

1 SB220  
2 198522-3  
3 By Senators Albritton and Marsh (Constitutional Amendment)  
4 RFD: Tourism  
5 First Read: 02-APR-19

1 SB220

2  
3  
4 ENGROSSED

5  
6  
7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

10  
11 Proposing an amendment to Section 65 of the  
12 Constitution of Alabama of 1901, to establish an Alabama  
13 Lottery statewide; to provide for the sale of lottery tickets  
14 including instant tickets and multi-state lottery games; to  
15 provide for the distribution of lottery proceeds; and to  
16 require the Legislature to pass general laws to implement the  
17 amendment.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. The following amendment to the  
20 Constitution of Alabama of 1901, as amended, is proposed and  
21 shall become valid as a part thereof when approved by a  
22 majority of the qualified electors voting thereon and in  
23 accordance with Sections 284, 285, and 287 of the Constitution  
24 of Alabama of 1901, as amended:

25 PROPOSED AMENDMENT

26 "Section 65.

27 "Part I.

1           "Except as provided in Part II, the ~~The~~ legislature  
2 shall have no power to authorize lotteries or gift enterprises  
3 for any purposes, and shall pass laws to prohibit the sale in  
4 this state of lottery or gift enterprise tickets, or tickets  
5 in any scheme in the nature of a lottery; and, except as  
6 provided in Part II, all acts, or parts of acts heretofore  
7 passed by the legislature of this state, ~~7~~ authorizing a lottery  
8 or lotteries, and all acts amendatory thereof, or supplemental  
9 thereto, are hereby avoided.

10           "Part II.

11           "Section 1. Declarations. The Legislature finds that  
12 lotteries have been enacted in many states and the revenues  
13 generated from those lotteries have contributed to the benefit  
14 of those states. Many Alabamians already participate in other  
15 state lotteries. Therefore, the purpose of the proposed  
16 amendment is to establish and provide for a lottery statewide  
17 to generate revenue for the state.

18           "Section 2. Establishment of an Alabama Lottery.

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

22           "(b) Each fiscal year, the proceeds from the Alabama  
23 Lottery shall be applied first to the payment of the expenses  
24 of administering and operating the Alabama Lottery, including,  
25 without limitation, the payment of all prizes, without any  
26 further appropriation required by law, and the balance of the  
27 proceeds remaining after the payments shall be deposited in

1 the Alabama Trust Fund for the repayment of transfers made to  
2 the State General Fund in the fiscal years 2013, 2014 and  
3 2015.

4 (c) Upon full repayment of the transfers mentioned  
5 in subsection (b), the balance of proceeds remaining after the  
6 payment of the expenses of administering and operating the  
7 Alabama Lottery in each fiscal year shall be distributed as  
8 follows:

9 "(1) one-half of the remaining proceeds shall be  
10 deposited into the State General Fund annually; and

11 "(2) one-half of the remaining proceeds shall be  
12 deposited into the General Fund Budget Reserve Fund created  
13 within the State Treasury by Senate Bill 126 in the 2019  
14 Regular Session of the Legislature until the General Fund  
15 Budget Reserve Fund reaches 10% of the General Fund  
16 Appropriation for the current fiscal year. Once the General  
17 Fund Budget Reserve Fund reaches 10% of the General Fund  
18 Appropriation for the current fiscal year any remaining  
19 proceeds shall then be deposited into the Lottery Trust Fund  
20 created within the State Treasury until appropriated to  
21 facilitate transition from fiscal year appropriations made  
22 based on projected revenue to fiscal year appropriations based  
23 on the recurring revenues collected and credited to the State  
24 General Fund during the fiscal year immediately preceding the  
25 beginning of the regular session of the Legislature. Once the  
26 balance in the Lottery Trust Fund reaches 10% of the General

1 Fund Appropriation for the current fiscal year remaining  
2 proceeds shall be deposited into the Alabama Trust Fund.

3 "(d) The lottery games authorized by this part shall  
4 be limited to the sale of paper tickets for various intrastate  
5 and multistate or multisoovereign lottery games and instant  
6 tickets or electronic tickets for non-instant lottery games  
7 for which numbers are drawn to determine a winner, but  
8 specifically excluding any form of "video lottery" or use of  
9 "video lottery terminal" as defined or any mobile or  
10 Internet-based or monitor-based interactive game, or any  
11 simulated casino-style game, including video poker, video  
12 roulette, slot machines or video blackjack, or any variant of  
13 these prohibited games.

14 "(e) "Instant tickets" authorized by this part shall  
15 mean a lottery game in which a player manipulates a paper  
16 ticket to determine if the player has won.

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

1 whether received directly from the device or otherwise,  
2 determined wholly or predominantly by chance.

3 "(g) The legislature shall enact legislation  
4 regulating the control, management, and operation of the  
5 lottery.

6 "(h) Nothing in this amendment affects, prohibits,  
7 or limits any activity which was legal at the time this  
8 amendment becomes effective."

9 "Part III.

10 "Nothing in this section affects, prohibits, or  
11 limits any activity that was occurring pursuant to a  
12 Constitutional Amendment prior to January 1, 2005, including,  
13 without limitation, pari-mutuel betting or charity bingo.

14 "Part III.

15 "Nothing in this section affects, prohibits, or  
16 limits any activity authorized pursuant to Amendment 386 of  
17 the Constitution of Alabama of 1901, as amended by Amendment  
18 600 of the Constitution of Alabama of 1901, or any provision  
19 of Chapter 65 of Title 11, Code of Alabama 1975.

20 END OF PROPOSED AMENDMENT

21 Section 2. An election upon the proposed amendment  
22 shall be held in accordance with Sections 284 and 285 of the  
23 Constitution of Alabama of 1901, now appearing as Sections 284  
24 and 285 of the Official Recompilation of the Constitution of  
25 Alabama of 1901, as amended, and the election laws of this  
26 state on March 3, 2020.

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

6                   "Proposing an amendment to the Constitution of  
7 Alabama of 1901, to establish an Alabama Lottery; to provide  
8 for the sale of lottery tickets utilizing paper tickets or  
9 receipts, including instant tickets and multi-state lottery  
10 games; to provide for the distribution of lottery proceeds;  
11 and to require the Legislature to pass general laws to  
12 implement the amendment.

13                   "Proposed by Act \_\_\_\_\_."

14                   This description shall be followed by the following  
15 language:

16                   "Yes ( ) No ( )."

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17

Senate

Read for the first time and referred to the Senate  
committee on Tourism..... 02-APR-19

Read for the second time and placed on the calen-  
dar 1 amendment..... 23-APR-19

Read for the third time and passed as amended .... 25-APR-19

Yeas 21  
Nays 12

Patrick Harris,  
Secretary.