

1 HB418  
2 202901-2  
3 By Representatives Clouse, Poole, McCutcheon, Ledbetter,  
4 South, Lovvorn, Moore (P), Kitchens, Stringer, Reynolds, Brown  
5 (C), Isbell, Crawford, Ball, Whitt, Oliver, Marques, Drake,  
6 Wood (R), Gaston, Sorrells, Brown (K), Sullivan, Greer,  
7 Blackshear, Shiver, Stadthagen, Lipscomb, Wilcox, Wheeler,  
8 Rich, Easterbrook, Rowe, Meadows, Fincher, Pettus, Ellis,  
9 Robertson, Wood (D), Wadsworth, Simpson, Johnson, Faust,  
10 Whorton, Weaver, Lawrence, Gray, Sells, Hurst, Grimsley,  
11 Clarke, Jones (S), Drummond, Chestnut, Forte, McClammy,  
12 Hollis, Boyd, Howard, Morris, Hall, Jackson, Rogers, Bracy,  
13 Hatcher, Moore (M), Alexander, Givan, Daniels, England and  
14 Coleman (Constitutional Amendment)  
15 RFD: Economic Development and Tourism  
16 First Read: 10-MAR-20

SYNOPSIS: Under existing law, lotteries and gift enterprises are prohibited by Section 65 of the Constitution of Alabama of 1901.

This bill proposes an amendment to Section 65 of the Constitution of Alabama of 1901 to establish an Alabama Lottery; to provide for the sale of lottery tickets, including instant tickets and multi-state lottery games; to provide for the distribution of lottery proceeds; to create the Lottery Trust Fund; and to require the Legislature to pass general laws to implement the amendment.

A BILL  
TO BE ENTITLED  
AN ACT

Proposing an amendment to Section 65 of the Constitution of Alabama of 1901, to establish an Alabama Lottery; to provide for the sale of lottery tickets including instant tickets and multi-state lottery games; to provide for

1 the distribution of lottery proceeds; and to require the  
2 Legislature to pass general laws to implement the amendment.

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, as amended:

10 PROPOSED AMENDMENT

11 "Section 65.

12 "Part I.

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

22 "Part II.

23 "Section 1. Declarations. The Legislature finds that  
24 lotteries have been enacted in many states and the revenues  
25 generated from those lotteries have contributed to the benefit  
26 of those states. Many Alabamians already participate in other  
27 state lotteries. Therefore, the purpose of the proposed

1 amendment is to establish and provide for a lottery to  
2 generate revenue for the state.

3 "Section 2. Establishment of an Alabama Lottery.

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

7 "(b) Each fiscal year, the proceeds from the Alabama  
8 Lottery shall be applied first to the payment of the expenses  
9 of administering and operating the Alabama Lottery, including,  
10 without limitation, the payment of all prizes, and one-quarter  
11 of one percent of the net amount shall be set apart and used  
12 to fund programs that aid compulsive gambling, without any  
13 further appropriation required by law, and the balance of the  
14 proceeds remaining thereafter shall be deposited and held in a  
15 special, separate account in the State Treasury hereby created  
16 and designated the Lottery Trust Fund until such time as the  
17 proceeds are appropriated each fiscal year for the following  
18 purposes:

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

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

26 "(c) The lottery games authorized by this part shall  
27 be limited to the sale of paper tickets for instant lottery

1 games and paper or electronic tickets for non-instant lottery  
2 games for which numbers are drawn to determine a winner. This  
3 authorization includes reciprocal agreements with other states  
4 and jurisdictions outside of Alabama for the operation and  
5 promotion of lottery activities. Tickets for non-instant  
6 lottery games for which numbers are drawn to determine a  
7 winner or instant ticket lottery games may be sold at retail  
8 outlets as provided by general law or rule, including through  
9 an automated, player self-service vending machine.

10 Specifically excluded from this authorization is any form of  
11 video lottery or the use of video lottery terminal or any  
12 mobile, Internet-based, monitor-based interactive game, or any  
13 simulated casino-style game, including slot machines, video  
14 poker, roulette, blackjack, or any variant of prohibited  
15 games.

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

19 "(e) "Video lottery" or "video lottery terminal"  
20 excluded by this part means any electronic interactive game,  
21 machine, or device equipped with a video screen and buttons,  
22 keys, a keyboard, touchscreen, or other input method allowing  
23 input by an individual player and into which the player  
24 inserts coins, tokens, currency, or other representation of  
25 value including, but not limited to, an electronic card,  
26 ticket, or other thing on which value is electronically  
27 recorded as consideration in order for play of a game, for the

1 possibility of receiving free games, credits redeemable for  
2 cash or noncash prizes, or some other thing of value, whether  
3 received directly from the device or otherwise, determined by  
4 chance.

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

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

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

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

19 "(3) Activity authorized pursuant to Amendment 386  
20 of the Constitution of Alabama of 1901, as amended by  
21 Amendment 600 to the Constitution of Alabama of 1901, or any  
22 provision of Chapter 65 of Title 11 of the Code of Alabama  
23 1975."

24 Section 2. An election upon the proposed amendment  
25 shall be held in accordance with Sections 284 and 285 of the  
26 Constitution of Alabama of 1901, now appearing as Sections 284  
27 and 285 of the Official Recompilation of the Constitution of

1 Alabama of 1901, as amended, and the election laws of this  
2 state on November 3, 2020.

3 Section 3. The appropriate election official shall  
4 assign a ballot number for the proposed constitutional  
5 amendment on the election ballot and shall set forth the  
6 following description of the substance or subject matter of  
7 the proposed constitutional amendment:

8 "Proposing an amendment to the Constitution of  
9 Alabama of 1901, to establish an Alabama Lottery; to provide  
10 for the sale of lottery tickets, including instant tickets and  
11 multi-state lottery games; to provide for the distribution of  
12 lottery proceeds for the support of the Department of Early  
13 Childhood Education and for scholarship awards; to create the  
14 Lottery Trust Fund; and to require the Legislature to pass  
15 general laws to implement the amendment.

16 "Proposed by Act \_\_\_\_\_."

17 This description shall be followed by the following  
18 language:

19 "Yes ( ) No ( )."