementation, administration, and enforcement of this act, including, but not limited to, any of the following:

a. The acceptance of wagers on a sports event or a series of sports events.

b. Maximum wagers which may be accepted by an operator from any one patron on any one sports event.

c. The type of wagering tickets which may be used.

d. The method of issuing tickets and the method of accounting to be used by operators.

e. The type of records which shall be kept and the use of credit and checks by patrons.

f. The type of system for wagering and protections for patrons placing wagers.

g. The promotion of social responsibility, responsible gaming, and inclusion of the statement, "If you or someone you know has a gambling problem and wants help, call 1-800 GAMBLER," in every designated area approved for sports wagering and on any mobile application or other digital platform used to place wagers.

(2) The commission shall also establish and approve minimum internal control standards proposed by licensed operators for the administration of sports wagering operations, wagering equipment, and systems, or other items used to conduct sports wagering, as well as maintenance of financial records and other required records.
(d) The commission shall determine the eligibility of an individual to hold or continue to hold a license, shall issue all licenses, and shall maintain a record of all licenses issued pursuant to this act.

(e) The commission shall levy and collect all fees, surcharges, civil penalties, and taxes on adjusted gross sports wagering receipts imposed by this act, and deposit all monies into the Jefferson County Sports Wagering Fund, except as otherwise provided in this act.

(f) The commission may sue to enforce any provision of this act or any rule adopted by the commission by civil action or petition for injunctive relief.

(g) The commission may hold hearings, administer oaths, and issue subpoenas.

(h) The commission may exercise any powers necessary to effectuate this act and any rules adopted by the commission.

Section 5. (a) An individual or entity may not engage in any activity in connection with sports wagering in this state unless all necessary licenses have been obtained in accordance with this act and rules adopted by the commission. The four types of licenses which may be issued pursuant to this act are operator, supplier, management services provider, and occupational.

(b) The commission may not grant a license until the commission determines that the applicant, and each individual who has control of the applicant, meets all qualifications for
licensure. The following individuals are considered to have control of an applicant:

(1) Each individual associated with a corporate applicant, including any corporate holding company, parent company, or subsidiary company of the applicant who has the ability to control the activities of the corporate applicant or elect a majority of the board of directors of that corporation, excluding any bank or other licensed lending institution which holds a mortgage or other lien acquired in the ordinary course of business.

(2) Each individual associated with a noncorporate applicant who directly or indirectly holds a beneficial or proprietary interest, or who the commission otherwise determines has the ability to control the applicant.

(3) Key personnel of an applicant, including any executive, employee, or agent having the power to exercise significant influence over decisions concerning any part of the applicant's business operation.

(c) Each applicant for a license issued under this act shall submit an application to the commission in the form the commission requires and submit fingerprints for a state and national criminal history records check from the Alabama State Law Enforcement Agency or the Federal Bureau of Investigation. The fingerprints shall be furnished by all individuals required to be named in the application and shall be accompanied by a signed authorization for the release of information by the Alabama State Law Enforcement Agency and
the Federal Bureau of Investigation. The commission may require additional background checks on licensees when they apply for annual license renewal, and an applicant convicted of a disqualifying offense shall not be licensed.

(d) Each operator, licensed supplier, or licensed management services provider shall display the license conspicuously in his or her place of business or have the license available for inspection by any agent of the commission or any law enforcement agency.

(e) Each holder of an occupational license shall carry the license on his or her person and have some indicia of licensure prominently displayed in a licensed gaming facility at all times in accordance with the rules of the commission.

(f) Each person licensed under this act shall give written notice to the commission within 30 days of a change to any information provided in the licensee's application for a license or renewal.

(g) No commission employee may be an applicant for any license issued under this act.

Section 6. (a) The commission may issue up to seven sports wagering licenses on payment of a one hundred thousand dollar ($100,000) application fee to an operator that provides for the right to conduct sports wagering and who otherwise meets the requirements for licensure under this act and rules adopted by the commission. The license shall be issued for a five-year period and may be renewed for five-year periods upon
payment of a one hundred thousand dollar ($100,000) renewal fee so long as an operator continues to meet all qualification requirements.

(b) A sports wagering license authorizes the operation of sports wagering at locations and through any mobile application or other digital platform approved by the commission.

(c)(1) An operator may not enter into any management services contract that would permit any person other than the licensee to act as an agent of the commission in operating sports wagering, unless the management services contract meets the following requirements:

   a. Is with a person licensed under this act to provide management services.

   b. Is in writing.

   c. Has been approved by the commission.

   (2) After a management services contract has been approved by the commission, any material change to the contract must be submitted to the commission for its approval or rejection before the material change takes effect.

   (3) The duties and responsibilities of a management services provider under a management services contract may not be assigned, delegated, subcontracted, or transferred to a third party without the prior approval of the commission, and all third parties shall be licensed as a management services provider under this act before providing such services.
(d)(1) An operator shall submit to the commission any documentation or information the commission may require to demonstrate, to the satisfaction of the commission, that the operator continues to meet the requirements of this act and rules adopted by the commission. The required documentation or information shall be submitted no later than five years after issuance of an operator license and every five years thereafter, or within lesser periods, based on circumstances specified by the commission.

(2) If the operator fails to apply to renew its license prior to expiration, the commission shall renew the license if the operator was operating in compliance with the applicable requirements in the preceding license year.

(e) An operator shall execute a surety bond in an amount and in the form approved by the commission, to be given to the county, to guarantee the operator faithfully makes all payments in accordance with this act and rules adopted by the commission.

(f) Upon application for a license, under Section 5 and annually thereafter, an operator shall submit to the commission an annual audit of the financial transactions and condition of the total operations of the licensee, prepared by a certified public accountant, in accordance with generally accepted accounting principles and applicable federal and state laws.

(g) Each operator shall provide suitable office space at the sports wagering facility, at no cost, for the
commission to perform the duties required by this act and the
rules adopted by the commission.

(h) Each operator shall demonstrate that its gaming
facility meets all of the following requirements:

(1) Is accessible to disabled individuals in
accordance with applicable federal and state laws.

(2) Is licensed in accordance with this act and all
other applicable federal, state, and local laws.

(3) Meets the qualifications specified in rules
adopted by the commission.

(i) Notwithstanding any provision of law or rules
adopted by the Alcoholic Beverage Control Board, vacation of
the premises after service of beverages ceases is not required
for any licensed gaming facility.

Section 7. (a) An operator may contract with an
entity to conduct operations in accordance with rules adopted
by the commission. The entity shall obtain a license as a
management services provider prior to the execution of the
contract and the license shall be issued pursuant to this act
and rules adopted by the commission.

(b) Each applicant for a management services
provider license shall meet all requirements for licensure and
shall pay a nonrefundable application fee of one thousand
dollars ($1,000). The commission may adopt rules establishing
additional requirements for an authorized management services
provider. The commission may accept licensing by another
jurisdiction if the other jurisdiction has similar licensing
requirements, as evidence the applicant meets authorized management services provider licensing requirements.

(c) Each management services provider license shall be renewed annually by a licensee who continues to be in compliance with all requirements and who pays the annual renewal fee of one thousand dollars ($1,000).

(d) An entity or individual who shares in revenue, including any affiliate operating under a revenue share agreement, shall be licensed under this section.

Section 8. (a)(1) The commission may issue a supplier license to a person to sell or lease sports wagering equipment, systems, or other gaming items necessary to conduct sports wagering, and offer services related to the equipment or other gaming items to an operator while the license is active. The commission may establish the conditions under which the commission may issue provisional licenses, pending completion of final action on an application.

(2) The commission may adopt rules establishing additional requirements for a sports wagering supplier and a system or other equipment utilized for wagering. The commission may accept licensing by another jurisdiction if the other jurisdiction has similar licensing requirements and the applicant meets sports wagering supplier licensing requirements.

(b) An applicant for a supplier license shall demonstrate that the equipment, system, or services that the applicant plans to offer to the operator conforms to standards
established by the commission and applicable state law. The commission may accept approval by another jurisdiction if the jurisdiction has similar equipment standards and the applicant meets the standards established by the commission and applicable state law.

(c) Each applicant shall pay to the commission a nonrefundable license fee and an application fee in the amount of one thousand dollars ($1,000). After the initial one-year term, the commission shall renew supplier licenses annually. Renewal of a supplier license will be granted to any renewal applicant who has continued to comply with all applicable statutory and regulatory requirements upon submission of the commission issued renewal form and payment of a one thousand dollar ($1,000) renewal fee.

(d) A licensed sports wagering supplier shall submit to the commission a list of all sports wagering equipment and services sold, delivered to, or offered to an operator in the county, as required by the commission, all of which shall be tested and approved by an independent testing laboratory approved by the commission. An operator may continue to use supplies acquired from a licensed sports wagering supplier, even if the license of the supplier has expired or is otherwise canceled, unless the commission finds a defect in the supplies.

Section 9. (a) Each person employed to be engaged directly in wagering-related activities, or otherwise conducting or operating sports wagering, shall be licensed by
the commission and maintain a valid occupational license at all times. The commission shall issue the license to a person who meets the requirements of this section.

(b) An occupational license shall permit the licensee to be employed in the capacity designated by the commission while the license is still active. The commission, by rule, may adopt job classifications with different requirements to recognize the extent to which a particular job has the ability to impact the proper operation of sports wagering.

(c) Each applicant shall submit any required application forms established by the commission and pay a nonrefundable application fee of one hundred dollars ($100). The fee may be paid on behalf of an applicant by the employer of the applicant.

(d) Each person with an occupational license shall pay to the commission an annual license fee of one hundred dollars ($100) by October 31 of each year. The fee may be paid by the employer. In addition to a renewal fee, each licensed employee shall annually submit a renewal application on a form required by the commission.

Section 10. (a) The commission may not grant any license if evidence satisfactory to the commission exists that the applicant:

(1) Has knowingly made a false statement of a material fact to the commission.
(2) Has been suspended from operating a gambling
game, gaming device, or gaming operation, or had a license
revoked by any governmental authority responsible for the
regulation of gaming activities.

(3) Has been convicted of a crime of moral
turpitude, a gambling-related offense, a theft or fraud
offense, or has otherwise demonstrated, either by a law
enforcement record or other satisfactory evidence, a lack of
respect for law and order.

(4) Is a company or individual who has been directly
employed by any illegal or offshore book that serviced the
United States, or otherwise accepted black market wagers from
individuals located in the United States.

(b) The commission may deny a license to an
applicant, reprimand a licensee, or suspend or revoke a
license under any of the following circumstances:

(1) If the applicant or licensee has not
demonstrated to the satisfaction of the commission financial
responsibility sufficient to adequately meet the requirements
of the proposed enterprise.

(2) If the applicant or licensee is not the true
owner of the business or is not the sole owner, and has not
disclosed the existence or identity of other persons who have
an ownership interest in the business.

(3) If the applicant or licensee is a corporation
that sells more than five percent of the voting stock of the
licensee, or more than five percent of the voting stock of a
corporation which controls the licensee, or sells the assets of a licensee, other than those bought and sold in the ordinary course of business, or any interest in the assets, to any person not already determined by the commission to have met the qualifications of a licensee under this act.

(c) The commission may deny a sports wagering license to an applicant, reprimand a licensee, or suspend or revoke a license if an applicant has not met the requirements of this act.

Section 11. (a) Each operator shall adopt comprehensive house rules governing sports wagering transactions with its patrons. The comprehensive rules shall be published as part of the minimum internal control standards. The rules shall specify the amounts to be paid on winning wagers and the effect of schedule changes. House rules shall be approved by the commission prior to implementation.

(b) The house rules, together with other information the commission deems appropriate, shall be conspicuously displayed and included in the terms and conditions of the sports wagering system, and copies of the rules shall be made readily available to patrons.

(c) The commission shall design a logo and require the display of the logo on game surfaces, other gaming items, and other locations the commission considers appropriate.

Section 12. Each operator shall do all of the following:
(1) Employ a monitoring system utilizing software to identify irregularities in volume or odds swings, which could signal suspicious activities that require further investigation, which shall be immediately reported to and investigated by the commission. The system requirements and specifications shall be developed according to industry standards and implemented by the commission as part of the minimum internal control standards.

(2) Promptly report to the commission any facts or circumstances related to the operation of an operator which constitute a violation of state or federal law and immediately report any suspicious betting over a threshold set by the operator, that has been approved by the commission, to the appropriate state or federal authorities.

(3) Conduct all sports wagering activities and functions in a manner which does not pose a threat to the health, safety, or welfare of the residents of this state and does not adversely affect the security or integrity of sports wagering in this state.

(4) Hold the commission and the county harmless from, and defend and pay for the defense of, all claims asserted against a licensee, the commission, the county, or employees of any of them, arising from the actions or omissions of the licensee while acting as an agent of the commission.

(5) Assist the commission in maximizing sports wagering revenues.
(6) Keep current in all payments and obligations to the commission.

(7) Prevent any person from tampering with or interfering with the operation of any sports wagering.

(8) Ensure that sports wagering conducted at a gaming facility is within the sight and control of designated employees of the operator and such wagering at the facility or otherwise available by the operator is conducted under continuous observation by security equipment in conformity with specifications and requirements of the commission.

(9) Ensure that sports wagering occurs only in the specific locations within designated gaming areas, approved by the commission, or uses a commission-approved device, mobile application, or digital platform that utilizes communications technology to accept wagers originating within this state. Sports wagering shall only be relocated or offered in additional authorized manners in accordance with the rules of the commission.

(10) Maintain sufficient cash and other supplies to conduct sports wagering at all times.

(11) Maintain daily records showing the gross sports wagering receipts and adjusted gross sports wagering receipts of the licensee from sports wagering and timely filing with the commission of any additional reports required by rule or otherwise by this act.

Section 13. Each operator shall conspicuously post a sign at each sports wagering location indicating the minimum
and maximum wagers permitted at that location and shall comply
with those limits.

Section 14. (a) The commission may enter into sports
wagering agreements with other state or local governing bodies
where a person who is physically located in the signatory
jurisdiction may participate in sports wagering conducted by
one or more operators licensed by the signatory governing
bodies and take all necessary actions to ensure that any
sports wagering agreement entered into becomes effective.

(b) Rules adopted by the commission to implement
this section may include the following:

(1) The form, length, and terms of an agreement
entered into by the commission and another governing body,
including, but not limited to, provisions relating to how:

   a. Taxes are to be treated by this state and the
other governing body.

   b. Revenues are to be shared and distributed.

   c. Disputes with patrons are to be resolved.

(2) The information required to be furnished to the
commission by a governing body that proposes to enter into an
agreement with the commission pursuant to this section.

(3) The information required to be furnished to the
commission to enable the commission to carry out the purposes
of this section.

(4) The manner and procedure for hearings conducted
by the commission pursuant to this section, including any
special rules or notices.
(5) The information required to be furnished to the
commission to support any recommendations made to the
commission pursuant to this section.

(c) The commission may not enter into any sports
wagering agreement pursuant to this section unless the
agreement does all of the following:

(1) Accounts for the sharing of revenues between
participating governing bodies and the commission.

(2) Permits the effective regulation of sports
wagering by the commission, including provisions relating to
the licensing of persons, technical standards, resolution of
disputes by patrons, requirements for bankrolls, enforcement,
accounting, and maintenance of records.

(3) Requires each governing body that is a signatory
to the agreement to prohibit operators of sports wagering,
service providers, manufacturers, or distributors of sports
wagering systems from engaging in any activity permitted by
the sports wagering agreement, unless they are licensed by the
commission or in a signatory jurisdiction with similar
requirements approved by the commission.

(4) Prevents variation from the requirements of the
sports wagering agreement by any signatory governing body.

(5) Prohibits any subordinate or side agreements
among any subset of governing body signatory to the agreement,
unless the agreement relates exclusively to the sharing of
revenues.
(6) Requires the county commission to establish and maintain regulatory requirements governing sports wagering that are consistent with the requirements of this state in all material respects, if the sports wagering agreement allows persons physically located in this state to participate in sports wagering conducted by another governing body or an operator licensed by another governing body.

Section 15. (a) An operator shall accept wagers on sports events and other events authorized under this act from persons physically present in a gaming facility where authorized sports wagering occurs, or from persons not physically present who wager by means of approved electronic devices. A person placing a wager shall be at least 21 years of age.

(b) An operator may accept wagers from an individual physically located within this state using a mobile or other digital platform or a sports wagering device approved by the commission through the patron's sports wagering account.

(c) An operator may accept wagers from an individual physically located in a state or jurisdiction with which the commission has entered into a sports wagering agreement by using a mobile or other digital platform or a sports wagering device, through the patron's sports wagering account, if the device or platform is approved by the commission and all other requirements of the agreement are satisfied.

(d) The commission and operator may prohibit any person from entering the gaming area of a gaming facility
conducting sports wagering or the grounds of a gaming facility licensed under this act, from participating in the play or operation of all sports wagering. A log of all excluded players shall be kept by the commission and each operator, and a player on the commission's exclusion list or the operator's exclusion list may not be allowed to wager on sports wagering under this act.

(e) A licensed gaming facility employee may not place a wager on any sports wagering at the facility of his or her employer or through any other mobile application or digital platform of his or her employer.

(f) A commission employee may not knowingly wager or be paid any prize from any wager placed at any licensed gaming facility with sports wagering within this state or at any facility outside this jurisdiction that is directly or indirectly owned or operated by an operator.

(g) The commission shall adopt rules to implement this section.

Section 16. (a) For the privilege of holding a license to operate sports wagering under this act there is levied a 10 percent tax on the adjusted gross sports wagering receipts from the operation of sports wagering of the operator. The accrual method of accounting shall be used for purposes of calculating the amount of the tax owed by the licensee.

(b)(1) The tax levied and collected pursuant to subsection (a) is due and payable to the commission in weekly
installments, on or before the Wednesday following the
calendar week in which the adjusted gross sports wagering
receipts were received and the tax obligation was accrued.

(2) The operator shall complete and submit the
return for the preceding week by electronic communication to
the commission, on or before Wednesday of each week, in the
form prescribed by the commission that provides all of the
following:

a. The total gross sports wagering receipts and
adjusted gross sports wagering receipts from the operation of
sports wagering during that week.

b. The tax amount for which the operator is liable.

c. Any additional information necessary in the
computation and collection of the tax on adjusted gross sports
wagering receipts required by the commission.

(3) The tax amount shown to be due shall be remitted
by electronic funds transfer simultaneously with the filing of
the return. All monies received by the commission pursuant to
this section shall be deposited in the Jefferson County Sports
Wagering Fund.

(4) When the adjusted gross receipts for a week is a
negative number because the winnings paid to patrons wagering
on the sports wagering of the operator exceeds the total gross
receipts of the operator from sports wagering by patrons, the
commission shall allow the operator to carry over the negative
amount to returns filed for subsequent weeks. The negative
amount of adjusted gross receipts may not be carried back to
an earlier week and monies previously received by the commission will not be refunded, except if the operator surrenders its license, and the last return reported negative adjusted gross receipts, and in that case, the commission shall multiply the amount of negative adjusted gross receipts by 10 percent and pay the amount to the licensee in the manner approved by the commission.

(c) With the exception of ad valorem property taxes, the tax on the adjusted gross sports wagering receipts imposed by this section is in lieu of all other state and local taxes and fees imposed on the operation of, or the proceeds from the operation of, sports wagering.

(d) Notwithstanding any other provision of law, no credit may be allowed against the tax obligation imposed by this section or against any other tax imposed by any other provision of law for any investment in gaming equipment or for any investment in, or improvement to, real property that is used in the operation of sports wagering.

Section 17. (a) A special fund in the Jefferson County Treasury known as the Jefferson County Sports Wagering Fund is created and all monies collected under this act by the commission shall be deposited with the county treasurer to the Jefferson County Sports Wagering Fund. The fund shall be an interest-bearing account with all interest or other return earned credited to and deposited in the fund. All expenses of the commission incurred in the administration and enforcement
of this act shall be paid from the Jefferson County Sports Wagering Fund, pursuant to subsection (b).

(b) The commission shall deduct an amount sufficient to reimburse its actual costs and expenses incurred in administering sports wagering at licensed gaming facilities from the gross deposits into the Jefferson County Sports Wagering Fund. The amount remaining after the deduction for administrative expenses is the net profit.

(1) The commission shall retain up to 15 percent of the gross deposits for the fund operation and administrative expenses. If the percentage allotted for operations and administration generates a surplus, the surplus shall be allowed to accumulate, but may not exceed two hundred fifty thousand dollars ($250,000). On a monthly basis, the commission shall remit the entire amount of surplus funds in excess of two hundred fifty thousand dollars ($250,000) to the county treasurer which shall be allocated as net profit and shall be deposited into the Jefferson County Sports Wagering Fund.

(2) Monies in the Jefferson County Sports Wagering Fund shall be distributed on a pro rata basis to Jefferson County, and each municipality within the county, excluding the population of those municipalities which are not within Jefferson County.

Section 18. (a) The commission may impose on any person who violates this act a civil penalty, not to exceed fifty thousand dollars ($50,000) for each violation.
(b) The provisions of Section 41-22-12, Code of
Alabama 1975, shall apply to any civil penalty imposed
pursuant to this section.

Section 19. (a) An operator may not do any of the
following:

(1) Operate sports wagering without the authority of
the commission to do so.

(2) Operate sports wagering in any location or by
any manner that is not approved by the commission.

(3) Knowingly conduct, carry on, operate, or allow
any sports wagering to occur on premises, or through any other
device, if equipment or material has been tampered with or
exposed to conditions in which it will be operated in a manner
designed to deceive the public.

(4) Employ an individual who does not hold a valid
occupational license in a position for which a license is
required or otherwise allow an individual to perform duties
for which a license is required, or continue to employ an
individual after the employee's occupational license is no
longer valid.

(5) Act or employ another person to act as if he or
she is not an agent or employee of the operator in order to
encourage participation in sports wagering at the gaming
facility.

(6) Knowingly permit an individual under the age of
21 years to enter or remain in a designated gaming area or to
engage in sports wagering at a gaming facility.
(7) Exchange tokens, chips, electronic media, or other forms of credit used for wagering for anything of value except money or credits applied to a sports wagering account at a gaming facility.

(8) Offer, promise, or give anything of value to anyone for the purpose of influencing the outcome of a race, sporting event, contest, or game upon which a wager may be made, or knowingly allow or direct a person to place, increase, or decrease a wager after acquiring knowledge, not available to the general public, that anyone has been offered, promised, or given anything of value for the purpose of influencing the outcome of a race, sporting event, contest, or game upon which the wager is placed, increased, or decreased.

(9) Change or alter the normal outcome of any game played on a mobile or other digital platform, including any interactive gaming system used to monitor the same, or the way in which the outcome is reported to any participant in the game.

(10) Manufacture, sell, or distribute any device that is intended by that person to be used to violate this act or the sports wagering laws of any other state.

(11) Place a bet or aid any other individual in placing a bet on a sporting event or other sports wagering game or offering authorized under this act after unlawfully acquiring knowledge of the outcome in which winnings from that bet are contingent.
(12) Claim, collect, or take anything of value from a gaming facility with sports wagering with intent to defraud without having made a wager in which the amount or value is legitimately won or owed.

(13) Knowingly place a wager using counterfeit currency or other counterfeit forms of credit for wagering at a gaming facility with sports wagering.

(14) Allow a person to have in his or her possession on grounds owned by the gaming facility or on grounds contiguous to the facility, any device intended to be used to violate this act or any rule of the commission.

(15) Attempt to commit any violation of this subsection.

(b) Each operator shall post notice of the prohibitions and penalties provided by this section in a manner determined by rules adopted by the commission.

Section 20. This act shall become operative contingent upon the ratification of the proposed constitutional amendment in House Bill ___ of the 2022 Regular Session, authorizing the Legislature, by local or general law, to authorize sports wagering on professional, collegiate, and amateur sports contests and other athletic events.

Section 21. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.