

1 SB407
2 176920-1
3 By Senator Sanders (Constitutional Amendment)
4 RFD: Tourism and Marketing
5 First Read: 12-APR-16

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8 SYNOPSIS: Under existing law, bingo may be played in
9 the Town of White Hall pursuant to Amendment 674 to
10 the Constitution of Alabama of 1901. This bill
11 proposes an amendment to the Constitution of
12 Alabama of 1901, that would provide that electronic
13 bingo may be played in the Town of Whitehall and
14 Lowndes County on any machine or device that is
15 authorized by the National Indian Gaming Commission
16 pursuant to the Indian Gaming Regulatory Act, 25
17 U.S.C. § 2701 et seq., and which is operated by any
18 Native American tribe in Alabama; levy a state
19 gross receipts tax and a county gross receipts tax
20 on electronic bingo gaming; levy a tax on vendors
21 of bingo gaming equipment; provide for the
22 administration of electronic bingo by the Town
23 Council of White Hall; provide for the allocation
24 of the gaming tax proceeds to the State of Alabama
25 and Lowndes County; and provide for the
26 distribution of the local gaming tax proceeds by
27 the Lowndes County Commission.

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2 A BILL
3 TO BE ENTITLED
4 AN ACT
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6 Proposing an amendment to the Constitution of
7 Alabama of 1901, relating to legalizing certain operations of
8 electronic bingo games for prizes or money in the Town of
9 White Hall and Lowndes County; to authorize the Town of White
10 Hall to operate and license electronic bingo games; to levy a
11 state gross receipts tax and a county gross receipts tax on
12 electronic bingo to be administered by the Lowndes County
13 Commission; to levy a state and local tax on vendors of bingo
14 equipment to be administered by the Lowndes County Commission;
15 to provide for the distribution of tax proceeds of the tax;
16 and to prohibit persons under the age of 18 from playing
17 electronic bingo.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. The following amendment to the
20 Constitution of Alabama of 1901, is proposed and shall become
21 valid as a part of the Constitution when all requirements of
22 this act are fulfilled:

23 PROPOSED AMENDMENT

24 (a) The operation of bingo games, including
25 electronic bingo, for prizes or money, which shall include the
26 Town of White Hall or any agency thereof, shall be legal in
27 the Town of White Hall and Lowndes County, subject to any

1 resolution or ordinance by the White Hall Town Council. The
2 White Hall Town Council shall have the authority to promulgate
3 rules and regulations for the licensing and operation of bingo
4 games and shall insure compliance pursuant to any ordinance
5 and the following provisions:

6 (1) Bingo may be played on any machine or device
7 that is authorized by the National Indian Gaming Commission
8 pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. § 2701
9 et seq., and which is operated by any Native American tribe in
10 Alabama.

11 (2) A state gross receipts tax of five percent is
12 levied on the gaming gross revenue. The state gross receipts
13 tax on gaming gross revenue shall be paid by the electronic
14 bingo facility to the Department of Revenue on or before the
15 20th day of the next succeeding calendar month for deposit in
16 the State General Fund.

17 (3) A local gross receipts tax of 10 percent is
18 levied on the gaming gross revenue. The local gross receipts
19 tax shall be paid to the Lowndes County Commission on or
20 before the 20th day of the next succeeding calendar month.

21 a. The Lowndes County Commission shall distribute
22 one and one-half percent of the local tax revenue to the Town
23 of White Hall to provide for all reasonable and necessary
24 expenses incurred by the town council in furtherance of its
25 duties to license and regulate bingo and other needs.

26 b. The Lowndes County Commission shall distribute
27 three percent of the local tax revenue to the Lowndes County

1 Board of Education to be apportioned for public education in
2 Lowndes County.

3 d. The Lowndes County Commission shall distribute
4 two percent of the local tax revenue to municipalities in the
5 county apportioned on the basis of the ratio of the population
6 of each municipality.

7 e. The Lowndes County Commission shall distribute
8 one percent of the local tax revenue to nonprofit tax-exempt
9 entities that provide services to the residents of Lowndes
10 County.

11 f. The Lowndes County Commission shall retain two
12 and one-half percent of the local tax revenue to provide
13 services to the citizens of Lowndes County.

14 (4) The state and local gross receipts taxes are
15 calculated from the total amount of money or value in any form
16 received by an entity with respect to the playing of any form
17 of bingo game, less the total money or value in any form paid
18 as prizes or winnings to the players of a bingo game and free
19 play or promotional credits, but before deduction of any
20 expenses incurred in operating the establishment, including,
21 but not limited to, depreciation or leasing costs of physical
22 facilities and equipment, wages and other employment costs,
23 utilities, interest, and taxes.

24 (5) A local bingo vendor tax is levied on bingo game
25 vendors conducting business in Lowndes County in an amount
26 equal to five percent of the gross revenues collected by the
27 bingo game vendor from leases or other revenue sharing

1 agreements with the bingo facility. The local bingo vendor tax
2 receipts shall be paid to the Lowndes County Commission on or
3 before the 20th day of the next succeeding calendar month. The
4 local bingo vendor tax revenue shall be dedicated for law
5 enforcement services in Lowndes County, including the Lowndes
6 County Sheriff's Department and municipal police departments,
7 and shall be allocated by the county commission only for those
8 purposes.

9 (6) No person under the age of 18 years shall be
10 permitted to play any game or games of bingo, nor shall any
11 person under the age of 19 years be permitted to conduct or
12 assist in the operation of any game of bingo.

13 (7) No bingo license shall be issued to any
14 organization unless the organization has been in existence for
15 at least two years immediately prior to the issuance of the
16 license.

17 (8) Bingo games shall be operated only on the
18 premises owned or leased by the organization operating the
19 bingo game. If the premises are leased, the rate of rental
20 shall not be based on a percentage of receipts or profits
21 resulting from the operation of bingo games unless such
22 percentage is established by promulgated rules and regulations
23 authorized by the town council.

24 (9) An organization may enter into any contract with
25 any individual, firm, or corporation to have the individual or
26 entity operate bingo games or concessions on behalf of the
27 organization. No organization shall pay consulting fees to any

1 individual or entity for any services performed in relation to
2 the operation or conduct of a bingo game.

3 (10) A licensed bingo organization shall not lend
4 its name or allow its identity to be used by another person or
5 entity in the operating or advertising of a bingo game in
6 which the organization is not directly and solely operating
7 the bingo game.

8 (11) Prizes given by any organization for the
9 playing of bingo games shall not exceed the cash amount or
10 gifts of equivalent value set by regulations.

11 (b) The town council may provide for the
12 implementation of this amendment by the adoption of any
13 resolution or ordinance.

14 (c) The provisions of this amendment are
15 complementary and supplemental to any amendment heretofore
16 ratified authorizing the operation of bingo games in the Town
17 of White Hall in Lowndes County.

18 (d) Any person who violates the regulations provided
19 under the provisions of this amendment shall be guilty of a
20 Class C misdemeanor upon the first conviction under this
21 amendment and any subsequent violation shall be a Class A
22 misdemeanor.

23 Section 2. An election upon the proposed amendment
24 shall be held in accordance with Amendment 555 to the
25 Constitution of Alabama of 1901, now appearing as Section
26 284.01 of the Official Recompilation of the Constitution of

1 Alabama of 1901, as amended, and the election laws of this
2 state.

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, relating to the Town of White Hall and
10 Lowndes County, proposing an amendment to the Constitution of
11 Alabama of 1901, to authorize the operation of electronic
12 bingo games by organizations for lawful purposes as authorized
13 by the Whitehall Town Council and provide that such bingo may
14 be played on any machine or device that is authorized by the
15 National Indian Gaming Commission pursuant to the Indian
16 Gaming Regulatory Act, 25 U.S.C. §. 2701 et seq., and operated
17 by any Native American tribe in Alabama; and to levy a state
18 gross receipts tax and a county gross receipts tax on
19 electronic bingo gaming; levy a tax on vendors of bingo gaming
20 equipment; provide for the administration of electronic bingo
21 by the Town Council of White Hall; provide for the allocation
22 of the gaming tax proceeds to the State of Alabama and Lowndes
23 County; and provide for the distribution of the local gaming
24 tax proceeds by the Lowndes County Commission.

25 "Proposed by Act _____."

26 This description shall be followed by the following
27 language:

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"Yes () No ()."